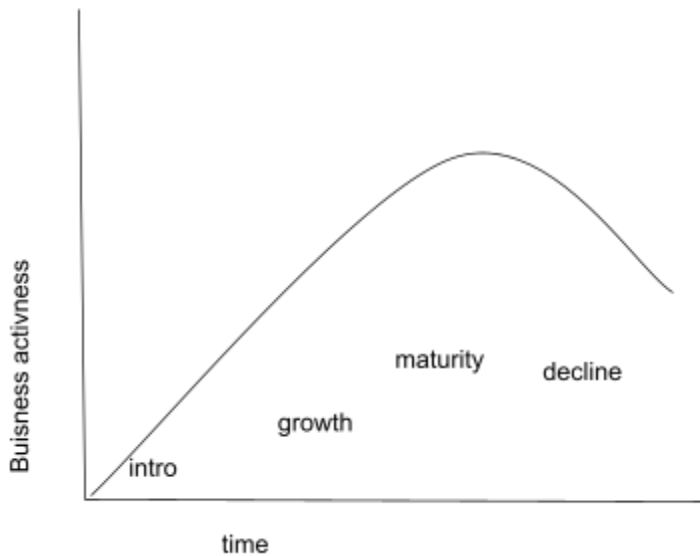


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Marketing Notes
30-09-2022

Introduction
Growth
Maturity
Decline



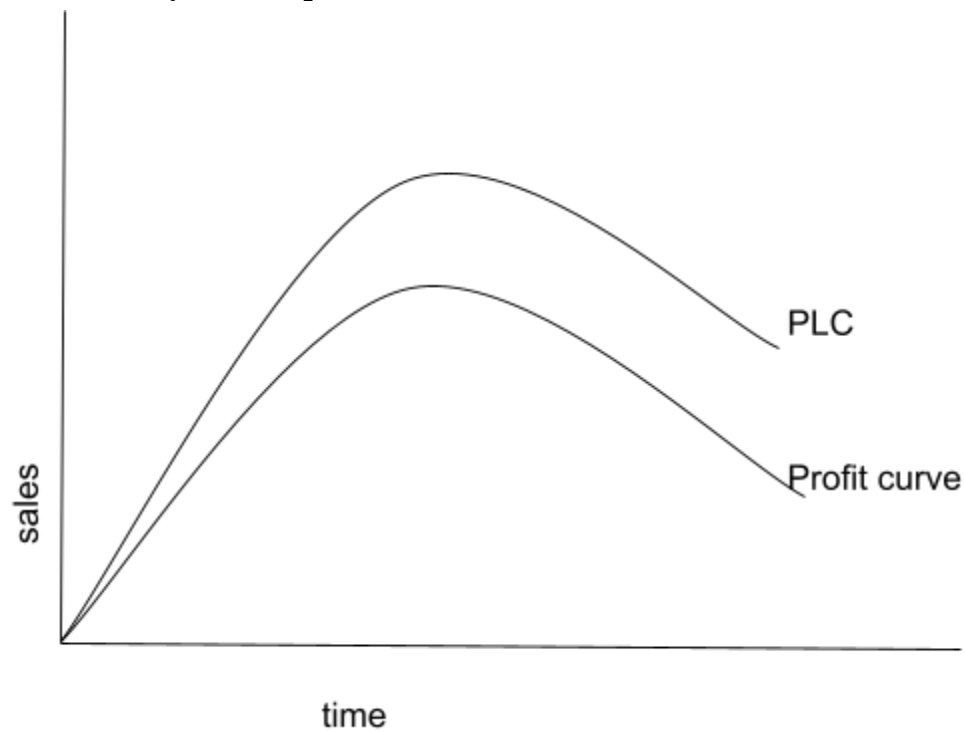
Actions/ —Features	Introduction	growth	Maturity->	Decline
Customers	Innovators (Early adopters)	Mass market	remaining mass market	Loyal customers
Competition	few	Growing	stable	less
Sales	low	Rapidly rising	peak	declines

Cost	High cost /customer	Avg cost/customer	Low cost/customer	Low cost per customer
Profit	low	Rapidly rising	stable	Declining

PRICE:

	Price Skimming	Price penetration
Meaning	Here the price is very high initially and gradually the price will fall.. Sony TV	Here the strategy is to penetrate a price sensitive market with very low and then gradually increase , Jio
Product nature	Super luxurious	Mass consumed product, lot of substitutoes in market
Consumer surplus	High	low
Target consumers	Rich upper income	Poor (mass)

Product life cycle with profit curve->



Definition

Intro

growth

Maturity

Decline

Product chapter over

DISTRIBUTION (PLACE)

1) What is the distribution channel? What are the functions of it?

-> Distribution channel is a set of marketing institutions participating in the marketing activities that is flow of goods and services.

It is a function of transportation , warehousing, and inventory management.

Distribution channel is a bridge between POP to POC.

It performs the following functions:

- 1 It provides physical movement of goods and services
- 2 It minimize the no of contracts
- 3 It helps to break the bulk and cater to tiny requirements
- 4 It supply the product in suitable assortment
- 5 it provide sales and helps launching new product
- 6 helps in price mechanism
- 7 Marketing channel act as chain agent and help in marketing intelligence

it helps in following set of flows

Physical Flow-> TITLE Flows -> RISK flows -> Negotiation flows
-> Financing flow -> Information flows -> Promotion flows

2) How will you design your choice of distribution channel?

Designing the dis chan depends upon following factor.

Formulating the channel objectives

Identifying the funcs performed by channel

Analysing the product and linking the channel design to attributes

evaluating the distribution environment including legal aspect

evaluating the competitors channel design

Evaluating company resources and matching channel design

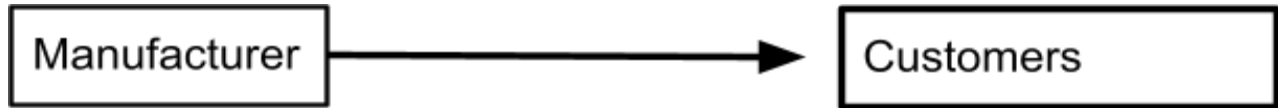
Generating alternatives design evaluating and selecting the best one

The choice of the design depends upon consumer product or industrial product

Typical design is as follows

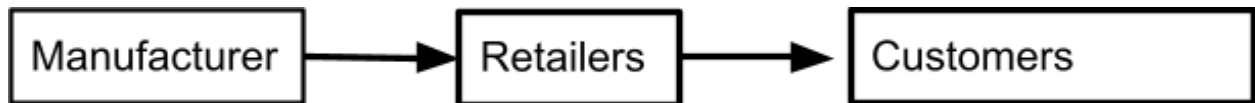
o LEVEL

Manufacturer to consumer (Draw figures here in boxes)



1 LEVEL

Manufacturer to retailer to cons



2 level

Manu to wholesaler to ret to cons

3 level

Manu to whole to jobbers to retailers to consumers

-> JOBBERS WHO ADD SOMETHING IN

3) Factors that determine the choice of distribution time

Customer

Product

Intermediary

Competition

Marketing and environment

1. Customer-

No of customers- Larger the no of customers longer would be the dis channel

Geographical disposition - longer channel req if customer are scattered

Purchasing pattern- if customer purchase smaller quantity more frequently (provi store) then product will be available at more outlets

Buying habits - buyers sometime prefer authorized dealers ,ex sony tv

2. Product

Product nature - product is like vegetable ,fruit, then smaller or shortest channel is required.. Heavy products shortest channel ..

High unit value (equipments) then producer will sell direct to consumer... Producer sell to authorised dealers if product require after sale services(ex automobile car two wheel)

3. Intermediary

Channel design also depends on diff types of intermediaries

Ex if product need aggressive promotion like cold drinks where special storage facilities can be provided by wholesalers but small retailers may not afford..

The channel that generate largest sales unit at lowest unit cost will be given top priority

4. Competition

The choice of channel dis depends upon competition and close rivals(pepsi coke)

5. Company

Company size , financial strength,product mix , overall marketing facilities etc influence

Large company - wider market , it can easily win cooperation of intermediary

Larger the amount of resources /budget , better the quality of distributors available in market.

6. Marketing environment

Market env also influences the channel design.

During recession shorter channel is advisable

During prosperity and boom - large no of outlines

Wholesalers functions?

They are in B2B business model

Diff bw Wholesaler W and retailer R

Wholesalers differ from retailers in following activities..

- 1 W pays less attention to promotion and location, bcz they are not dealing w direct customers
- 2 W transactions are usually larger both in physical quantity as well as in monetary terms
- 3 W covers large trade area than R
- 4 Gov deal with W and R differently in terms of legal terms and taxes

Wholesalers functions:

- 1 penetration of market - W setup salesforce that help manufacturer to find out small business customers at a relatively low cost since W have more contacts
- 2 Buying and assortment building - W are able to select items and build assortment acc to customers need , saving in considerable time
- 3 Bulk breaking - w saves money of consumers by buying in large quantity and breaking the bulk in small units
- 4 warehousing and inventory - W hold inventories and there by reducing inventory cost and risk to the retailers
- 5 Transportation - W can provide transportation and there by enhance cost delivery or quick delivery
- 6 financing - W finance retailers by granting credit to trade bills
- 7 W observes risk by taking bulk and bearing cost of debt , damage, spoilage and expire
- 8 Market information and intelligence - W supply market information to manu and retailer simultaneously regarding commercial activities for new product and pricing strategies and so on,.

Retailers:

Retailing including all those business activities involves in selling goods and services direct to consumers. [B to C]

Level of service retailers can position themselves any one of the following levels

- 1 self service - is the cornerstone of goods and services

Many consumers are believed to be carry out (locate compare select) process to save money

- 2 Self selection - here consumer found goods and services in sophisticated format (mall, departmental store or hipermarket)

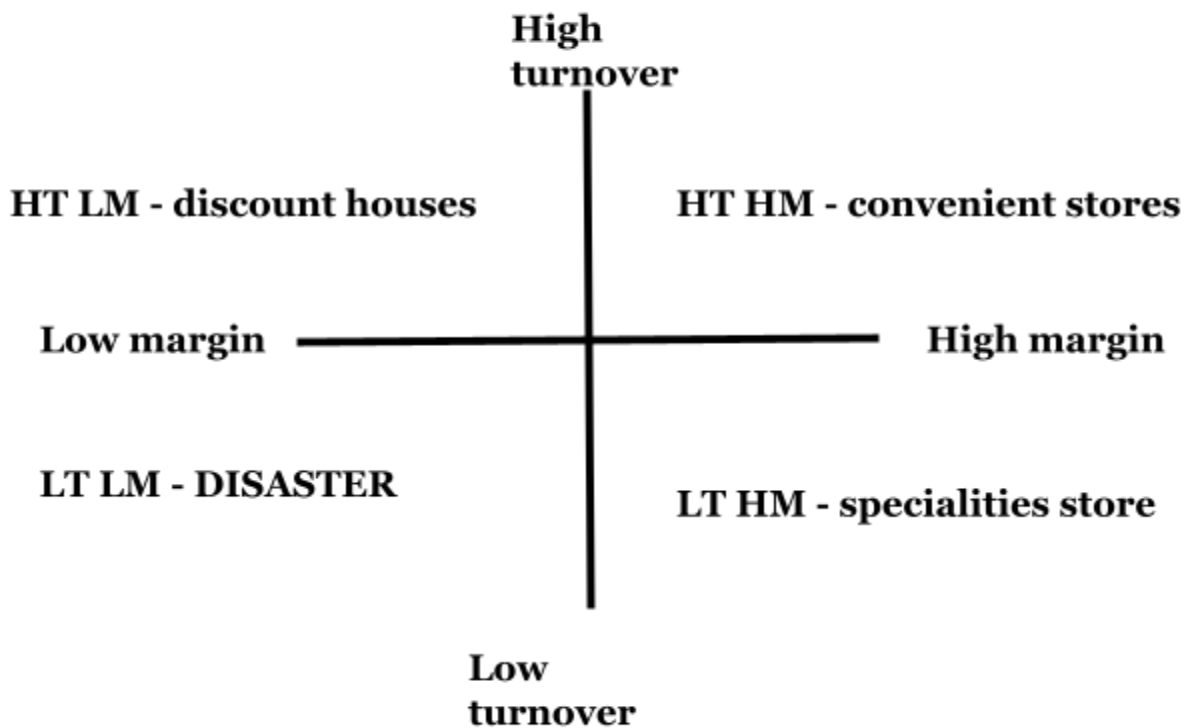
3 Limited Service - here R carry more shopping booths and costumers need more infor
eg car market

4 Here the R offer 24/7 service at every stage of consumer need

R functions:

- 1 choosing the store location
- 2 Sourcing buying in supply chain mang
- 3 visual merchandise
- 4 self promotion
- 5 Inventory manag
- 6 Real estate dev
- 7 innovative store operation

R offer margin turnover framework



R facilitate better customer service

R facilitate building brand loyalty

R facilitate better control over outlet

R are more appealing through visual merchandise

Awareness about company and brand

Reasons for rapid spade of retailing

1 quality product low price

2 improve shopping std

3 convenient shopping and display

4 shopping blended w entertainment

5 innovative floor management

6 coopetition -> competition plus rivals