

Distribution channels essay sample

[Business](#), [Marketing](#)



Distribution channel is a chain of activities to get the product to the customer or business or vice versa, meaning to get the customer or business to the product. (J. Dent, 2011, p. 9) Also, channel of distribution are usually called a marketing channel as it is an essential part of the marketing process. Nowadays, they became multiply, that is delivering products to different market segments not directly, but through different kinds of intermediaries, such as dealers, retailers, distributors (J. Dent, 2011, p. 10). Structures of the channels depend on how many intermediaries are involved in this process. The maximum number of levels can be five, as it will be unprofitable to use more (J. Dent, 2011, p. 13).

Logistics is the process of product transportation, a set of physical items which help to transport goods through channels of distribution. When a company decides which channel to choose it calculates the cheapest one and the most convenient for everyone (J. Dent, 2011, p. 20).

Impact of geographical location on the selection of distribution channels depends on how far the place of delivery is. For instance, if the market is small and near the place where the goods are manufactured and the segment is well-known, then it would be better to use direct marketing channel or at least one-tier distribution, meaning only one intermediary (J. Dent, 2011, p. 12). Sometime if the market is wide enough it would be more cost effective to choose two-tier distribution channel, as it would save time and money (J. Dent, 2011, p. 13). Also, the market can be far from the supplier and the segment is almost unknown or the competition is high, then the best solution would be to use multiple distribution channels with five or even six intermediaries. This situation is common in China, where the

population is large and also there are many manufactures of the similar products (J. Dent, 2011, p. 13).

References

Julian Dent (2011). Distribution channels: understanding and managing channels to market. London: Kogan Page Limited