

## Change in Retailer Relationships – Good or Bad?

In this exercise, you need to evaluate how well this manufacturer is progressing with their retailer relationships (in its micro-environment). As you can see, they have increased sales to retailers by \$2m and they have also increased the number of retailing chains that they deal with. These results are obviously pleasing, but are there any areas of concern and what do their overall results suggest about their performance?

The table below highlights the sales results for the manufacturer. Over the past year, they have increased their sales turnover by \$2 million, but also review their sales to their individual customers (resellers). Although there is only top-level information provided, you should get some sense of their performance.

<b>Sales Results</b>	<b>Last Year</b>	<b>This Year</b>
Reseller A	\$5m	\$8m
Reseller B	\$3m	\$5m
Reseller C	\$12m	\$0m
Reseller D	\$5m	\$8m
Reseller E	\$0m	\$3m
Reseller F	\$0m	\$1m
Reseller G	\$0m	\$2m
<b>TOTAL</b>	<b>\$25M</b>	<b>\$27M</b>

### **Student Discussion Questions**

1. Identify the positive aspects of the firm's performance in the above table?
2. What areas of concern are apparent?
3. What are some of the possible reasons for the change in sales results with Reseller C?
4. Where do you think the firm's focus has been over the past year? What should be the firm's focus for the coming year (given the basic information provided)?