

# Marketing skittles assignment

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Marketing channels are very Important to both the manufacturer and the consumer. These channels are the way the manufacture releases their product to the consumer for purchasing. Manufactures can choose either a direct channel which is the means of selling customers or accepting orders from them. A sales force calls on customers and prospects to present information on products and persuade them to place orders. Retailer channel is the channel that manufacturers sell their goods directly to large retailers such as Amazon which then sell onto the final nonusers. Wholesaler channel typically buys and stores large quantities of several producers' goods and then breaks into bulk and deliveries to supply retailers with smaller quantities. Agents/Brokers sell the products and services of producers in return for a commission (a percentage of the sales revenues). Mars company uses both retailer and wholesale channel to deliver Skittles to the consumer. They manufacture the candy and sell them to either a wholesaler such as Cam's club or they sell them directly to retailers.

The marketing channel functions that each Intermediary performs In the racking channel is just as Important as the manufacturer creating a desired product. The functions are: Transactional, Logistical and Facilitating functions. Transactional function purchases products for resale or as an agent for supply of a product, they contract potential customers, promoting products, and seeking orders, they assuming business risks in the ownership of Inventory that can become obsolete or deteriorate.

Logistical function creates products with an assortment from several sources to service their customers, they assemble and protect products at a invention location to offer better customer service, they purchase in bulk and

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break it to desired amounts to FLT their customers desires and they physically deliver the product to customers. Facilitating functions extend credit to customers, inspect and test product assigning them quality grades, provide information to customers and suppliers.

Skittles is distributed in a very intensive way. In other words it saturates the getting Skittles in to every convince store, school, grocer and big box store they can dominate the market on chewy candies. So, along with the branding, low price and the intense distribution help aid in getting Skittles to consumers. Regardless of how well a manufacturer administers its channel system, some amount of channel conflict is inevitable.

Conflict should result in more effective and efficient channel performance, provided it does not become destructive. Disagreements among channel members can occur for several reasons, including incompatible goals, unclear rights and responsibilities, and misconceptions and poor communication. Because channel conflict is inevitable, the challenge is not to eliminate it but to manage it better. There are several approaches aimed at recognizing and resolving potential conflicts early before they cause a breakdown of cooperation in the system.

These include involving channel members in policy decisions (use of dealer advisory boards), increasing interaction among personnel at all levels (a manufacturer's salesperson making sales calls with each of its distributors), focusing on common goals, and the use of mediation and arbitration. A manufacturer might also proactively adjust policy to defuse the source of conflict or increase the incentives and rewards available to channel members

to lessen the economic consequences of contentious issues. McGraw-Hill) Last but not least is the physical distribution of the Skittles to the consumer. This is probably the most important aspect of this whole process, if a company does everything correctly then fails here, their product will not be delivered or readily available to the consumer resulting in loss of revenue and desirability. This is a a major component of a physical distribution system. Costs include inventory an depreciation of the goods.

There are several techniques that can help a business control; inventory such as the Economic Order Quantity (EGO) model. Making it more cost efficient to control physical and financial inventory on products.

WAREHOUSING: Is another component of the physical distribution system. Although mars has their own distribution warehouses there are many decision involved with deciding on the redistribution of products. It must be quick keeping them on the move as much as possible. Many distribution warehouses physically tore goods for fewer than 24 hours before shipping them on to customers.

The introduction of computer automation at warehouse level is allowing information on the product to be recorded, stored and shipped in shorter more efficient times and at a much lower rate of error. Transportation: This is the final component of the physical distribution system. Transportation costs are largely based on the rates charged by carriers. There are two basic types of transportation rates: class and commodity. The class rate, which is the higher of the two rates, is the standard rate or every commodity moving between any two destinations.