Distribution channel

Business, Marketing



The marketing mix is composed of all the elements of a successful marketing process including price, packaging, product and place. And while everything is important, it is the distribution channel that finally makes the product available to the customer and hence makes an integral part of the marketing mix. The distribution channel refers to the ways the product reaches the shelves. And this may include retailers and wholesalers and sometimes the manufacturers themselves (Lamb et al, 2011).

How the goods and services finally reach the consumer is all determined by an efficient distribution channel. Speed and efficiency are of prime importance because they minimize the gap between announcement of a product and its purchase by the customer. Wholesalers play an important in this connection as they take the largest chunk of distribution goods. Retailers come next while manufacturers sometimes also play a role as they sell directly to the consumer.

The distribution channel is not only about who is involved but what is involved; counts as well. Most companies would want their distributors to have a large and efficient sales force and similarly they choose their retailers carefully as well depending on how big the retailer is, what is their reach, what kind of benefits a company can reap if it sells through them and in some cases, the manufacturer himself gets involved in the distribution process (Kotler, 2009).

One prime example of it is the companies which are involved in ecommerce as most manufacturers would sell directly to their customers through websites. Amazon. com for example has its own distribution channel where it sells directly to customers while it also has a network of sellers who offer

https://assignbuster.com/distribution-channel-essay-samples/

products to customers. In more traditional setup, it is normally the wholesalers and retailers who make up the distribution network.