

The company has 50 stockists covering all of the country and has the sales force of about 150 representatives, for promoting its products, through super markets and shops. The representatives of the company had very good support with super market and shops. To promote the coffee, its representatives gave discount coupons to the stockists for passing over to their customers for buying their coffee. The buyer was entitled to Rs.5/- discount per packet of 400 grams. The scheme continued for about six months.

Despite heavy advertisement and canvassing by its representatives, the product was unable to attract customers. It was observed that launching of this product did not affect the market position of other branded coffee at all which was being sold at Rs.90/- for a pack of 275 grams. Rather, it was observed that the sales of the other brands of coffee have increased marginally consequent to the advertisement campaign by the Cool-Heads. The company could achieve only 25% of its sales target in the first year and it remained almost static for the next year.

Questions:

- (a) What do you think are the reasons for the failure of the company to achieve its target?
- (b) Suggest a sales promotion plan for increasing the sales volume of the company.
- (c) Can a change in the distribution channel bring improvement in the sale of the product?

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