

DISTRIBUTION CHANNEL



- Distribution channel is the route between producers and users through which goods are distributed.
- This route is also known as “ Channel of Distribution or Trade Channel ”.

Purpose of Distribution Channel



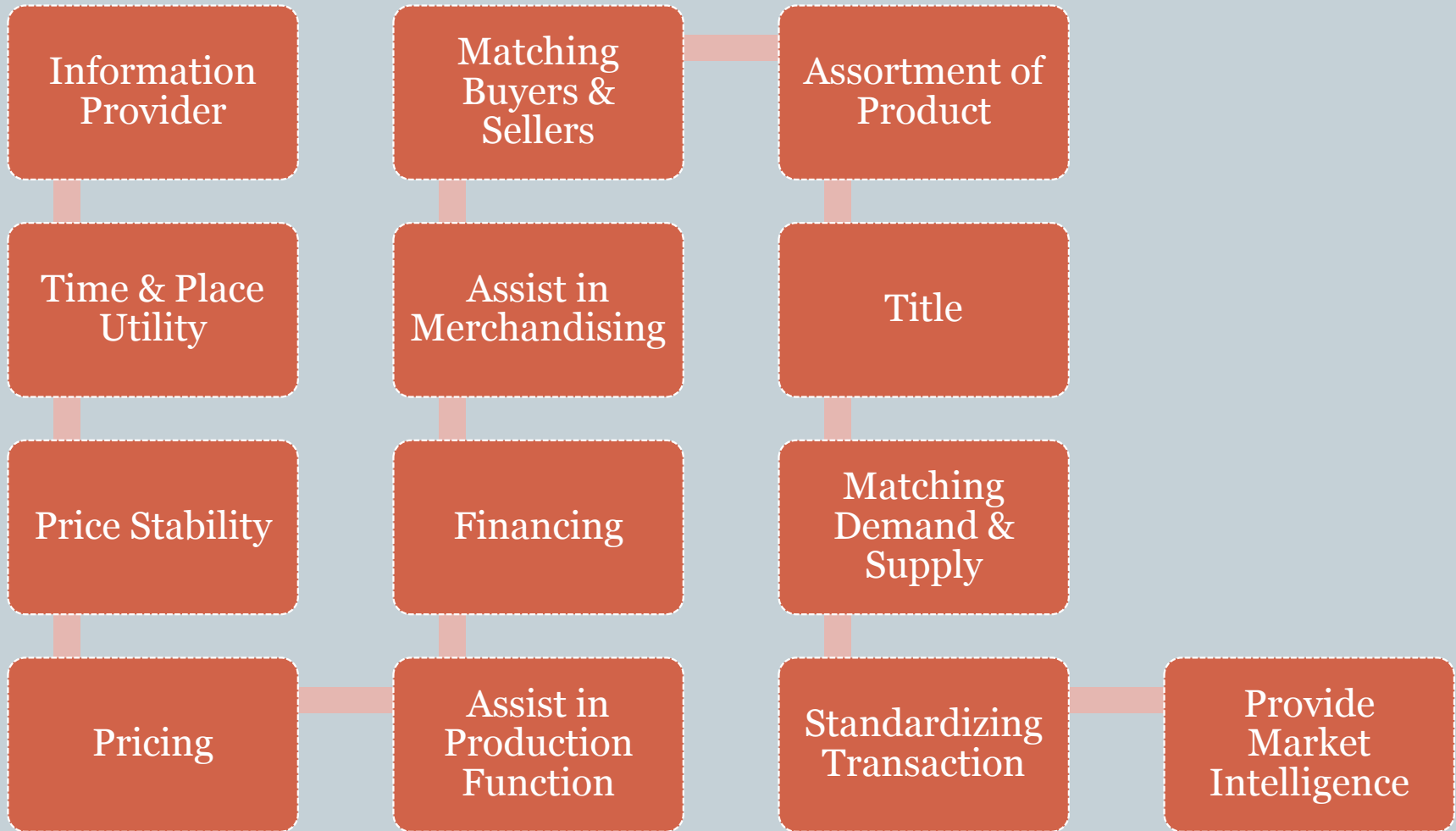
- To Ensure Proper Availability of Desired Product.
- To Improve the Sales Outlook.
- To Establish Cooperation between Distribution Factors.
- To Achieve And Maintain a Level of Services.
- To Minimize Logistics and Total Cost.
- To Collect Accurate Information.

Nature of Distribution Channels

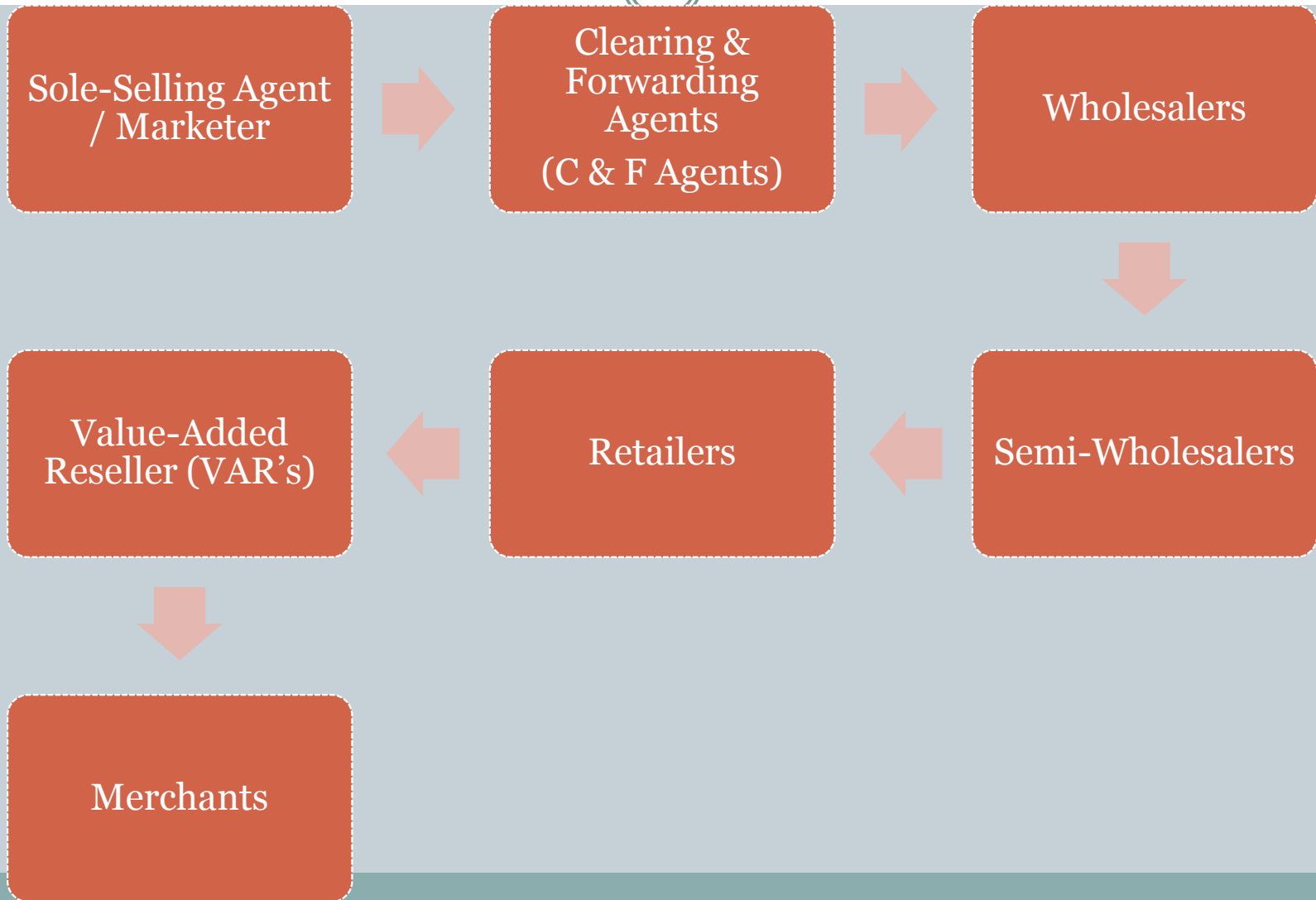


- Pathway or Route.
- Flow.
- Composition.
- Function.
- Remuneration.
- Time Utility.
- Convenience Value.
- Possession Value.
- Marketing Tool.
- Supply Demand Linkage.

Functions of Distribution Channels



Distribution Channel Intermediaries



Different Types of Distribution Channels : Channel Alternative



Direct Distribution Channel (Zero Level)

- Selling at Manufacturer's Plant.
- Door-to-Door Sales.
- Sale by Mail Order Techniques.
- Sale by Multiple Shops.

Indirect Distribution Channel

- One-Level Channel.
- Two-level Channel.
- Three-Level Channel.
- Four-Level Channel.

Hybrid or Multi Channel Distribution System

- Directly.
- Indirectly.

Channels of Distribution for Consumer Products



Zero-Level

- Manufacturer.
- Consumer.

One-Level

- Manufacturer.
- Retailer.
- Consumer.

Two-Level

- Manufacturer.
- Wholesaler.
- Retailer.
- Consumer.

Three-Level

- Manufacturer.
- Wholesaler.
- Jobber.
- Retailer.
- Consumer.

Channels of Distribution for Industrial Products



- Direct Channels.
- Indirect Channels.
- Integrated Multi-Channel Strategy / Dual Channel Strategy.

Factors Affecting Channel Choice



Factors Related to Product Characteristics

Industrial / Consumer Product.

Perishability.

Unit Value.

Purchase Frequency.

Newness & Market Acceptance.

Product Breadth.

Factors Related to Company Characteristics

Financial Strength.

Marketing Policies.

Size of the Company.

Past Channel Experience.

Product Mix.

Factors Related to Market or Consumer Characteristics

Consumer Buying Habits.

Location of the Market.

Number of Customer.

Size of Orders.

Factors Affecting Channel Choice

Factors Related to Middlemen Consideration

Sales Volume Potential.

Availability of Middlemen.

Services Provided by Middlemen.

Cost of Channel.

Factors Related to Environmental Characteristics

Economic Condition.

Legal Restriction.

Competitor's Channel.

Fiscal Structure.



THANK-YOU