

Marketing functions



Marketing Functions It has been d that “ the Internet is forcing businesses away from traditional functions, such as distribution. The Internet effectively closes the gap between the buyer and the seller and has slowly been eliminating middlemen or intermediaries” Given this information, the essay aims to address the following issues from the point of view of a book company, particularly Amazon, known to sell a lot of other products, aside from books, online: (1) describe how the company uses the direct channel of distribution; (2) describe how the company uses the indirect channel of distribution; and (3) give one’s opinion as to which channel appears to be more efficient for the company described. Marketing Functions Channel of distribution is one of the functions of marketing that require different stages of evaluation and decision making strategies to ensure that products and services of business organizations reach their target markets. Given the contemporary trend of using the internet to market products electronically, increasing number of organizations from various sectors and industries continue to weigh the benefits and costs of online marketing. In the case of Amazon, the effect of electronic commerce as its mode of distribution is hereby examined, to specifically address the following concerns: (1) to provide a description of how the company uses the direct channel of distribution; (2) to describe how the company uses the indirect channel of distribution; and (3) give one’s opinion as to which channel appears to be more efficient for the company described. Brief Corporate Profile Corporate Information (2011) reveals that “ Amazon. com, Inc. (Amazon. com) is a customer-centric company for three primary customer sets: consumers, sellers and enterprises. In addition, the Company generates revenue through other marketing and promotional services, such as online advertising, and <https://assignbuster.com/marketing-functions/>

co-branded credit card agreements” (Corporate Information, 2011, par. 1). As reported, Amazon is able to service its clientele through maintaining its Website and applying strategies that focus on giving its customers a variety of options to select from, competitive prices and the convenience of shopping from the comforts of their home. According to its official website, “we constantly look for new ways to innovate on behalf of our different customers: individuals who shop our global websites, merchants who sell on our platform, developers who use our infrastructure to create their businesses, and creators of the books, music, films, games and other content we sell through our websites” (Amazon, 2010, par. 1).

Direct Channel of Distribution Amazon is considered a wholesaler of books, thereby, it does not publish or write any of the books that they market. In this regard, the organization uses electronically designed websites to advertise them and market them directly to consumers. As indicated in the Marketing Teacher Ltd. (2011), Amazon “use Customer Relationship Management and marketing communications targeted directly at individual customers - which is another, slightly different example of direct marketing” (Marketing Teacher, 2011, par. 6).

Indirect Channel of Distribution In its recently applied strategy, Amazon was revealed to use the indirect channel of distribution in marketing the Kindle brand. Reuters (2010) reported that “Amazon.com is going indirect -- through the retail channel -- to sell its Kindle ereader device as the competition in the market grows with challengers including Barnes & Noble's Nook and Apple's iPad, which are both available at Best Buy. Amazon had previously only sold its Kindle ereader direct from its website” (Reuters, 2010, par. 1).

Analysis In one’s personal opinion, the type and choice of distribution channel is appropriate depending on the product or service being

marketed. In the case of the Kindle that met increasing competition through retail channels, the strategy to go into retail was inevitable. For books, however, the direct channel is still most effective as it eliminates the cost of intermediation along the line, making it more cost efficient to market them online. References Amazon. com, Inc. (2010). Amazon and Our Planet. Retrieved 26 February 2011. < http://www.amazon.com/b/ref=gw_m_b_corpres?ie=UTF8&node=13786321> Corporate Information. (2011). Amazon. com, Inc. Retrieved 26 February 2011. < <http://www.corporateinformation.com/Company-Snapshot.aspx?cusip=023135106>> Marketing Teacher Ltd. (2011). Direct Marketing. Retrieved 26 February 2011. < <http://www.marketingteacher.com/lesson-store/lesson-direct-marketing.html>> Reuters. (2010). Amazon. com Goes Indirect, Selling Kindle at Target Stores. Retrieved 26 February 2011. < <http://www.channelinsider.com/c/a/Distribution/Amazoncom-Goes-Indirect-Selling-Kindle-at-Target-Stores-492081/>>