

The marketing mix: distribution (place) strategies slp 03



XXXXXXXX XXXXXX XXXXXXXXX XXXXX XX - XX - 2009 Wal Mart: Distribution Channel Companies use different types of distribution channels by which they provide the customers with the products. There are several different intermediaries that are present that assist the producers reach the final consumers. In terms of Wal Mart the company follows a distribution channel where the products move from the company to the retailers and then to the final consumers. The company does not adopt any wholesalers, brokers or agents and all the distribution is by the company directly.

Wal Mart sells its products through the distribution channel where the products move directly from the producers to the retailers, i. e. the various outlets of the company, the supermarkets, departmental stores, and the neighbourhood markets. These products are then sold to the customers directly. Hence in simple terms Wal Mart uses retail operations for its distribution of the products.

In the case of Wal Mart's process, the entire process of buying and selling the process and its related negotiations are broken by different distribution channels into various managerial tasks. The distribution channel is also advantageous as it allows facing the obstacles of the supply chain.

Physical Facilities and Logistic Channel of Wal Mart:

Wal Mart is the largest retailer in the industry and the company does not believe in the use of wholesalers in their distribution channels. The company uses land and shipping transportation to obtain the materials from manufactures based on the location of the manufacturers. Wal Mart uses the local manufacturers in case of items that are perishable and uses only land transportation so that they can serve the customer with good quality without any delay or loss (Wal-Mart Stores, Inc., 2009).

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Wal Mart is the largest store in the US and they have a number of different facilities across the country. By establishing regional distribution centers to locations where there were low labor and transportation costs, the distribution system has reduced the overall cost of the organization (Kotler, 2002).

Issues with the Distribution Channel:

Wal Mart is the largest retail company throughout the world, with over 971 discount stores, 2447 supercentres, 132 neighbourhood markets and 591 Sam's club s in the US. The company is spread over the 14 countries and employees almost over 2. 1 million people. The company has made enormous revenue of over \$378, 799 million for the year end January 2008. The company's revenue has increased by 8. 6% over the previous year and the profits increased by over 7. 3% over 2007. Being the largest retailing company worldwide, the company faces a lot of competition from across retailers both locally and globally. The revenue made by the company is primarily from US (Money Central, 2008).

The company however faces issues in terms of the vertical conflicts, i. e the issues and conflicts between the retailers and manufacturers. The main reason for the conflicts is due to the fight for the same market and leaving chances that growth of one member can affect the growth of the other. Also the company is faced with the issue that there is a clear lack of responsibilities that are faced by the company. Hence it is clear that the distribution and logistics process is an essential part of the business and in some manners is the cause for the success as well.

Works Cited

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