

Marketing channels assignment

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Abstract This paper discusses the importance of choosing appropriate channel members and also identifies and discusses criteria that should be used by the car compact disc player manufacturer when evaluating potential intermediaries for the firm's distribution channel. This is important for this firm since it's only through these marketing channels that their product is going to reach the consumer.

The customer in this case is the auto makers who are intended to buy the newly developed compact disc player to fix them in the automobiles. The method for marketing this product is therefore crucial. In our study it is specified that the manufacturer uses two distribution channels. In one case he distributes the CD player directly to the auto makers and in another case he distributes the product to electronic stores. Key words: Channel members, criteria for choice CHANNEL DISTRIBUTION

Distributions Channels and Their Impact on Marketing Strategies Distribution channels are the key determinants of how any manufacturing company reaps from the products that come from their manufacturing plants. Characteristically, approximately half that price paid for merchandise by a purchaser is engrossed by activities involved in delivering that product to the consumer (Julian, 2008). Channel members are particularly important since directly affects certain factors such as customer service, product delivery and availability.

Julian (2008) argues that the cost of marketing any product has increased over the past 15 years while production cost has reduced. This is because the market has segmented and media and distribution channel have multiplied. As a result, the choice of a channel member is based on value analysis, same way consumers do when they analyse products before purchasing. This paper focuses on choice of appropriate channel member and the criteria that we should use to choose the best channel member.

Discussion The choice of a channel member is of paramount importance.

A marketer has to determine the benefits reaped from utilizing a certain channel partner and compare this with the cost incurred for using this service. Some of the benefits of choosing an appropriate channel member include cost saving in specialization. Rolnicki (1998) argues that specialist members of distribution perform the task more efficiently and at reduced cost than companies, who lack the experience in this field. Next is reduction of exchange time whereby the products reach the intended final consumer in time, since the channel member is experienced in what they do.

The third benefit is customers want to convenience shop for variety. Julian (2008) stresses that customer CHANNEL DISTRIBUTION will always prefer distributor outlets that have a variety of products, in order to reduce the time they spend shopping. Therefore resellers have to purchase different products from different distributors and stock them in one centre so that the customer can access these commodities from one location. Fourthly the resellers have to sell the commodities in small quantities so that the consumer can manage the price. This is known as bulk breaking as described by Rolnicki (2004).

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The reseller also creates sales when there is demand for the product. Sometimes they perform active selling role using persuasive techniques (Gorchels, Chuck & Marine, 2004). They also offer financial support to consumers whereby they sell goods to them on credit, purchasing using payment arrangement, delaying launch of payments and allowing trade in or barter trade. Resellers also provide information on the product and therefore help market the product. The channel members who handle the producers' product to the end user are most important.

This is because the customers will always associate these products with the last person who sells the product to them. If the channel does not match the customer's needs, it is likely that the manufacturer is going to lose customers and the sales volume is going to reduce (Rolnicki, 2004). Bert (1998) explains that the best channel that any manufacturer should prioritize on is one that makes the end product user happiest, so that they are always willing to buy again the same product from the same channel member. So it's up to the manufacturer to select a marketing channel that best serves the interests of the customer.

There are various criteria that are used by the manufacturers to evaluate potential intermediaries for firm's distribution channel. Among this criteria include 1. Lot size 2. Waiting time DISTRIBUTION CHANNEL 3. Spatial convenience 4. Product variety 5. Service backup I will discuss each of the above criteria which should be used by the compact disc manufacturer to evaluate for an appropriate distribution member Lot size: – this refers to the number of units a typical customer is allowed to buy by a marketing channel in a particular buying occasion.

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When the lot number is small, then greater output service should be provided by the channel (Kotler, 2000). In our case above, if the compact disc player manufacturer selects a channel member that offers small number of CD players to buying customers, this means increased costs for the manufacturer, and an alternative channel member should be sought. Waiting time and delivery time:-this refers to the length of time that the customer waits, for the receipt of goods. Customers always prefer delivery channels that are fast and efficient. Fast delivery of services requires output levels of great services (Kotler, 2000).

The CD player manufacturer needs to engage a channel member that provides fast services at convenient time to the customer. Spatial convenience:-This expresses the extent to which the marketing channel simplifies the purchasing of the products by the customers (Kotler, 2000). Customers will always prefer to purchase the products which do not involve so many formalities and that are easy to buy (Bert, 1998). The CD manufacturer should involve a channel that meets this requirement.

DISTRIBUTION CHANNELS Product variety:-this refers to the breadth of assortment that the particular marketing channel provides.

Customers always prefer a marketing channel that offers greater assortment breadth because this will most likely meet their exact needs (Kotler, 2000). In regard to this the CD Player manufacturer should consider also incorporating an installation kit alongside this product so that the customer buys the whole package from one place. Service backup:-This refers to other services that are provided by the channel. Such services include installation, repairs,

credit and delivery. A channel that's provides more backup services is considered to do more work (Bert, 1998).

In such a case therefore the channel is more costly. In the CD player manufacturing firm the marketing manager should understand the output services required by the target customer, provided the increased output services means increased costs for the channel and higher prices for the customers. In conclusion with review of the importance of channel distribution and criteria for evaluation of distribution channels discussed above, the company can market its compact disc in a smart way meaning that all criteria used should be specific, measurable, achievable, realistic and time bound.

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