

# Channels of diatrubition

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



Law Channels of Distribution Number Direct Distributive Method Also known as direct marketing, direct distributive method (of marketing) refers to the means of selling products by directly dealing with consumers or customers, in lieu of using intermediaries to get to clients. Direct distributive method may take on different elements such as cold calling, direct-mail calling, door-to-door calling and telephone selling. Nevertheless, with advancements having been made both in the field of information technology (IT) and business, other forms of direct marketing such as direct radio selling, telemarketing, online computer shopping and TV and magazine selling have also come into being. How Direct Distributive Method Works According to Konow and Johansson-Stenman (2010), normally, the method of distribution of a given product or service to the market is dependent upon an organization's preferences. Door-to-door calling for instance may entail the producer getting direct feedback from clients and making distributions, with these distributions being made concomitantly with clients' feedback. The same applies to direct-mail calling, telephone selling and cold calling which all serve as ways or tools of gathering feedback, specifications and guidelines for the oncoming distribution. This gives direct distributive an edge over the use of middlemen since goods and/or services are distributed according to clients' or consumers' actual specifications. This above development reduces wastage and gives producers a greater incentive to synchronizing the volume of sales with the volume of production. However, for Tesla, carrying out research studies will be the most tenable way of establishing the needs of the market, as opposed to direct-mail calling, telephone selling and cold calling. Again, after studying the market, the

producer will go the length to establish the necessary and most appropriate logistics and tools for distribution. This will call for the establishment of the most favorable means of transport and distribution. For Tesla, new motor vehicles may be transported by road (wide track loads) at the local level. When exporting its products, sea transport may be the most appropriate means of transport: Tesla deals chiefly in motor vehicles and as such, the weight of Tesla's products makes air transport more stretched and expensive. In both domestic and international trade, Tesla products are to be distributed in cities' showrooms: the strong purchasing power which characterizes city life will readily catch the attention and spark the interest in Tesla vehicles and spare parts. The foregoing is applicable to the use of Tesla distributors. Nevertheless, Tesla can allow brokers to independently buy and sell Tesla products.

**Pros of Direct Distributive Method**

There are several gains which grace direct distributive method of marketing. One of these merits is that direct marketing significantly and conclusively annuls the need to share profit margins with middlemen. This means that all profits which Tesla will have made will be expended in-house. Konow and Johansson-Stenman (2010) contend that again, it is a fact that the use of direct distributive methods gives the producer complete control over the company's sales process. This is the case with Tesla since Tesla will be communicating directly with its clients or consumers. The magnanimity of this value is manifold: Tesla will be able to consolidate its business and sales secrets; and to protect its brand and production processes. The same also means that Tesla will be in a better position to study the market and make measures to strengthen and widen its niche in the market. As if the manifold

nature of direct link with consumers is not enough, the same will ensure that Tesla's products (or any products of an organization which uses direct marketing) are not sold alongside competing brands or products. This will therefore abate unfair competition. Again, the problem of middlemen's unwillingness, slowness, misrepresentation of the company, facts about the company and its products, negligence, disloyalty and incompetence is taken care of, in the use of direct marketing.

**Cons of Direct Distributive Method**

Just like any other human construct, there are also drawbacks which accost direct marketing. One of these disadvantages is that it may invite higher costs. This is especially when it is considered that direct marketing will compel Tesla or any other brand to penetrate the market by itself. This disadvantage is bolstered by the fact that direct marketing robs a firm of more efficient distribution logistics which are intermediary-specific. For instance, using direct marketing will compel Tesla to incur additional transport and communication costs. When overall costs and the intermediaries' commission or margin are added thereto, any analyst detects that Tesla may incur higher costs of operations, upon assuming direct marketing (Konow and Johansson-Stenman, 2010). Tesla may also register low sales volume since Tesla's producers may be bereft of expertise and adequate resources to engage in direct marketing. This is diametrically opposed to the use of middlemen whose services are always used to penetrate and maintain a hold on the market, courtesy of their experience and specialization in marketing.

References Konow, J. & Johansson-Stenman, O. (2010). "Fair Air: Distributive Justice and Environmental Economics." *Environmental & Resource Economics*, 46 (2), 147-166.