**ANSWER KEY FOR CASE STUDY CLEAR - HAIR CARE IN VIETNAM**

1. **What distribution channel system and strategies are currently used by CLEAR shampoo in this case? Explain your answer with evidence from the case.**

Channel System

* Types of Channel/Intermediaries: Multi-channel distribution: Both Indirect (retailers) and Direct Marketing channel (Online, flagship stores).
* Channel organization: Administered VMS (Unilever and Clear has a wide distribution system with numerous retailers. These retailers do not belong to Unilever or is the franchise models, instead, has a few dominant channel members without common ownership. Leadership comes from *size and power*) and Corporate VMS where Clear has their Flagship store that sells their products directly to consumers through their virtual stores on online platform (Lazada, etc.).

Channel Strategies

* Types of Marketing Intermediaries: both modern trade and traditional trade.
* Number of Marketing Intermediaries: Intensive distribution system (numerous stores/retailers/online market as in the case, *students must provide evidence*).

1. **What are the pros and cons of CLEAR’s current distribution strategy decisions?**

**The Pros of this strategy**

* Shampoo is a Convenience product and the consumers will buy it with minimum effort. Thus, the products should be available in as many channels and outlets as possible.
* Brand awareness, sales revenue and market share can be increased by widely available nationwide wherever consumers need our products.
* By using administered VMS, the shampoo brands such as CLEAR do not need to invest into the retail stores, but only need to cooperate with different channel members, from traditional trade to modern trade all over Vietnam, and conveniently reach as many consumers as possible. This will reduce many costs for the brand.

*Or student can pick and explain any of the 8 functions of marketing channel members (but it must be relevant).*

**The Cons of this strategy**

* There could be conflicts between channel members in terms of finance (cost and price), power, roles, rewards and therefore inflexibility. It’s hard to control the channel members as well.
* If the company has its own stores and showroom (which means corporate VMS), it could have more flexibility and control. + It could be costly to build and manage the very wide distribution network.