A PROJECT REPORT

ON

**“THE STUDY TO ASSESS THE EFFECTIVENESS OF DISTRIBUTION CHANNEL OF COCA COLA”**

**SUBMITTED TO HP UNIVERSITY SHIMLA**

IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION

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DEPARTMENT OF BUSINESS ADMINISTRATION SWAMI VIVEKANAND GOVERNMENT COLLEGE GHUMARWIN - 174021 ( H.P.)

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“Acknowledgement is an art, one can write glib stanzas without meaning a word, on the other hand one can make a simple expression of gratitude” I take the opportunity to express my gratitude to all of them who in some or other way helped me to accomplish this challenging Project report in A Study on “THE EFFECTIVENESS OF DISTRIBUTION CHANNEL OF COCA COLA CO. AT GHUMARWIN AND BILASPUR” at SVGC Ghumarwin. No amount of written expression is sufficient to show my deepest sense of gratitude to them. I very sincerely acknowledge my sense of reference to Prof. Ram Krishan (Principal), Mr. Rajendra Kumar (coordinator BBA), and Mrs. Rajni Thakur Asst. Prof. (BBA) and faculty members of Swami Vivekanand Govt. College, Ghumarwin.

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Sign of Student

NISHANT KUMAR

DECLARATION

I, Nishant kumar, student of BBA(6th sem.) Swami Vivekanand Govt. College, Ghumarwin, hereby declare that Project Report on **“THE STUDY TO ASSESS THE EFFECTIVENESS OF DISTRIBUTION CHANNEL OF COCA COLA CO. AT GHUMARWIN AND BILASPUR”** submitted in partial fulfillment of Degree of Bachelor in Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

Date:

Place: Ghumarwin Sign of Student

NISHANT KUMAR

CERTIFICATE

This is to certify that Nishant Kumar, a student of BBA(6th sem.) from SVGC Ghumarwin has submitted a Project Report on the topic **“THE STUDY TO ASSESS THE EFFECTIVENESS OF DISTRIBUTION CHANNEL OF COCA COLA CO. AT GHUMARWIN AND BILASPUR”.**

During the project, I found him to be very hardworking, sincere and inquisitive to explore new things. He is able to get across his points effectively and convincingly. He has the ability to withstand stressful project conditions and meet the deadlines.

I wish him all the success in his career and life.

Project Guide Head of Department

Mrs Rajni Thakur Mr. Naresh Kumar

**Signature of Coordinator**

Mr. Rajendar kumar

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CHAPTER-1

**Channel of Distribution:**

Means used to transfer merchandise from the manufacturer to the end user. Intermediaries in the channel are called middlemen. Those who actually take title to the merchandise and resell the goods are merchant middlemen. Those who act as Broker but do not take title are agent middlemen. Merchant middlemen include wholesalers and retailers. Agent middlemen include manufacturer’s representative, brokers and sales agents and retailers.

Whether these exchange processes occur between manufacturers and their suppliers, retailers and consumers, or in some other buyer-seller relationship, marketing channels offer an important way to build competitive advantages in today's global marketplace. This is so for two major reasons:

* Distribution strategy lies at the core of all successful market entry and expansion strategies. The globalization of manufacturing and marketing requires the development of exchange relationships to govern the movement of goods and services.
* New technologies are creating real-time (parallel) information exchange and reducing cycle times and inventories. Take as an example Dell Computer, which produces on-command, customized computers to satisfy individual customer preferences. At the same time, Dell is able to align its need for material inputs (such as chips) with customer demand for its computers. Dell uses just-in-time production capabilities. Internet-based organizations now compete vigorously with traditional suppliers, manufacturers, wholesalers, and retailers.

Marketing channels always emerge from the demands of a marketplace. However, markets and their needs are always changing. It's true, then, that marketing channels operate in a state of continuous evolution and transformation. Channels of distribution must constantly adapt in response to changes in the global marketplace.

This new selling orientation inspired the development of new intermediaries as manufacturers sought new ways to expand market coverage to an increasingly mobile population. The selling orientation required that more intimate access be established to a now more diversified marketplace. In response, wholesale and retail intermediaries evolved to reach consumers living in rural areas, newly emerging suburbs and densely populated urban centers.

Relationship marketing is driven by two principles having particular relevance to marketing channel strategy:

* Long-term, ongoing relationships between channel members are cost-effective. (Attracting new customer’s costs more than ten times more than retaining existing customers.)
* The interactive dialogue between providers and users of goods and services is based on mutual trust.

**The Role of Intermediaries:**

This progression from a production to a relationship orientation allowed many new channel intermediaries to emerge because they created new customer values. Intermediaries provide many utilities to customers.

* Categorizing. At some point in every channel, large amounts of heterogeneous supplies have to be converted into smaller homogeneous categories.
* Breaking bulk. Producers want to produce in bulk quantities. Thus, it is necessary for intermediaries to break homogeneous lots into smaller units.

The role intermediaries play in building customer confidence is their most overlooked function. Several types of risks are associated with exchanges in channels of distribution, including need uncertainty, market uncertainty, and transaction uncertainty. Intermediaries create value by reducing these risks.

# Management problems:

# 1. Shortage of stock faced by the retailers of GHUMARWIN and BILASPUR.

# 2. Channel partners have their own priorities.

# 3. Channel partners do not report to vendors.

# 4. Channel partners are companies, not people.

# Organization profile:

COCA – COLA Pvt. Ltd

Coca-Cola originated as a soda fountain beverage in 1886 selling for five cents a glass. Early growth was impressive, but it was only when a strong bottling system developed that Coca-Cola became the world-famous brand it is today1894 A modest start for a bold idea In a candy store in Vicksburg, Mississippi, brisk sales of the new fountain beverage called Coca-Cola impressed the store's owner, Joseph A. Biedenharn. He began bottling Coca-Cola to sell, using a common glass bottle called a Hutchinson.   
Biedenharn sent a case to As a Griggs Candler, who owned the Company. Candler thanked him but took no action. One of his nephews already had urged that Coca-Cola be bottled, but Candler focused on fountain sales.

**1899 … The first bottling agreement:** Two young attorneys from Chattanooga, Tennessee believed they could build a business around bottling Coca-Cola. In a meeting with Candler, Benjamin F. Thomas and Joseph B. Whitehead obtained exclusive rights to bottle Coca-Cola across most of the United States -- for the sum of one dollar. A third Chattanooga lawyer, John T. Lupton, soon joined their venture.

**1900-1909 … Rapid growth:** The three pioneer bottlers divided the country into territories and sold bottling rights to local entrepreneurs. Their efforts were boosted by major progress in bottling technology, which improved efficiency and product quality. By 1909, nearly 400 Coca-Cola bottling plants were operating, most of them family-owned businesses. Some were open only during hot-weather months when demand was high.

**1916 Birth of the Contour Bottle:** Bottlers worried that Coca-Cola's straight-sided bottle was easily confused with imitators. A group representing the Company and bottlers asked glass manufacturers to offer ideas for a distinctive bottle. A design from the Root Glass Company of Terre Haute, Indiana won enthusiastic approval. The Contour Bottle became one of the few packages ever granted trademark status by the U.S. Patent Office. Today, it's one of the most recognized icons in the world - even in the dark!

**1920s … Bottling overtakes fountain sales:** As the 1920s dawned, more than 1,000 Coca-Cola bottlers were operating in the U.S. Their ideas and zeal fueled steady growth. Six-bottle cartons were a huge hit starting in 1923. A few years later, open-top metal coolers became the forerunners of automated vending machines. By the end of the 1920s, bottle sales of Coca-Cola exceeded fountain sales.

**1920s and '30s** … International expansion :Led by Robert W. Woodruff, chief executive officer and chairman of the Board, the Company began a major push to establish bottling operations outside the U.S. Plants were opened in France, Guatemala, Honduras, Mexico, Belgium, Italy and South Africa. By the time World War II began, Coca-Cola was being bottled in 44 countries.

**1940s…Post-war Growth:** During the war, 64 bottling plants were set up around the world to supply the troops. This followed an urgent request for bottling equipment and materials from General Eisenhower's base in North Africa. Many of these war-time plants were later converted to civilian use, permanently enlarging the bottling system and accelerating the growth of the Company's worldwide business.

**1950s… Packaging innovations:** For the first time, consumers had choices of Coca-Cola package size and type-the traditional 6.5 ounce Contour Bottle, or larger servings including 10-, 12- and 26-ounce versions. Cans were also introduced, becoming generally available in 1960.

**1960s … New brands introduced**: Sprite®, Fanta®, Fresca® and TAB® joined brand Coca-Cola in the 1960s. Mr. Pibb® and Mello Yello® were added in the 1970s. The 1980s brought diet Coke® and Cherry Coke®, followed by PowerAde® and Fruitopia® in the 1990s. Today scores of other brands are offered to meet consumer preferences in local markets around the world. **1970s and '80s … Consolidation to serve customers** :As technology led to a global economy, retail customers of The Coca-Cola Company merged and evolved into international mega-chains. Such customers required a new approach. In response, many small and medium-size bottlers consolidated to better serve giant international customers. The Company encouraged and invested in a number of bottler consolidations to assure that its largest bottling partners would have capacity to lead the system in working with global retailers.

**1990s … New and growing markets:-**Political and economic changes opened vast markets that were closed or underdeveloped for decades. After the fall of the Berlin Wall, the Company invested heavily to build plants in Eastern Europe. As the century closed, more than $1.5 billion was committed to new bottling facilities in Africa.

**21stCentury …**  
The Coca-Cola bottling system grew up with roots deeply planted in local communities. This heritage serves the Company well today as consumers seek brands that honor local identity and the distinctiveness of local markets. As was true a century ago, strong locally based relationships between Coca-Cola customers and communities are the foundation on which business grows.

**Vision :**  
To achieve sustainable growth; we have established a vision with clear goals.

* Profit: Maximizing return to shareowners while being mindful of our overall responsibilities.
* People: Being a great place to work where people are inspired to be the best they can be.
* Portfolio: Bringing to the world a portfolio of beverage brands that anticipate and satisfy peoples’ desires and needs.
* Partners: Nurturing a winning network of partners and building mutual loyalty.
* Planet: Being a responsible global citizen that makes a difference”.

**Mission:**  
Everything we do is inspired by our enduring mission:

* To Refresh the World... in body, mind, and spirit.
* To Inspire Moments of Optimism... through our brands and our actions.
* To Create Value and Make a Difference... everywhere we engage”.

**Values:**  
They are guided by shared values that they will live by as a company and as individuals.

* Leadership: "The courage to shape a better future"
* Passion: "Committed in heart and mind"
* Integrity: "Be real"
* Accountability: "If it is to be, it’s up to me"
* Collaboration: "Leverage collective genius"
* Innovation: "Seek, imagine, create, delight"
* Quality: "What we do, we do well"

# Beliefs:

“There is much in our world to celebrate, refresh, strengthen and protect. The Coca-Cola Company is a vibrant network of people, in over 200 countries, putting citizenship into action. Through our actions as local citizens, we strive every day to refresh the marketplace, enrich the workplace, protect the environment.  
”We are a local employer, with responsibility to enable our people to tap into their full potential; working at their innovative best and representing the diversity of the world we serve”.

”We are an investor in local economies and a driver of marketplace innovation, with a responsibility to act as a good steward of our natural environment”.  
And we are a local citizen, understanding our responsibility to contribute to an improved quality of life in our communities”.

**Values and Commitments at the Coca-Cola Company:**

The reputation of The Coca-Cola Company is built on trust and respect. Our employees and those who do business with us around the world know we are committed to earning their trust with a set of values that represent the highest standards of quality, integrity, excellence, compliance with the law, and respect for the unique customs and cultures in communities where we operate.

Our Company has always endeavored to conduct business responsibly and ethically. We respect international human rights principles aimed at promoting and protecting human rights. Our acknowledgment of these international principles is consistent with our dedication to enriching the workplace, preserving the environment, strengthening the communities where we operate.

**Supplier Guiding Principles:**

The Supplier Guiding Principles (SGP) are a vital pillar of The Coca-Cola Company's workplace accountability programs. These programs are driven by the belief that good corporate citizenship is essential to our long-term business success and must be reflected in our relationships and actions in our workplaces and the workplaces of those who are authorized to directly supply our business.

Recognizing that there are differences in laws, customs, and economic conditions that affect business practices around the world, we believe that shared values must serve as the foundation for relationships between The Coca-Cola Company and its suppliers. The Supplier Guiding Principles communicate our values and expectations and emphasize the importance of responsible workplace policies and practices that comply, at a minimum, with applicable environmental laws and with local labor laws and regulations. The principles outlined below reflect the values we uphold in our own policies, and we expect our direct suppliers to follow the spirit and intent of these guiding principles.

1. Freedom of Association and Collective Bargaining  
   Respect employees' right to join, form, or not to join a labor union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, establish a constructive dialogue with their freely chosen representatives and bargain in good faith with such representatives.
2. Prohibit Child Labor: Adhere to minimum age provisions of applicable laws and regulations.
3. Prohibit Forced Labor and Abuse of Labor :Prohibit physical abuse of employees and prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor or slave labor.
4. Eliminate Discrimination: Maintain workplaces that are free from discrimination or physical or verbal harassment. The basis for recruitment, hiring, placement, training, compensation, and advancement should be qualifications, performance, skills and experience.
5. Work Hours and Wages: Compensate employees relative to the industry and local labor market. Operate in full compliance with applicable wage, work hours, overtime and benefits laws, and offer employees opportunities to develop their skills and capabilities, and provide advancement opportunities where possible.
6. Provide a Safe and Healthy Workplace: Provide a secure, safe and healthy workplace. Maintain a productive workplace by minimizing the risk of accidents, injury, and exposure to health risks.
7. Protect the Environment: Conduct business in ways which protect and preserve the environment. Meet applicable environmental laws, rules, and regulations.

Compliance with Applicable Laws and Standards: Suppliers to The Coca-Cola Company and suppliers authorized by The Coca-Cola Company are required to meet the following standards, at a minimum, with respect to their operations as a whole:

1. Laws and Regulations: Supplier will comply with all applicable local and national laws, rules, regulations and requirements in the manufacturing and distribution of our products and supplies and in the provision of services.
2. Child Labor: Supplier will comply with all applicable local and national child labor laws.
3. Forced Labor: Supplier will not use forced, bonded, prison, military or compulsory labor.
4. Abuse of Labor Supplier will comply with all applicable local and national laws on abuse of employees and will not physically abuse employees.
5. Freedom of Association and Collective Bargaining: Supplier will comply with all applicable local and national laws on freedom of association and collective bargaining.
6. Discrimination Supplier will comply with all applicable local and national discrimination laws.
7. Wages and Benefits Supplier will comply with all applicable local and national wages and benefits laws.
8. Work Hours and Overtime: Supplier will comply with all applicable local and national work hours and overtime laws.
9. Health and Safety: Supplier will comply with all applicable local and national health and safety laws.
10. Environment: Supplier will comply with all applicable local and national environmental laws.
11. Demonstration of Compliance: Supplier must be able to demonstrate compliance with the Supplier Guiding Principles at the request and satisfaction of The Coca-Cola Company

These minimum requirements are a part of all agreements between The Coca-Cola Company and its direct and authorized suppliers. We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with the Supplier Guiding.

# Quality:

We ensure the quality and safety of our beverages through The Coca-Cola Quality System (TCCQS), our integrated approach to managing quality, environment, health and safety. We continuously review TCCQS to ensure it meets the most stringent and up-to-date global requirements related to food safety..  
In our ingredient evaluation laboratories, for example, we perform precise analyses of fruit juices and other ingredients sent to us by our suppliers, to ensure and to improve product quality. Our processes, too, undergo constant scrutiny, to safeguard the water we use in our products and the packaging that carries them to our consumers. We inform and educate our business partners about our standards so that they meet the highest quality requirements. Under TCCQS, quality is our highest business objective. The Coca-Cola Quality System: a worldwide initiative involving every aspect of our business. Everyone who works for or with Coca-Cola is empowered and expected to maintain the highest standards of quality in products, processes and relationships. TCCQS mandates in-depth self-assessment throughout our operations, by all our business units. This enables us to rise.  
The latest version of our system-Evolution 3, launched in 2004-has been externally benchmarked against international quality standard ISO 9001. It also incorporates the Hazard Analysis Critical Control Point system.

# Value chains:

* Our supplier: Our suppliers include those business partners who supply our system with materials, including ingredients, packaging and machinery as well as goods and services. At a minimum, all authorized and direct suppliers must comply with all applicable laws and regulations, including those concerning child labor, forced labor, abuse of labor, freedom of association and collective bargaining, discrimination, wages and benefits, working hours and overtime, health and safety, and environmental practices. All our new agreements with suppliers require compliance with our Supplier Guiding Principles.
* **Our Customers**: Our customers include large, international chains of retailers and restaurants, as well as small, independent businesses. Some of our customers are major corporations as globally familiar as the name Coca-Cola; others are the corner market or the local pushcart vendor.  
  Whether customers are large or small, we work with them to create mutual benefit. Helping them to grow their businesses helps to grow ours, too. Together with our bottling partners, we serve our customers through account management teams, providing services and support tailored to needs..

**Customer Development and Training:** We provide support to smaller customers to help make their businesses more efficient and profitable. These centers provided training in general management, marketing, finance, inventory management and customer service-at no cost-to more than 21,000 independent retailers in 2005.We also work with customers to broaden the range of beverages they offer, provide nutritional information and ensure our beverages are marketed responsibly.

# Packaging – why it matters

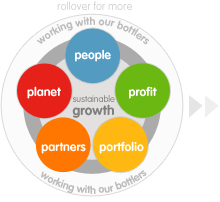
Far from being a burden and waste, packaging adds value to products by extending the shelf-life of goods, minimizing breakage, reducing transportation and handling costs, safeguarding public health and providing product-use information and convenience to the consumer. The negative perceptions of packaging simply as a troublesome byproduct are at direct odds with the significant role it plays in society.

Recognizing the role of packaging in no way diminishes the need to further minimize its impact on the environment. In fact, in an emerging era of scarcer natural resources, rising energy costs and greater global environmental awareness, companies focused on long-term success are moving beyond simply limiting impacts and are working toward competitive packaging solutions that maximize social and environmental value.

# Bottling about:

One of our great strengths is our ability to conduct business on a worldwide scale while maintaining a local approach. At the heart of this approach is our bottling system. Before any of our 2,400 beverage products is consumed by anybody around the world, it has to be produced, packaged and distributed. Since we reach 6 billion consumers in over 200 country.

**WORKING WITH THE BOTTLERS:**



**PLANET:** We act as a responsible global citizen, focused on our environment efforts and making a difference wherever we engage.

**PEOPLE:** We inspire to be a great workplace where people are inspired to be the best they can be.

**PROFIT:** We maximize returns to our shareowners while being mindful of our overall responsibilities.

**PORTFOLIO:** We bring the global market place beverage brands that anticipate and satisfy people’s desires and needs.

**PARTNERS:** We actively nurture a winning network of beverages and bottling partners building mutual loyalty

Our bottling partners are local companies so they are rooted in their communities, thinking and acting locally. They are employers, purchasers of local goods and services, good neighbors, and, of course, producers of the world's most popular beverages.

It's a big job, and sometimes it's done quite creatively. In Indonesia, for instance, boats transport Coca-Cola® and our other brands between the many hundreds of islands that make up that nation. In the Amazon, where the main road is often the river itself, water-borne distribution is also common. In some of the higher elevations of the Andes, Coca-Cola is sometimes transported by four-legged power. Across much of Africa, bottlers deliver to thousands of family-run kiosks and home-based stores on which local economies depend.

# Our system – How we operate

Coca-Cola is often thought to be one brand made by one company. In reality, it is a vibrant business system, in more than 200 countries around the world, made up of The Coca-Cola Company and more than 300 Coca-Cola bottlers. Most of our bottlers are independently owned and not controlled by our Company.

Together with our bottling partners, we operate the most extensive beverage distribution system in the world. Known informally as the Coca-Cola system, this network of 848 plants, approximately 200,000 vehicles and more than nine million coolers and vending machines helps us to manufacture and distribute our products to customers and consumers around the world, where our beverages are consumed at a rate of more than 1.3 billion servings each day.

**The Coca-Cola System:**

* **The Coca-Cola Company**  
  1. Owns the global Coca-Cola brand and owns or licenses over 400 other brands.  
   2. Manufactures and sells beverage concentrate and syrup to bottling and canning operations, distributors, fountain wholesalers and some fountain retailers.  
  3. Manufactures and sells some finished beverages, both carbonated and noncarbonated.
* **Our Bottling Partners**

Combine our syrup with carbonated water or combine our concentrate with sweetener and water and/or carbonated water (depending on the product) to produce a finished beverage.  
Place beverages in cans or bottles and then transport the finished beverages to warehouses or to customer locations.

Bottling partners range from international and publicly traded businesses to small, family-owned operations. Although we invest in the majority of bottling companies, we have a controlling ownership interest in only a small number, meaning that the vast majority of bottlers operate with separate governance and management structures, and in accordance with applicable laws and customs. Our relationship with these partners is one of collaboration and support, based on mutual self-interest, common goals and shared values. We make every effort to positively influence environmental activities and policies throughout our bottling system and to provide information from both our Company-owned operations and our broader system.

# Community:

We live and work in more than 20 countries and have deep roots in communities around the world. We are connected to the lives and livelihoods of those communities. And we are intensely committed to the economic success and continued growth of these communities.

We contribute to economic success through our day-to-day business, by providing jobs in our own operations as well as jobs in businesses we touch along the way. We call it the multiplier effect, where we not only positively affect those directly employed by our business but also create and expand businesses that do business with us.

In addition to economic impact, we invest in local economies through substantive and locally relevant community programs. Wherever we operate, we work with local leaders, businesses and governments to identify community needs and aspirations. The resulting partnerships and programs are an important part of how we contribute to the well-being of the communities where we operate.

Economic Impact:The Coca-Cola business is essentially a local one. With our bottling partners, we produce our products in more than 800 plants around the world. In those plants and other facilities, we employ local people, pay taxes to governments, pay suppliers for goods, services and capital equipment, and support community investment programs.

# Local initiative:

The Company and our bottling partners contribute to a wide range of community causes in countries around the world. In keeping with the local nature of our business and the differing needs of individual communities, our approach is primarily a local one, with community investment priorities determined on a market-by-market basis. We work with people in communities and governmental organizations and NGOs to create and support projects most relevant to communities.

Responding to Local Needs: We support a wide range of initiatives that respond to specific local needs:

* **Health:** Tackling such health issues as polio, tuberculosis, hepatitis, malnutrition and hygiene education
* **HIV/AIDS:** Educational campaigns, condom distribution, HIV/AIDS orphanages, hospices
* **Micro enterprise:** Supporting self-help groups, establishing funds, providing training.
* **Cultural heritage and the arts:** Promoting the arts and artists, preserving heritage

**COKE PRODUCTS IN INDIA:**

1. Coca-cola
2. Thumps Up
3. Sprite
4. Fanta
5. Limca
6. Maaza
7. Kinley
8. Minute Maid

**Out of which**

* Coca-cola, Maaza, Kinley, Sprite, Minute Maid are Coca-Cola products
* Thumps up, Limca, Fanta are the products of Parle which are purchased by the Coca-Cola Co.

**PROFITABLE BRANDS ARE:**

* 300ml - Maaza, Coke, Sprite
* 600 ml - all brands
* 2 litre – All brands

**STRATA”S OF COCA-COLA Co. INDIA**

India is been divided into three (3) strata’s they are

1. North
2. South
3. Central

CEO

NORTH SOUTH CENTRAL

Note: Each strata/region has a Regional Vice President

**DIVISION OF THE SOUTH INDIA FOR COCA-COLA INDIA**

SOUTH  
 REGIONAL VICE PRESIDENT

ANDRAPRADESH CHENNAI KERALA KARNATAKA

**ORGANIZATION’S SALES CHART FOR H.P**

AREA GENERAL MANAGER

GENERAL SALES MANAGER

SALES MANAGER

ASSOCIATE SALES MANAGER

AREA SALES MANAGER

SENIOR SALES EXECUTIVE

EXECUTIVE

SALES OFFICER

TRAINEE SALES OFFICER

RURAL SALES PROMOTER / MARKET DEVELOPERS

**DISTRIBUTION CHANNEL OF COCA-COLA PRODUCTS FOR**

* BOTTLING PLANT
* DEPOT (DHARWAD)
* DISTRIBUTORS
* RETAILERS
* CONSUMERS

**H.P. PLANT DETAILS**

PLANT

ACCOUNT LOGISTICS SALES HR MARKETING QUALITY CONTROL

The plant is divided into the following FOUR (4) departments,

1. ACCOUNTS
2. LOGISTICS
3. SALES
4. HUMAN RESOURCE
5. MARKETING
6. QUALITY CONTROL

**TYPES OF OPERATIONS UNDERTAKEN BY THE COMPANY**

Coca-cola India Holding, the intermix of the company-owned bottling operations (COBO’s) and franchisee owned bottling operations (FOBO’s).

* + - * COMPANY-OWNED BOTTLING OPERATIONS (COBOS): COBO refers to the operations directly carried by the company. These COBO’s have to work under the guidelines by the Coca-cola Co. There are three (3) COBO units in South India they are at following places:
* Bangalore (Biddi)
* AndhraPradesh
  + - * **FRANCHISEE OWNED BOTTLING OPERATIONS (FOBO’S):** FOBO’s refers to the operations carried out by the FRANCHISER’s. The plant at Hospet was initially a FOBO unit but now it’s been purchased by the company and soon the company operations will start in that plant.

**DISTRIBUTORS DETAILS IN BELGAUM**

Criteria for selecting the distributors:

The company looks at the prospects before permitting/Authorizing for distributor. Therefore the criteria’s are as follows,

* He should have a godown
* Vehicles
* Manpower
* Deposit for cases/crates at the rate of 200 each

Distributors in Belgaum

* Trimurthi
* Desai
* Tejasvi

Number of units possessed by distributors  
In season - 14 units  
In off-season – 6 units

\* Units refers to the vehicles possessed by the distributors for local logistics

Factors influencing the assignment of areas to distributors salesman

1. An average number of outlets the salesman effectively works on. A salesman can handle 60 outlets on an average effectively in a day

2. Depending on the frequency of a particular route. The distributors follow three types of frequencies they are:  
a) Daily  
b) Alternative days  
c) Once a week

Note: Once in a week is only followed for the up country areas

**Working of distributors:**

The distributor first has to maintain the following

* The Brand pack separately after unloading the vehicle i.e. the brand order in the following sequence   
  - Coke  
  - Lime  
  - Orange  
  - Juice  
  - Water
* 5 days stock to meet the demand.

The company gives target to the distributors and these distributors with help of sales executives break the target into :

* 1. Daily
  2. Weekly
  3. Brand wise
  4. Sales wise

Here the distributor focuses on weaker brands and tries to push maximum number of these weaker units into the mixed cases ordered by the retailers.

For Ex: The sales of Fanta are considered to be low then the distributor adds more number of Fanta units in a mixed case.

**Distributors route Planning:**

Distributors identify two routes they are,

* Potential route
* Non Potential route

Note: For Potential the vehicle goes daily and for non-potential it goes once in a week

The potential routes are those routes in which the distributor gets maximum business as the number of outlets will be more and therefore the vehicle goes daily to meet the market demand.

Ex: If a distributor has 400 outlets in his area he has to plan accordingly as per his route where in he has to visit 60 outlets per route.

OPERATIONAL PLANS FOR THE YEAR

Distributors have two plans a year

1. First plan from January 1st to June 15th
2. Second Plan from June 15th to December 31st

**FIRST PLAN:**

This plan is considered as yielding season where maximum business will be earned. The 70% of the target needs to be achieved during this season

**SECOND PLAN:**

Here in this plan there will be minimum business and during this season there will be lot of promotional activities undertaken.

**The role of distributor in market:**

The distributors’ salesman is trained properly with respect to his behaviour with the retailers. As soon as the vehicle goes to the outlet it is the duty of the sales person to

1. Greet the retailer and have a look at the cooler/refrigerator.
2. He has to suggest the retailer about the stock needed
3. Convince him for purchase
4. Place the products in the cooler as per brand order
5. Look at the warm displays

Support from the company to the distributor

###### The company supports the distributors in terms of incentives during the off season i.e. during the second plan in order to retain the distributor.

**EXAMPLE FOR CALCULATION OF ROI (RETURN ON INVESTMENTS) FOR DISTRIBUTORS:**

* The deposit of 1500 cases at the rate of 200 Rs per case = 3,00,000
* Liquid Value on an average including all mini, 300 ml, half litre and 2 litre = 2,00,000
* Godown deposit = 20,000
* Vehicle = 4,80,000

Therefore the total investment is Rs 10, 00,000

Now to calculate the ROI = ({Volume X Case rate} – Expenses) / Investment

If a distributor has 50,000 volume, 11 Rs per case and Other Expenses 35,000 then,

50,000 X 11 =55,000 – 35,000 =20,000 Rs

Therefore ROI = 20,000 /10,00,000 = 0.20 = 20%

Hence the ROI is favourable.

Chapter-II

**Topic of the study:**

The study to asses the effectiveness of distribution channel of coca cola at

GHUMARWIN and BILASPUR.

**Objective of the study:**

The main objective behind this project is to study and understand the

distribution channel and its effectiveness in bringing the product in right time to

right customer.

**To study the main objective the following are the necessity:**

* The performance level of the existing distribution channel.
* The cover area.
* Problems related to the existing channel.
* Satisfaction level of the customer (retailers) towards the existing distribution channel.

The study is confined to the retailers in GHUMARWIN and BILASPUR.

**Purpose of the study:**

To know if the existing distribution channel is capable of meeting the increased

demand for the Coca Cola products in GHUMARWIN and BILASPUR.

**Benefits of the study:**

**The study will confront me the following:**

* The culture of the company
* Their distribution channel
* Satisfaction level of the customer
* Handling customers complaint on field

**Limitation of the study:**

Due to the time constraint the study is restricted only to the retailers of the

BILASPUR and not to the surrounding villages.

The coverage of the objective of the study is limited to the extent of the extent

of the information given by the company. Inspite of the above mentioned

limitations every effort has been made and the report is prepared to the best of

my knowledge.

* Many business executives and researchers have ambiguity about the research problem and it’s objectives. They have limited experience of theotion of the decision-making process. This leads to carelessness in research and researchers are not able to do anything real.

CHAPTER-III

**RESEARCH DESIGN AND METHOLOGY**

**Research Design:**

Research design refers to the framework of market research methods and techniques that are chosen by a researcher. The design that is chosen by the researchers allow them to utilise the methods that are suitable for the study and to set up their studies successfully in the future as well.The design of a research can be either qualitative, quantitative, or mixed.

The research was divided into two parts they were,

1. Survey
2. Implementation

Survey:

For the survey purpose the entire BILASPUR was divided into two area,

1. Bilaspur Sadar
2. Ghumarwin

For sampling outlets are divided in to four categories

* + 1. BRONZE
    2. SILVER
    3. GOLD
    4. DIAMOND

**The Basis for the above division are as follows:**

1. Bronze outlets are those outlets who sell less than 299 crates a Year.

2. Silver outlets are those outlets who sell 300 crates to 499 crates a Year.

3. Gold outlets are those outlets who sell 500 crates to 799 crates a Year.

4. Diamond outlets are those outlets who sell 800 and above crates a Year.

**Implementation**

After the survey was conducted the implementation work was carried out of the surveyed outlets, during the remaining period i. e. 16 weeks ( only Sundays in a week from 1st april to 5th july). The product delivery system was learnt.

**DATA COLLECION APPROACH:**

The Data was collected through two sources,

* **Primary sources:**

a) Questionnaire

b) Personal interaction

* **Secondary sources:**

a) Related information from internet

b) Organization Report

**DATA COLLECTION METHOD:**

* RETAILER SURVEY
* PERSONAL INTREVIEW

**DATA COLLECTION TECHNIQUE:**

* QUESTIONAIRE
* PERSONAL INTERVIEW

**MEASURMENT TECHNIQUES:**

This project is analyzed with the help of SPSS software wherein the data is analyzed with the help of

* Bar Graphs
* Frequency tables
* Percentage tables

###### SAMPLING

Selection of Sample:

Sampling allows us to concentrate our attention upon relatively small number of people and hence devote more energy to ensure that the information collected from them is accurate.

POPULATION:

* People from the GHUMARWIN.

SAMPLE FRAME:

* Retailers at GHUMARWIN.

SAMPLE UNIT:

* Retailers who sell Cold-drinks

SAMPLING SIZE:

* 80 retailers only.

SAMPLE METHOD:

* Stratified Sampling.
* Demographic Method

CHAPTER-IV

**Section-A Stratified Method**

### Q. 1 Which type of Store will you select to sell Coke products?

|  |  |  |
| --- | --- | --- |
| **Store** | **No. of Retailers** | **%** |
| 1. Convenience Store | 24 | 30% |
| 1. Eatery Store | 31 | 39% |
| 1. Grocery Store | 20 | 25% |
| 1. Others | 5 | 6% |
| **Total** | **80** | **100%** |

Fig.1

**Interpretation:**

In the above fig.1 It is found that dealers prefer to sell 39% to Eatery stores, 30% to Convenience store, 25% to Grocery stores and 6% to others. So, it shows that maximum dealers prefer to sell Coca Cola products to Eatery stores.

### Q.2 How do you rate the representative behaviour with retailers?

|  |  |  |
| --- | --- | --- |
| **Particular** | **No. of Retailers** | **%** |
| Excellent | 32 | 40% |
| Average | 43 | 54% |
| Below Average | 3 | 4% |
| Poor | 2 | 2% |
| Total | 80 | 100% |

**Fig.2**

### Interpretation:

### In the above fig.2 it is found that 40% retailers rate the representative’s behavior excellent, 54% average, 4% below average and 2% poor.

**Q.3 How much time does it take for the delivery of coca cola product to the retailers?**

|  |  |  |
| --- | --- | --- |
| **Time Taken** | **No. of Retailers** | **%** |
| 6-12 Hours | 21 | 25% |
| 1. 1-2 Day | 33 | 42% |
| 1. 2-7 Day | 18 | 23% |
| 1. More than 7 days | 8 | 10% |
| **Total** | **80** | **100%** |

### Fig.3

**Interpretation**

In the above fig.3It is found that 25% of the retailers get the product in 6-12 hours, 42% retailers in 1-2 days, 23% in 2-7 days and to 10% retailers it takes more than 7 days to reach the product. So, most of the retailers got the product on right time.

### Q.4. How much satisfied are you with the credit facilities of Coca Cola?

**Fig.4**

|  |  |  |
| --- | --- | --- |
| **Satisfaction level** | **No. of retailers** | **%** |
| 1. Highly satisfied | 15 | 38% |
| 1. Satisfied | 21 | 52% |
| 1. Dissatisfied | 3 | 7% |
| 1. Highly dissatisfied | 1 | 3% |
| **Total** | **80** | **100%** |

**Fig.1**

**Interpretation:**

In the above fig.4, it is found that with credit facility of coca cola 38% retailers are highly satisfied, 52% satisfied, 7 % dissatisfied and 3% are highly dissatisfied.

**Q.5 How is the relationship with the distributor?**

|  |  |  |
| --- | --- | --- |
| **Particular** | **No. of Retailers** | **%** |
| 1. Excellent | 32 | 39% |
| 1. Very Good | 40 | 50% |
| 1. Average | 4 | 5% |
| 1. Below Average | 4 | 5% |
| **Total** | **80** | **100%** |
| **Fig.5**  **Interpretation**  In the above fig.5 it is found that 39% retailers have excellent, 52% have very good, 5% have average and also 5% have below average relation with distributors. | | |

## Q.6 Are you satisfied with transportation system of Coca-Cola?

|  |  |  |
| --- | --- | --- |
| Particular | No. of Retailer | % |
| Yes | 64 | 80% |
| No | 8 | 10% |
| Can’t Say | 8 | 10% |
| Total | 80 | 100% |
| Fig.6 | | |

**Interpretation:**

The above fig.6 shows that with the highest percentage of 80% most of the retailers says that they are satisfied with the transportation system of Coca Cola. While 10% says no and also 10% says they can’t decide.

## Q.7. which product has more demand in the market of Coca Cola.

|  |  |  |
| --- | --- | --- |
| Particular | No.of Retailers | % |
| Fanta | 20 | 25% |
| Sprite | 16 | 20% |
| Coke | 24 | 30% |
| Pepsi | 20 | 25% |
| Total | 80 | 100% |

**Fig.7**

**Interpretation:**

The above fig.7 shows that fanta and pepsi both has 25% demand in the market and sprite has only 20% demand in the market, whereas Coke leads the market with 30% demand.

### Q. 8Are coke’s product delivered on time Statistics ?

|  |  |  |
| --- | --- | --- |
| **Decision** | **No. of Retailers** | **%** |
| 1. Yes | 60 | 75% |
| 1. No | 12 | 15% |
| 1. Can’t Say | 8 | 10% |
| **Total** | **80** | **100%** |

**Fig.8**

**Interpretation:**

In the above fig.8, it is found that 15% dealers didn’t get the delivery of product on right time and 75% dealers says that they get the Coca Cola product on right time

**Q.9Are you satisfied with the supply each time ?**

|  |  |  |
| --- | --- | --- |
| **Decision** | **No. of Retailers** | **%** |
| 1. Yes | 64 | 80% |
| 1. No | 8 | 10% |
| 1. Can’t say | 8 | 10% |
| **Total** | **80** | **100%** |

**Fig.9**

**Interpretation:**

In the above fig.9, it is found that 80% dealers are satisfied with the supple each time and 10% dealers are not satisfied with the supple each time, and 10% of the dealers can’t decide whether they are satisfied with supply each time or not.

**Q.10. Reason for selling coca cola products?**

|  |  |  |
| --- | --- | --- |
| **Decision** | **No. of Retailers** | **%** |
| 1. Margin | 20 | 25% |
| 1. Promotional scheme | 16 | 20% |
| 1. Demand | 28 | 35% |
| 1. Credit policy | 14 | 18% |
| 1. Other reasons | 2 | 2% |
| **Total** | **80** | **100%** |

**Fig.10**

**Interpretation:**

In the above fig.10, it is found that 25% sell the product for margin 20% for promotional scheme 35% for the demand of product in market 18% for credit policy and 2% for other reasons.

**Q.11 How do you rate the credit policy of the company?**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **No. of Retailers** | **%** |
| 1. Excellent | 30 | 38% |
| 1. Good | 33 | 40% |
| 1. Average | 14 | 18% |
| 1. Poor | 3 | 4% |
| **Total** | **80** | **100%** |

**Fig.11**

**Interpretation:**

Above fig.11, shows 30% retailers rate excellent, 40% good, 18% average and 4% rate the credit policy of the company poor.

**Q.12How do you rate the supply norms of the company?**

|  |  |  |
| --- | --- | --- |
| **Decisions** | **No. of Retailers** | **%** |
| 1. Excellent | 23 | 28% |
| 1. Good | 36 | 45% |
| 1. Average | 19 | 24% |
| 1. Poor | 2 | 3% |
| **Total** | **80** | **100%** |

**Fig.12**

**Interpretation:**

The above fig.12 shows that 28% retailers rate the supply norms of the company excellent, 45% good, 24% average and 3% rate poor.

**Q.13How do you rate the damage policy?**

|  |  |  |
| --- | --- | --- |
| **Decision** | **No. of Retailers** | **%** |
| 1. Excellent | 29 | 36% |
| 1. Good | 40 | 50% |
| 1. Average | 8 | 10% |
| 1. Poor | 3 | 4% |
| **Total** | **80** | **100%** |

**Fig.13**

**Interpretation:**The above fig.13 shows that 36% retailers rate the damage policy of the company excellent, 50% good, 10% average and 4% rate the damage policy poor.

**Section-B (Demographic Method)**

**Gender of Respondents**

|  |  |  |
| --- | --- | --- |
| **Gender** | **No. of retailers** | **Percentage (%)** |
| Male | 45 | 56% |
| Female | 35 | 45% |
| **Total** | **80** | **100%** |

**Fig.1**

**Interpretation:**

The above fig.1 shows that out of 80 respondents 56% are male and 45% are female.

**Experience of Respondents**

|  |  |  |
| --- | --- | --- |
| **Experience** | **No. of retailers** | **Percentage (%)** |
| 0-5 Years | 20 | 25% |
| 5-10 Years | 28 | 35% |
| 10-15 Years | 14 | 18% |
| More than 15 years | 18 | 22% |
| **Total** | **80** | **100%** |

**Fig.2**

**Interpretation:**

In the above fig.2 it is found that out of 80 respondents 25% have experience of 0-5 years, 35% have 10-15years experience 18% have 15-2years experience and 22% have experience of more than 15 years.

**Age of Respondents**

|  |  |  |
| --- | --- | --- |
| **Age** | **No. of retailers** | **Percentage (%)** |
| 20-25 Years | 16 | 20% |
| 25-30 Years | 22 | 28% |
| 30-35 Years | 31 | 39% |
| More than 35 years | 11 | 13% |
| **Total** | 80 | 100% |

**Fig.3**

**Interpretation:**

In the above fig.3 it is found that out of 80 respondents 20% aged between 20-25 years, 28% between 25-30 years, 39% between 30-35 years and 13% are those whose age is more than 35 years.

CHAPTER-V

**Findings, Conclusion and Suggestion**

* 1. **Findings** 
     + Company must avail new route vehicle to cater properly to the retailers. Company must explore the interior areas and try to make new outlets over there.
     + Company must regularly monitor on the distributors.
     + Supply of the products should be properly maintained in order of not loosing the customer.
     + Company must provide a gift or bonus to the salesman and distributors.
     + Company must distribute a gift and schemes through a proper channel.
     + Give more schemes to retailers in comparison of offers to consumer, so that they purchases Coca Cola products more because consumers are not too brand loyal in terms of consuming carbonated cold drink, if they don’ t get product they may go for Coke product and vise-a-versa. Here availability of product is more important.
     + Give more service in terms of giving Banners, Posters, Decorated gates, Wall clocks, calendars, because top of the mind always recalls**.**
     + Coca Cola should maintain the regularity of supply to meet the demand. It’s been seen that the supply of Mineral water is irregular.
     + Periodic feedback should be taken from Hostels regarding service and quality and try to implement them.
     + Company should try to make more agreement from the hotel as the sale of the C.S.D is large.
     + More support like giving opener and T-Shirts to the employee of the hotel.
     + Company must encourage the high selling counters by providing incentives and other extra benefits.

5.2 Conclusion

Today's business systems must provide enterprise reach so that islands of contrasting information can be integrated into a meaningful whole. They must be able to cope with the overwhelming complexity of scattered technology and an enterprise information base. They must be open to survive a network-centric ecosystem. Rapid applications development goes without saying, and applications must be designed to embrace constant change. Business systems must be knowledge-based if they are to cope with the incompleteness and ambiguity of real business processes and workflows. And they must be adaptive to meet the needs of the moment and bring productivity to an increasingly overwhelmed business user and self-service to our customers. Marketing research help in decisions and it does not guarantee success. Marketing managers may look for advice from marketing research specialists, and indeed it is important that research reports should specify alternative courses of action and the probability of success, where possible, of these alternatives. Marketing research does not guarantee success, is simply gratitude of the environment within which marketing takes place. The goals of the research work achieved are:-

1. To design and develop an agent-based marketing research tool’s prototype system using agent-programming tool based on the conceptual model and to validate the system via face validation to examine its efficacy and usefulness is clearly achieved.
2. Agent-based negotiation model to facilitate market research is design and a prototype of this develops so the second objective of the research work is also cover up.
3. In this research work parallel processing of the application agent with supplier shows that its multi direction and fully automated system so we over come the limitation of the traditional marketing research tools like (Unidirectional, Lack of Automation) and third objective of the research work is also achieved.

5.3 Suggestions

After analyzing the fact we came to the conclusion that COCA COLA is undisputed market leader. This conclusion is based on overall information collected from various distributors, retailers, markets and consumers. They are having an edge over other soft drink producer in the market. They are doing very good in the current scenario, but they need some object oriented and bit dynamism in the strategy in the out skirt.

* To increase the market share penetration level must be increase. This can done by building good relationship with distributor, retailer and end user
* All brands should be making availability will also increase visibilities, which in turn increase the sale.
* To increase the visibility more visi cooler can be distributed and display can be made.
* Coca Cola distributed can convince retailer for entering into agreement for excusive outlet with some extra benefit.
* The company should concentrate more on After and Presales Services
* There should be Good balance between Production and Sales.

Thus the SMV beverages (Jamshedpur) have an upcoming bright future in the future years. The training at COCA COLA taught me that classroom study is not an end but is mean to achieve your goals. The stint at COCA COLA will go on long way in enhancing my life as a student as life is full of learning one being student through.

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QUESTIONNAIRE

“Questionnaire on distribution channel of Coca Cola”

Respected madam / sir

I am Nishant Kumar student of BBA ( 6th sem. )with specialization in Marketing of the department of BBA,SWAMI VIVEKANAND GOVT. COLLEGE GHUMARWIN, pursuing a project report on “Effectiveness of distribution channel of Coca Cola”.

I am grateful to you for sparing your valuable time and efforts along with your valuable views on the subject of project report.

1. Which type of store will you select to sell coke products?
2. Convenience store
3. Eatery store
4. Grocery store
5. Others
6. How do you rate the representative behavior with retailers?
7. Excellent
8. Average
9. Below average
10. Poor
11. How much time does it take for the delivery of Coca Cola product?
12. 6-12 Hours
13. 1-2 Days
14. 2-7 Days
15. More than 7 days
16. How much satisfied are you with the credit facility of Coca Cola?
17. Highly satisfied
18. Satisfied
19. Dissatisfied
20. Highly dissatisfied
21. How is the relationship with distributors?
22. Excellent
23. Very good
24. Average
25. Below average
26. Are you satisfied with transportation system of Coca Cola?
27. Yes
28. No
29. Can’t say
30. Which product has more demand in the market of Coca Cola?
31. Fanta
32. Sprite
33. Coke
34. Pepsi
35. Are Coke’s product delivered on the time statistics?
36. Yes
37. No
38. Can’t say
39. Are you satisfied with the supply each time?
40. Yes
41. No
42. Can’t say
43. Reason for selling Coca Cola products?
44. Margin
45. Promotional schemes
46. Demand
47. Credit policy
48. Other reasons
49. How do you rate the credit policy of the company?
50. Excellent
51. Good
52. Average
53. Poor
54. How do you rate the supply norms of the company?
55. Excellent
56. Good
57. Average
58. Poor
59. How do you rate the damage policy?
60. Excellent
61. Good
62. Average
63. Poor

Thank you for your time and support.