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**ANALYSIS AND INTERPRETATION OF MEDIUM CASES
CANDLE IN THE WIND**

By

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UNIT 5

ANALYSIS AND INTERPRETATION OF MEDIUM CASES

Objective: Unit proposes a case written from the perspective of marketing. A case is medium in size. Two cases are given, one case is provided with case analysis by three experts. Students should come to know various approaches to case analysis.

CASE: 1

Candle in the Wind¹

Introduction:

There is a storm out in the mind of Nandu, Mahesh and Avi since sales are dropping, banks have rejected Term Loan and C/C proposal. The performance of branch was miserable after one year of functioning which necessitates closure.

Company Background:

MAAS Enterprises is dealing with manufacturing of liquid soap and distribution of laboratory chemicals and apparatus, laboratory reagents, glassware and porcelainware. It is a partnership firm formed by three partners. Firm also holds authorized distributorship for a few leading brands in India.

The firm dealt in acquiring required products for customers and their supply. Their focus was on schools, colleges, pathological laboratories and laboratories of process industry in local market and markets in the vicinity.

Background of Partners:

The Partners were post graduates from middle class families with no business background. Nandu has completed MBA with marketing as his core specialization. Mahesh a techno savvy partner having completed MCM and Avi is also MBA from same management institute. These partners are friends since their graduation days and the dream for having their own business roots down to their college days. Immediately after post graduation the three of them had put forward the proposal of business before parents. Parents rejected the proposal. Ultimately Nandu took up a job in concept selling with a leading company, Avi

¹ Note: Author is thankful to Mr. Arvind Gaikwad and Mr. Mahesh Deolekar for providing information and permission to publish information in the form of Case.

went with consumer durable company in sales and Mahesh preferred to continue pursuit of further education. The evenings were awaited and were full of sharing experiences. Discussions on business opportunities like what business to look for was always on top of their mind. Starting discount card business, establishing adventure sports club or starting a computer training institute were some of the ideas which was prominently discussed.

Developments:

During training session at Pune Nandu visited few businessmen and came across one business opportunity to deal with distribution of laboratory chemicals. He received an offer to work as a distributor of a company called Pune Reagents (PR) for South West Maharashtra. The business opportunity was discussed with Mahesh and Avi and they principally agreed to deal in it with the same business model as that of Pune Regents.

The proposal was put up before the parents once again who finally gave consent to it, considering the zeal of children towards business. Parents had expressed few reservations regarding risk, relationship and career. Parents represented bureaucratic thinking and were engaged in serving government and semi-government organizations. Parents contributed Rs. 100000/- each towards initial capital.

Business of Chemical distributorship was started with a capital of Rs. 300000/- in rented premises in a city where the rents were high. The desired inventory of chemicals and apparatus was obtained.

Nandu and Avi were looking after marketing and sales, Mahesh handled administration.

To adapt the model of Pune Reagents, a list of schools and colleges in territory was collected. Cold calls were made to create awareness distributing catalogues of PR. It was then found that market is very competitive and well established local giants are dealing with these products since decades. Offering huge discounts to institutions and credit for around a year was a trend then. Schools and colleges were paying bills after issue of grants from Government.

In a weekly meeting a thought was given to limit selling products to schools of repute having good payment culture and expand horizons of market to sell laboratory reagents to doctors and process industries like Sugar, Pharma, Dairy and Textile which were known for prompt payments.

Information was sought from friends who were executives working in field as to their requirements and supplies for the leading national brands viz. Loba, Ranbaxy, S.D.Fine, Glaxo, Merk, Borosil, Duran were searched out and terms of dealing were finalized. The

independent price list was worked out on MAAS Enterprises Letter head to distribute to customers during cold calls. The customers were large in numbers and quantity of consumption was very low per customer as compared to schools and colleges but payment terms were cash against delivery. The doctors also started demanding laboratory glassware of specified quality and brand and disinfectant reagents and few were demanding laboratory testing kits and testing papers. The sources were searched out and these products were added in the list of product range.

PR had extended considerable credit in supplies while the distributors dealing with national brands used to deal on advanced payment basis.

There was an offer of Supplying chemicals to process industry especially dairies which demanded process chemicals required in tons of quantity. This needed huge capital investment for procurement of chemicals. This issue was discussed in meeting and it was decided to grab this opportunity. The suppliers were identified for liquid soap and Ferrous Alumn these products were supplied to dairy and price list was given. But no orders were received because according to the buyers, prices were not competitive. A source of supplies from local manufacturer was available but was less reliable.

MASS Enterprises was getting around 30% of discount on price list on items from Pune Reagents and around 10 to 15 % discounts form distributors of leading brands.

MAAS Enterprises, during a span of one year was in the list of almost all schools, colleges, pathology doctors, dairies, sugar units, textile units in a territory.

The process of getting order was to fill in quotation, reply to enquiry of specific material from customers followed by negotiation in a meeting and if the buyer was satisfied then order with terms and conditions of delivery and payment was received.

Mahesh had suggested in one meeting to focus on doctors and dairies having good payment culture and divide the territory between Nandu and Avi assigning some targets which may ensure the financial liquidity to meet regular expenses.

By this time spanning over three years organization had started catering to almost all type of customers i.e. Laboratory reagents to schools, colleges, Pathology Laboratory, Laboratories of Process Industry etc. Orders were flowing like anything and working capital was short. Partners approached Bank for a Cash Credit Facility and Term Loan which was denied by bank since inventory was very low. In the same year branch was opened at Solapur in an effort to focus on textile chemicals in partnership with Mr. Patil on 50% profit sharing with

a capital of Rs. 200,000/-. The branch initiated promulgation and distribution of laboratory chemicals, apparatus and glassware in Solapur. It was found to be difficult to penetrate the textile chemical market. The operating cost of branch was very high and after rigorous efforts spanning over one and half year, the branch was closed down.

A meeting of partners has been called to discuss difficulties being faced and frame strategies for survival and growth.

Annexure 01
Products dealt by MAAS Enterprises.

Sr.	Product	Distribution Nature	Use	Packing	Target Customers
A.	Liquid Soap	Manufacturer and distributor	Industrial Use	Loose pack as per industry specifications	Dairy
			Domestic Use	500 gm and 1000 gm own Brand.	Households
B.	Black Phenyl	Authorized distributor of regional leading brand.	Disinfectant for Industrial Use	5 Ltr./ 25 Ltr./ 50 Ltr.	Hospitals, Schools, Pathology Laboratories, hotels, Caters, Ice Cream Shops, Snacks Corners in Kolhapur District
C.	Laboratory Chemicals L.R, G.R., and A.R. Grade.	Authorized Distributors of Regional Brand and dealer of National Brands viz. Ranbaxy Laboratories, Glaxo, S.D. Fine	Laboratory Reagent	50 gm to 1 kg.	Schools, Colleges, Sugar and Dairy laboratories, Pathology laboratories, Other Process industry Laboratories.
D.	Laboratory Glassware	Branded and Unbranded type	Laboratory	Comes in sizes of 50 ml to 1000 ml.	Schools, Colleges, , Pathology laboratories
E.	Laboratory Apparatus	Models, Microscopes and such assembly	Laboratory	Comes in versions.	Schools, colleges, research laboratories, pathology laboratories, process unit's laboratories.
F.	Insect Kill Light Equipment with two blue tubes and an electric wired mesh in between. The light attracts the flies and they get trapped in electrified mesh.	Authorized distributor of leading regional brand.	To catch flies	Comes in models of different sizes and shapes.	Hotels, Hospitals, food processing firms, Caterers, Ice Cream Shops, Snacks Corners.

Annexure 02
Financial Information of MAAS Enterprises

(Amount in Rs.)

Sr.	Year	I	II	III	IV	V
1.	Capital	300000	350000	350000	550000	550000
2.	Gross Profit	240000	310000	320000	180000	172000
3.	Net Profit	180000	240000	230000	85000	65000
4.	Sales	1200000	1400000	1500000	1300000	1000000

CASE ANALYSIS I

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1. Facts:

A partnership firm creeping business trading in laboratory chemicals. Survival shown in case is of five years.

On weak financial base taken decisions of diversifications and opening up of branch.

In the fourth year, new branch opened which had impact on profitability and net operating margins.

2. Areas of Case

- a. Management – Planning – organizing – controlling
- b. Small scale business management
- c. Marketing management

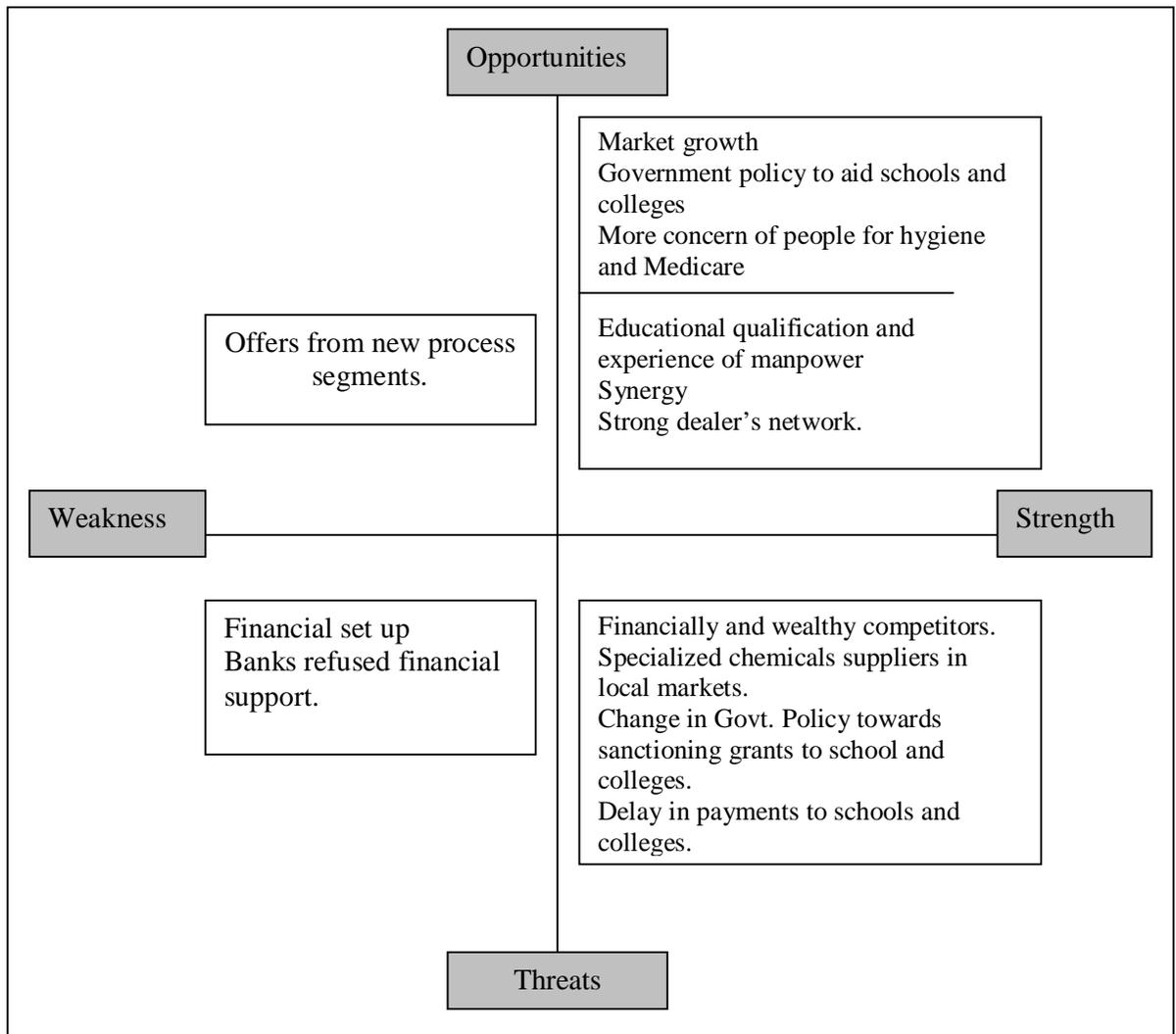
3. Problem

- a. Market Planning – STP
- b. Financial Management
- c. Marketing research – to find out lucrative segment

It seems from case the organization has gone for much diversification. The concentric diversification on weak financial base. The quota for cash sales and credit sales should have to be decided to maintain liquidity. Organization seems accepting offers and orders the way it hits as an opportunity which seem disturb the planning.

Inventory was less due paucity of funds and banks denied finance due low inventory. Organization was dealing in laboratory and process chemicals which require huge funds. It seem organization has not gone for sufficient research to test profitability of each segment cater to and its needs and demands.

4. SWOT Analysis



5. Alternative Solutions

- a. Revamp strategic intends.
- b. Rejuvenate organization through focused approach.
- c. Targeting single or dual segments.
- d. Spotting market niche.
- e. Introduction of financial reforms and minimizes operational costs.

Looking towards the case scenario few above mentioned alternative solutions can be thought off.

Organization has to define to start with what business they are in?

And what positioning they are looking for?

Since no partner is experienced in this field of business little research is advisable to find out segments in this industry as

- a. Laboratory chemicals (reagents)
- b. Laboratory glassware and porecelenwares
- c. Laboratory apparatus
- d. Cleaning agents.
- e. Fly kill light equipment
- f. Process chemicals

The research should expected to give answers for

Which segment is lucrative?

Which segment has little competition?

Any alternative segment in which less or no competition exists?

Culture of segment on the basis of payment etc.

Can be niche spotted?

6. Best Alternative

Looking towards the resources constraints few markets positioning as follows can be though of:

- a. Market specialization: everything for school/colleges or hygiene/pathological laboratories.

- b. Product specializations: anything in laboratory chemicals/ anything in pathology/ anything is sanitation or hygiene.
- c. Market Niche.

The beauty of these products is regular requirement; the growth of market is slow and huge competition in generic products.

Organization should go for product specialization and this is what the feature of this chemical industry is.

Organization should work in laboratory chemicals catering all markets keeping balance in cash sales and credit sales. In the next phase market development may be thought of. Own generic brand development and distribution could be plausible strategy after stabilization of organization in market.

CASE ANALYSIS II

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Introduction: Summary of the case

MaaS Enterprise is brain child of young entrepreneurs. MaaS was a partnership industrial trading company, operating on a successful business model of Pune Reagents. The promoters were very much enthusiastic but lack in professional experience. The initial capital of Rs. 300,000 was raised as an unsecured loan from parents of the promoters. The operations were started from a rented premise. The organization was divided into two departments one as Marketing & sales and other as administration. The first product line initiated was of laboratory chemicals, apparatus and reagents. Additional lines were initiated during first year were glass & porcelain wares and later liquid soap and ferrous alum lines were added. The last lines introduced were of disinfectants and laboratory testing kits. The firm had authorized dealership of few leading brands in India. The credit facility was sought but could not be availed. Moreover the market was very competitive with established dealers. Discounts and credit was the key for the institutional sale. Schools and colleges were able to make payments after receipt of grants from the government. The margin between cost & selling price was ranging from 10% to 30% depending on the products. The procurement of goods was on credit from one supplier and on cash from leading brand holding suppliers. The sales procedure was Prospecting, filling quotation, Negotiation to settle terms, sale delivery and receipt of payments. The identified market segments were Schools, Colleges, Pathological Laboratories, Dairies, Sugar Mills, and Textile Units from the territory. Marketing activities conducted were Generation of Lists, Cold calls, catalogue distribution, Demonstration, and Prospecting. Initially the prospecting had only one criterion of identifying that if the customer needs the product offer the product, later on the administrator had suggested to limit the offers to those customers who are good in payments. He also had suggested targets and assigning of sales territories to the two persons from sales department. The focus suggested was on dairies and Pathological Laboratories (Doctors). The marketing activities were fruitful and orders were flowing in. In third year from the inception one more branch was opened in textile belt with a partner for 50% profit share by investing a capital of Rs. 200,000/- The lines chosen were Chemicals, Apparatus

and Glasswares. The branch could not meet the operating cost and after one and half year was closed down. The company was looking forward for survival & growth remedies.

The Issues worth consideration: (Problems):

1. Structure of trading company operating on commission basis.
2. Product Mix and Lines management.
3. Competitive Strategies.

Analysis:

1. Structure of trading company operating on commission basis.

A trading company includes all activities involved in selling goods to those buying for business use.

They are

- a) Selling and Promoting,
- b) Buying and assortment building,
- c) Bulk Breaking,
- d) Warehousing,
- e) Transportation,
- f) Financing,
- g) Risk bearing,
- h) Market Information and
- i) Management Services.

MaaS enterprises having a very limited manpower have structured the company identifying only two areas of operations.

- a) Sales & Marketing,
- b) Administration.

Rests of the activities were carried out on contingency basis or as on when opportunity came. Standard processes for the activities were not identified and implemented.

The enterprise might have operated initially as 'Drop Shippers' who do not carry inventory. On receiving an order, they purchased from the supplier and shipped the product directly to customers. The Drop shipper assumes the title and risk of product from the time the order is accepted to its delivery to the customer. Most of this time the product is in travel so finances cannot be availed on inventory.

Drop shipper can operate through two departments as Sales & Marketing and Administration only when they have sufficient funds to procure the goods if not

available on credit. The drop shippers business runs on low margin high turnover basis. MaaS enterprises have large number of orders but finances are short. Hence restructuring should be considered for Survival & Growth.

2. Product Mix & Lines management:

An organization with several product lines has product mix. Product line is a group of products that are closely related because they function in similar manner, are sold to same customers groups, are marketed through same type of process.

MaaS Enterprises seems to have a product mix. The lines as per the customer groups such as line for Schools and Colleges, line for Pathological laboratories, line for dairy, line for Sugar Mill, and line for textile industry. The product mix and lines requires to be managed for profitable business using product line sale and profit analysis. Some products have low sale volume and high profitability (30% Commission, minimum order processing cost, minimum procurement cost, minimum inventory carrying cost and minimum transportation cost), some products have moderate sale volume and moderate profitability, some products have high sale volume and high profitability, and some products have low sale volume and low profitability. It is advisable to closely monitor the product lines and product mix to register maximum profits.

3. Competitive Strategies:

Being a trading company in a market full of competitors, MaaS Enterprises need to carry out a competition analysis. The process is Identification of Competitor (s), Assessment of competitors for their objectives, strategies, strengths, weaknesses and reaction pattern and finally deciding which competitor to attack or avoid. A company can select strategies such as Challenger strategies, follower strategies or Nicher strategies based on the analysis of competition. Once gaining leaders position in market it can focus on leader's strategies also.

Alternative Solutions:

1. Restructuring the Company:

The choices are

a. Structure of industrial distributor:

- a) Full service distributor offering credit, providing delivery, carrying inventory, broad range of products, with godown and handellers.

<p>Strengths:</p> <ol style="list-style-type: none"> 1. Carry large inventory so financial institution can provide funds. 2. Gets credit from supplier so in position to rotate funds. 3. Customers demands can be fulfilled due to broad product range. 4. Opportunity of implementing modern management Techniques. 	<p>Weakness:</p> <ol style="list-style-type: none"> 1. High risk in carrying inventory. 2. Greater Complexity in Business. 3. Need more manpower. 4. High operational cost. 5. Needs professional management so trained professionals are required.
<p>Opportunities:</p> <ol style="list-style-type: none"> 1. Growing number of schools, colleges, dairies, pathological labs, sugar mills and textile industries. 2. Growing number of financial institutions ready with funds. 3. Available trained management trainees. 4. Scarcity of professional distributors in the territory. 	<p>Threats:</p> <ol style="list-style-type: none"> 1. The customers may establish own link with manufacturers. 2. Financial institutions may not grant adequate funds. 3. Professionals may acquire experience and start own business. 4. Competitors may copy the strategy.

b. Limited Service Drop Shipper:

<p>Strengths:</p> <ol style="list-style-type: none"> 1. Don't Carry large inventory so low risk. 2. Gets credit from supplier so in position to rotate funds. 3. Needs less manpower. 4. Customers demands can be fulfilled due to broad product range. 5. Opportunity of implementing modern supply chain Techniques and electronic order receiving & processing techniques. 	<p>Weakness:</p> <ol style="list-style-type: none"> 1. No inventory so no finance. 2. Greater speed so risk. 3. Layman's work depends on transporters efficiency. 4. Need funds for Operations in case customer demands for credit. 5. Needs professional management trained in SCM.
<p>Opportunities:</p> <ol style="list-style-type: none"> 1. Growing number of schools, colleges, dairies, pathological labs, sugar mills and textile industries. 	<p>Threats:</p> <ol style="list-style-type: none"> 1. The customers may establish own link with manufacturers. 2. Financial institutions may not grant

2. Available trained management trainees.	adequate funds.
3. Scarcity of Drop shippers in the territory.	3. Professionals may acquire experience and start own business.
	4. Competitors may copy the strategy.

2. Product Mix & Line:

Alternative 1:

In line with full service distributor, exploiting all the supplies in chosen market initially and after establishment exploring new market and adding more lines to cater the needs.

Alternative 2:

Limiting to fewer lines and to drop shippers position and thereby allowing the other suppliers to enter in to the market.

3. Competitive strategy:

a. Niche strategy: To have only specialized lines, and allow the other competitors to gain market share in the other lines.

b. Challenger's strategy: Challenge all the lines in the market fight for the market share with full force attack.

Best Solution:

Full Service Distributor structure:

Reasons:

- a) The promoters are trained professionals.
- b) They need funds from financial institutions.
- c) They have established links with customers and suppliers.
- d) They have capacity to manage product mix and lines.
- e) They can pose as a strong competitor in the niche market initially and then diversify in to challenger's position and leader's position with strategic growth plan.

Marketing Plan:

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CASE ANALYSIS III

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The most important shortcoming in the process of starting the venture was insufficient spade work. Before starting any venture it is necessary to carry out foolproof research on the aspects of business. These are

1. Product
2. Competition
3. Market Size
4. Product Quality

The partners came to know about the strength of competition after they started the business. As they were getting into trading business, working capital requirement was bound to be high. Maintaining large inventory is essential to give timely delivery. Large amount of money is blocked with customers as credit sales were the more in this business.

As the partners were from middle class background and available funds were limited they should have restricted themselves to niche marketing instead of spreading themselves too their opening a branch in Sholapur where they were running about of funds was a blunder.

The most difficult part in trading business is to procure order. At one stage MaaS enterprise were getting more orders then they could handle. But due to bad money management they could not capitalize on this situation of their accounts and fund management was satisfactory, they could have got cash credit limit against the list of creditors from the bank. But probably they could not put up the proposal in a convincing way.

1. From the financial figures given, it appears that company was profitable till the end but liquidity crunch was putting their operation out of gear. One out of the box solution for improving cash flow could be two partners taking up jobs and putting their salaries as

capital in the company. If they were fortunate to get jobs in the same city, they could help running the company in their spare time. Once the working capital problems were resolved, they could join the company once again after a gap of one or two years.

2. If the operations of the company were convincingly profitable, they should approach a financier, offering him partnership or a very attractive rate of interest on his investment.
3. They should prune their product portfolio and concentrate on fast moving products with decent margins. To improve liquidity, they should offer cash discounts for payment against delivery or for early payment.

CASE II

ON CROSSROADS...²

Genesis Radhika Palace

Here is what owner and manager of Hotel Radhika Palace Mr. Rajan Shah has to state about his hotel, 'We introduce ourselves as one of the executive Hotels in Satara since 17 years in the hospitality industry giving quality service to our valuable customers. We have luxuriously furnished Executive Suites, A.C. and Non O.A.C. Rooms with latest amenities. Acoustically designed A.C. Conference Hall of 140 sitting capacity and Multimedia Projector and 6000 sq ft Party Lawn is also available. Since last five years the campus of hotel is WIFI providing 24 hours internet connectivity totally free to their customers. Pure Vegetarian Gujarathi Thali is our specialty'.

Mr. Harkchand Shah started hotel Radhika Palace in the year 1992. While managing diversified businesses he gauged opportunity to enter in hospitality business in Satara as number of hotels catering to needs was very few then.

The business was handed over to his son Mr. Rajan Shah, a polymer engineer, in the year 1993. Initially hotel was providing lodging services and Gujarathi Thali. Rajan Shah added array of services like party lawn, conference hall and even increased lodging capacity. He seems little worried these days for dinning section. The return on investment is not as per his expectations and it has become difficult to retain customers. There has been a sea change in food habits of people which can be seen from decrease in customers for Gujarathi Thali. The hotel has facilities to provide south Indian snacks but it is provided to lodging customers only. Similarly in various functions in conference hall and party lawn Punjabi dishes and other snacks are also provided.

Hailing from a conventional Jain family, Rajan Shah is very polite, gentle and determined personality. Making friends is his first love and he is a known and acknowledged personality in city. Owing to his human resource skills, he has been able to achieve zero labour turnovers. He has membership of many elite groups like Jain Social Group, Rotary Club and the like. Because of his helping nature and quality of service he provides, many groups prefer Radhika Palace to arrange their functions. With its loyal staff, Radhika Palace

² Note: Author is thankful to Mr. Rajan Shah, Hotel Radhika Palace, Satara, for providing information and permission to publish information in the form of Case. Also indebted to Mr. Atul Shah for valuable inputs.

has been able to build personalized relations with direct customers. It's a thing of pride for Mr Rajan Shah that the entire managerial staff of his hotel is with him since the opening of the hotel in 1992. No new staff is hired since then. Besides there is no change in the quality of the Gujarati Thali so fondly remembered by the old and the traditional customers of the hotel.

Facilities at Radhika Palace

Hotel Radhika Palace provides services through four centers

1. Lodging: Hotel houses 15 AC rooms, 15 Non AC deluxe room and 3 suits. Rooms are provided with all amenities like LCD TV, Computer with free WI FI internet, direct dialing etc. Average occupancy of lodging section is 70%.
2. Dinning: Pure vegetarian Gujarathi Thali is served at dinning hall which is a tradition of hotel. Thali is unlimited in nature and served regularly in morning 11 to 3 pm and evening 6 to 10 pm. Seating capacity of dining hall is 80.
3. Conference Hall: With 140 seating capacity, the conference hall is equipped with A/C and LCD projector, only acoustically designed hall in city. Since hotel is at prime location it is the ideal place for corporate conference. Generally conference goes with meals. Average occupancy is 45%
4. Party Lawn: Lush green lawn with capacity of around 800 people and is generally rented for parties, reception, meeting, wedding and other such ceremony for about 50 days a year.

About Satara

Satara is located in western part of Maharashtra, a heritage destination lies on NH. 4, 125 km. south to Pune and 125 North to Kolhapur.

Satara is coming up as prominent tourist place as two very popular hill stations i.e. Mahabaleshwar and Panchgani are nearby. Holy places viz. Wai, Mhaswad, Chaphal, Pali, Shikhar Shingnapur, Aundh, Gondawale, Pusegaon attract pilgrims. Tourist places like Koyana, Kanher, Dhom. Forts like Ajinkyatara, Pratapgad, Sajjangad, Vasota etc. also attracts young crowd for picnic and trekking. The places of natural beauty like Thoseghar waterfall, Kas lake, Mayani bird sanctuary, Koyana Dam back water are tourist destinations which are located in vicinity. Weather conditions are normal except heavy rains between June – September. Satara is a district headquarters and developing commercially. Many

companies have opened up their outlets, offices and branches in city. Declaration of two Special Economic Zones near satara has pushed the industrial development. It is also coming up as educational hub and many institutions are capitalizing sites of natural beauty to establish residential institutions. Few corporate and section of service industry are looking forward to Satara as their business headquarters. As of now, Hotel industry in Satara is mainly dependent on corporate clients. Tourism constitutes approximately 5-10 percent of total business.

Infrastructure at Hotel Radhika Palace

Hotel Radhika Palace is situated near S.T. Stand of city and is on one of prime roads. Hotel has got good frontage. Single lounge takes you to reception of lodging continue to conference hall and lawn. In basement, a hall is constructed which is generally rented for exhibitions. Lawn and conference hall can be approached from an outside approach road if required.

Mr. Rajan Shah is seeking an advice from his core group about strategies for optimizing the gainful utilization of resources.

ANNEXURE

OBSERVATIONS OUT OF MACRO RESEARCH ON HOTEL INDUSTRY OF SATARA.

1. Hotel Radhika Palace only serves Gujarathi Thali for which two other hotels are competitors.
2. Average occupancy of conference hall is 49.61% in case of local clients, it is 16.4% in case of outstation clients and it is 13.33% and 0.33% in case of out state and international clients respectively. Only one hotel has got the international conference occupancy.
3. Bar occupancy is 54% for local cliental base and it is 27% for outstation clients, similarly outstate and international cliental base for bar occupancy is 9.7% and 2.5% respectively.
4. 11 hotels are having lawn facility and 13 hotels are having conference hall facility.
5. Average local Dining occupancy is 46.5%, outstation cliental occupancy is around 38%, out state occupancy is 28.87% and it is 8.83 % for international cliental base.
6. Average Lodging occupancy is 10% to 60%.
7. 57.58% and 42.42% hotel Owners percept that their specialty is in vegetarian food lodging respectively. According to 36.36% hotel owners their specialty is non vegetarian food while 26.26% are having refreshment as speciality.27.27% and 15.15% are having their specialty in garden and bar respectively.
8. Estimations of lodging facility of Hotels at Satara

Sr.	Type of Room	Occupancy	Rate
1.	A.C Rooms	37%	Rs 693.13.
2.	Non-A.C. Suites	29.73%	Rs. 378. 58
3.	Attach Rooms	75%	Rs.367 and for single and double bed
4.	Non-A.C. Attach Rooms	58.57%	Rs. 291 and 342 for single and double bed occupancy
5.	Single Bed Occupancy	58%	Rs. 176. 50
6.	Double Bed Occupancy	75%	Rs. 375
7.	Dormitories	30%	Rs. 100.

9. Professional as well as promotional efforts have been made by hotels in Satara city to boost up sales viz. tie up with private travel agencies, tie up with outstation hotels, special coupon facility in limited scope, festival offers for lodging.
10. Annual average spending on advertisement is Rs. 21617=00. per hotel.
11. Occupancy of conference hall found in all categories of business viz. conferences, family gatherings, classes, birthdays, gatherings bhishi and meeting purpose.
15. Almost all the food types are served in Satara. More than 50% of hotels serve, vegetarian, refreshment, lunch, non-vegetarian lunch, vegetarian and non-vegetarian dinner, Chinese, Punjabi food. Around 45% provide, south Indian refreshment, regular rice place, offers daily special menu. Three hotels specialized in Gujarathi Thali, Twelve hotels are specialized in vegetarian food, 11 and three hotels has specialty in non-vegetarian and continental food respectively. Three hotels reported their specialty in all these food types. Eleven hotels got specialty in vegetarian and Non-vegetarian food. Five hotels and three hotels have reported their specialty in single food type i.e. vegetarian and Non-vegetarian respectively.

16. Target Market: Hotel owners at Satara targeted market in following way.

Sr.	Target Market	Number of Hotels	Sr.	Target Market	Number of Hotels
1.	Vegetarian food	15	2.	Family	17
3.	Non vegetarian food	8	4.	Individuals	13
5.	Refreshment	5	6.	Local Customers	16
7.	Adult	11	8.	Tourists	5
9.	Youth	11	10.	Outstation Customers	4