

Channel marketing

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



Marketing Channel Marketing Introduction The food-retailing sector in Canada has been estimated to be worth eighty four billion dollars, thus accounting for twenty percent of entire retail services in Canada, and it is anticipated to have a growth of 4.6% (CAER) during the period between 2010 and 2014 to reach over one hundred billion (Roukhkian and Bardouniotis, 5). Food retail industry in Canada has over 21,200 food stores, which is segregated into chains of large conventional supermarket and convenience store formats, and independents that are franchised or unaffiliated. Moreover, the entire sales of chain and independent food have maintained consistency for a market share of sixty and forty percent over the last ten years. Nevertheless, this paper will assess the service outputs supply of Wal-Mart and Costco in the food section, hence identify what the firms offer and their structures.

Bulk Breaking

Wal-Mart and Costco purchase products from manufacturers and producers in large quantities and they are gradually broken down as they reach the consumers. The products of high value are squeezed into small volumes, since it is cost effective to ship to end-customers compared to the cost of shipping a bulkier product (Perner, 1).

Spatial Convenience

Convenience has been identified as a significant factor used to influence the consumer food choices, by Wal-Mart and Costco, since they have changed ways in which the nature of products are provided in grocery stores, and the time consumed to prepare a meal. Wal-Mart focuses on responding to the demand by offering more in-store delis and ready to eat prepared foods such

as chicken, salad and sushi, while Costco has introduced an increased selection of frozen and prepared meals for consumers seeking a quick meal from their grocery stores.

Waiting and Delivery time

Wal-Mart has made a substantial investment in information technology and logistics, which facilitates commitment in taking a risk of placing large orders in advance of customer needs in order to focus on the reducing the waiting time and delivery time. On the other hand, Costco has developed an efficient distribution system, which is based on its information system and enormous demand, though they have short channels for perishable products. Moreover, Wal-Mart and Costco have to incur additional costs in order to ensure that merchandise is distributed quickly.

Assortment and Variety

Wal-Mart and Costco consolidate goods by carrying a wide assortment of goods from different manufactures to provide a breadth of assortment, whereby their stores carry different kinds of food from different suppliers. In this case, this makes distribution to be more efficient, since the customers are in need of variety and assortment.

Customer Service

Wal-Mart and Costco maintains their brand image through the provision of services such as providing customers with information and carrying a large assortment of food products to their customers. Nevertheless, Wal-Mart focuses on providing service at a remarkably low cost to ensure that many preferences of different segments are served; thus, the service output demand matched with supply.

Information Provision

Wal-Mart and Costco use the internet for making information readily available to customers, whereby their sites are designed in a way that the customer can easily find needed information among the entire content of the site. However, Wal-Mart has identified that customers are likely to move to other sites; thus, they have made their site appealing by providing information and options desired by customers with a two-way interaction capability. On the other hand, Costco focuses on search engine optimization (SEO), in a way, customers find information and site through the search engine such as Google and the results appears on the first page. In conclusion, the paper has explored the service outputs supply of Wal-Mart and Costco in the food section, and identified things offered by the firms and their structures.

Works Cited

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