

Marketing environment assignment

[Business](#), [Marketing](#)



Whether a Vertical, Horizontal, Multivitamin or Traditional marketing scheme works best for any particular organization can only be discovered once the products target market is clearly defined and any niche marketing has been laid out. Understanding how the internet and other factors play part in moving product, the Manufacturer has more choices than ever and creating alliances in the market place in non traditional channels can create some of the best opportunities to satisfy consumers in new ways.

Understanding the Marketing Environment Understanding the distribution channels, the different levels, as well as the efferent types of organizations is the beginning to gaining insight to the many possibilities in bringing a product to market and doing it the most cost effective way. These are the most common marketing channels for consumer products. The Direct Channel is where the product that is manufactured by the Producer is delivered directly to the end user, the Consumer; this method can bring many financial rewards if executed properly.

The Retail Channel is defined by the Producer of a good sending it to a Big Box retailer, such as Wall-Mart or Target and then sold to the Consumer. This method works well for many goods, however the price tends to be more expensive due to the additional costs for logistics, product liability insurance generally required by the Retailer, and profit margins for the retailer's pocketbook. The Wholesale channel is one that works for many companies that have many different Ski's.

The Wholesaler channel consists of the Producer contracting with the Wholesaler, who then sells the products to a Retailer, and then the Retailer

resells to the Consumer. This method is also just as expensive, because there must be a profit margin for the Wholesaler as well as Retailer to make this deal work. Lastly, there is the Agent Channel where the Agent locates and negotiates with a Wholesaler, and then the Wholesaler introduces and sells the product line to the Retailer.

This is also not as lucrative for the Producer because there are many different levels of middlemen that will need to be paid from each transaction. The next step after choosing the type of marketing channel best for the organization, the logistics as to how the infrastructure will work is an important decision. The Channel Organization is the machine behind “HOW” all of the moving parts and parties correlate. The types of products that the organization will be transporting and providing logistics for is the main focus as to how to organize the supply chain.

There are four different ways to use Channels to market a product line. The first is the conventional and this is where there are many connections that are loosely connected, independent companies, these companies aren't results oriented in terms of “ALL IN” for the effort they give each product, these organizations lack strong leadership and have been plagued with internal conflicts, power struggles and overall poor performance.

A conventional marketing channel is made up of one or more independent retailers, producers and wholesalers. There are no formal roles assigned and no SOP on how conflicts will be resolved. These individual groups are generally most concerned with their own company's private profits, as

opposed to the entire network. The vertical channel is best described as the manufacturers being on top of the supply chain, and that chain moves in two directions, up and down, with the retailers and wholesalers at the bottom of the chain.

This model is most successful when all of the members work together, however without clear-cut defined roles, there can be role confusion as well as internal conflict due to this lack of attention to detail. The chain can grow as long, or as short as the manufacturer desires based on how many intermediaries are in between the Manufacturer and the Consumer. Another option is a contractual vertical marketing system, when two or more parties in the chain come together and define roles and performance via a legal document. This is legally binding and all parties agree to certain terms.

The Horizontal marketing channel is best defined when two companies decide to come together and team up at the same point in the supply chain to promote totally different products but share the same target market. A great example is Love's Truck Stops that have a Poesy's Chicken or Taco Bell in the building. Both of these organizations can take advantage of targeting the same market, so as the truckers and traveling public stop to either get fuel or get food, they can take care of both needs at the same time. The Multivitamin marketing plan employs more than one channel to target a single market segment.

One of the best ways to illustrate that is the Victorians Secret, this organization chooses to send out a hardcopy of the catalog as well as sell

many of these same items in their stores around the country and online. The Moppet's! Products target market is the traveling pet lover. " This target market ranges in age from 27 years old to 64 years old, these individual's own 2. 5 pets and take 3-5 trips per year with their pets", according to the PAPA. Traveling pet owners are looking for the same level of comfort and amenities for their pets as well as their furry family members.