

Case study on amway

Business



**ASSIGN
BUSTER**

What challenges did Amway face in India in relation to the distribution? NAS. Capturing the rural area. Creating own warehouses Storage problem Rate of courier service is very high Telephone rates are also high. Maintain the price of product as for the Indians.

Introduce by the advertisement. 2) Discuss the merits and demerits of various distribution channels present. NAS. A) Vertical Marketing System: - Merits :- I. Consumer get product by the company directly.

ii. Cheaper than other distribution channels because consumer directly get product by the company. Demerits :- I.

Availability depends on company. ' I. Changing in price rapidly.

B) Conventional marketing channels Merits: - I. Availability of product is high. II. Sales much more higher because they wholesaler, Retailer, Consumer. III.

Target in more areas. Demerits:- I. Product price is high. N. Channel is very complex. Difficult to maintain.

) corporate vertical system I. Price of product depends on ownership. It. They give good service to consumer. Iii.

More flexible and more efficient. Demerits: - I. Controlling an entire distribution is difficult. D) Contractual VIM: - I. Partnership and Join with other. It.

Give Franchise Iii. Good Impact on Sales. Lb. Profit and generate high revenue. I. Price fixed.

E) Horizontal marketing System I. Expand a Business across the world. I'.
High profit iii. High sales revenue ' v.

Investment is high v. Availability of product is higher. V'. Loss will share by
all Joined company. I. Profit will share by the all Joined company.

F) Multinational Distribution System I. More Consumer and Business it. Use
Telephone, Internet. Iii. More target people ' v. Different segment v.

High profit VI. Price Is apneas on channel. I. High complex channel. It.
Difficult to maintain.