

Faculty Name:- Rudra Prasad Dutta	Date:-
Programme:- GAPP	Time allotted:- 7 Days
Module:- Business Environment	No. of words:- 300 words
Unit Title/Topic:- Marketing Environment	Total Marks:- 16

ASSIGNMENT NAME:-

- Analysis of appropriate marketing mix & effective use of revenue – In Case of Transparency Auto Parts (Small & Medium Enterprise)

GOALS & OBJECTIVES:-

- Understanding how the marketing mix can be used appropriately to boost revenue according to industry practice.
- Learning how to manage revenue from sales in an efficient way to support business organisations during adverse economic situations.
- Proper control cost to sustain in a particular industry segment.

DETAILS OF BACKGROUND:-

1. Mr. Avijit Jana, the director of the company, has vast industry experience in the insurance segment under financial markets. He formed and started Transparency Auto Parts, SME segment on a listed company, with a help of one of his close friends who also has rich experience in the auto mobile spare parts segment in 2016.
2. They started the business with a capital of Rs. 10,00,000 and in the year 2016 they recruited a sales manager for an annual salary of Rs. 1,80,000 p.a and a delivery boy for Rs. 5,000 monthly.
3. The organisation has a profit margin of 45% on the total sales on average. 4. During the first year of operations, they earned good sales and profit, as their sales were 35,00,000 and the profit made was Rs. 15,00,000 rounding off.
5. In 2017, the sales manager left the company and a new manager was appointed with an annual salary of Rs. 6,00,000 p.a and other employees, such as an accountant with an annual salary of Rs. 1,80,000, a receptionist with an annual salary of Rs. 1,20,000 and 2 delivery men with a salary of Rs. 60,000 each annually and a sales executive with an annual salary of Rs. 2,00,000.
6. In that particular year, GST was implemented. Due to the government policy and increase in tax rates on automobile spare parts, the sales dropped significantly from 35,00,000 to 20,00,000.
7. To improve the revenue the Director directed his sales team to approach every single corner of the market from business to business (B2B) and also retail car and commercial vehicle owners. This was done even though in the automobile spare parts segment, the industry practice is B2B marketing, i.e. The manufacturer will approach the dealers or whole sellers and they will approach the retails end users.
8. To increase the revenue he reduced the product price and started approaching the commercial vehicle owners with the reduced price.

BSE - INTERNAL

9. He approached the spare parts dealers with the same product range, but with inflated product prices.
10. He also increased the credit cycle from 30 days to 45 days for his customers but decreased the credit limit of his supplier (Raw Materials) from 30 days to 25 days during that year. 11. In such a situation, the dealers have raised questions about their technique. The transparency between the manufacturers and the retail customers has caused huge bulk sale losses for the dealers.
12. In 2017-18, they faced a massive liquidity crunch and took a working capital loan of Rs. 1,00,000. Mr. Jana has not made any contingency reserve provision.
13. In 2019 the company had suffered huge losses and had high debt towards suppliers and banks of Rs. 2,50,000 as an SME company.

PROCEDURE:-

1. You are required to prepare a PowerPoint presentation on this scenario. 2. Analyse the above business scenario and prepare a blueprint for Mr. Jana, advising the steps that will help sustain his business.
3. Think about what had gone wrong and how he can boost his business.
4. How can he revive the dealer relationship with his organization.
5. How can he increase his sales to repay the debts.
6. What can be the marketing process as a whole to create values for his customers. 7. How can he manage his revenue efficiently through sales to create a wealthy organisation.

OUTCOME:-

- On analyzing such a situation, it may reveal, why marketing mix is very much important component for a business organisation to run business that must be a balanced mode of operations with various internal & external stakeholders.
- A proper process of recruitment or human resource policies should be framed which will be beneficial for business organisations.
- Efficient management of revenue is also important for business expansion considering the above scenario how a marketing manager can boost up this business from this current position, considering proper marketing strategies and proper utilization of revenue.