

Marketing channels

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



They serve as a channel of communication between the producers and the consumers 5. They assist in the promotional aspects in marketing 6. They minimize the number of transactions in the system

Type of Marketing Channels

1. Consumer Channels
2. Industrial Channels

Consumer Channels are those that are used in the distribution of consumer goods. Channels are those which are used in the distribution of industrial goods

Selecting a Marketing Channel

Industrial In the selection of a marketing channel, the company is faced with any of the following situations:

1. It may have an option of choosing from among the various channels existing; or
- 2.

It may have that option to choose. The Channel Selection Process

1. Identification of target customers
2. Determination of consumer buying habits regarding the goods under consideration
3. Determination of the location of the potential customers
- 4.
- 5.
6. Evaluation of channel members

Selection of channel members

Evaluating the Prospective Channel Member

A set of criteria that may be useful in evaluating a channel is as follows:

1. Credit and financial condition of the distributor. A review of the credit performance and the financial statements that will provide a clue as to the desirability of selecting the prospective distributor.
2. Sales strength. This refers to the sales capacity of the prospective distributor and is indicated by the quality, the actual number and the technical competence of the salesperson
3. Product Lines. Determining the types of products carried by the prospective distributor will reveal whether the sales objective of the firm can be expected.
4. Reputation. This is very important requirement in determining the possibility of profitable relationship.
5. Market coverage. The

market covered by the prospective distributor must be the market coverage desired by manufacturer. 6. Sales performance.

The prospective distributor must be able to show satisfactory sales performance. This is indicated by sales volume. 7. Management succession. A prospective distributor who has a qualified person to succeed him in case of a need for replacement is a plus factor in evaluation. 8. Management ability. When the quality of management of a distributorship is poor, it is not worth considering the prospect. 9. Attitude. This is indicated by the distributor's aggressiveness, enthusiasm, and initiative. 10. Size. When the prospective distributor is into large-scale operations, larger sales volume for the manufacturer's product is possible.

Factors that Influence Channel Selection There are several factors that influence the selection of a channel. They are the following: 1. The nature of the product 2. The nature of the market; and 3. The nature of the company

Distribution Strategies Distribution strategies consists of 3 types: 1. Intensive distribution 2. Selective distribution 3. Exclusive distribution

Intensive Distribution a strategy that requires the firm to sell its products through every available outlet in the market where a consumer might reasonably try to find them. It is applicable to convenience goods like groceries, cigarettes, and soft drinks. Selective Strategy * Is selling through only those outlets which will give the product special product Exclusive Distribution * A producer grants exclusive selling rights too middleman in a certain area. In return, the middleman is required to carry all the producer's products. * It is

applicable to specialty products or services like automobiles and expensive watches.