Summary

Distribution Strategy

Place refers to how your product or service reaches your consumer and where he or she picks up your product from.

As a marketer, your place strategy starts with your consumer. This involves answering these questions-

- Where do they shop from?
- Where do they look for product information?
- Where do they have the maximum purchase intent?

As a marketer, you must ensure that your brand is available where your consumer can recognise his need, see the brand, map the brand to the unmet need and finally, purchase the brand.

Channel Management

There are three important considerations that you need to keep in mind as a marketer for managing your channels

1. Channel Structure

2. Factors impacting your channel decisions

3. Intensity of the distribution channel
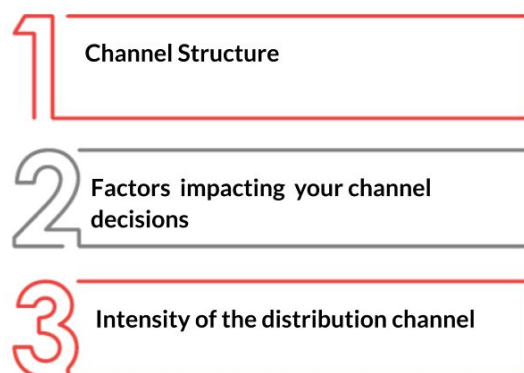
1. A channel distribution structure can range from anything between a zero level to one level, two-level, three-level, or even more than that.

   - A zero-level channel as a direct marketing channel is when the manufacturer decides to sell directly to the final customer.

   - As a marketer, you may also decide to bring in a level between one level, two levels or more than that. These levels could comprise the wholesaler or retailer or jobber, a CNF agent, a stocker, any of these, some of these, all of these to reach out to you as a customer.

- A reverse flow channel is also used sometimes where the products are sent back for reuse or disposal or sometimes packaging material is sent back as an e-waste, or sometimes recycling products such as paper need to be sent back to the manufacturer.

2. The factors which can impact a distribution channel can broadly be put into the following three categories:

1. Marketing related factors

2. Product related factors

3. Manufacturer related factors

Marketing related factors are those factors which are related to the buyer's expectations to buy from a type of outlet.
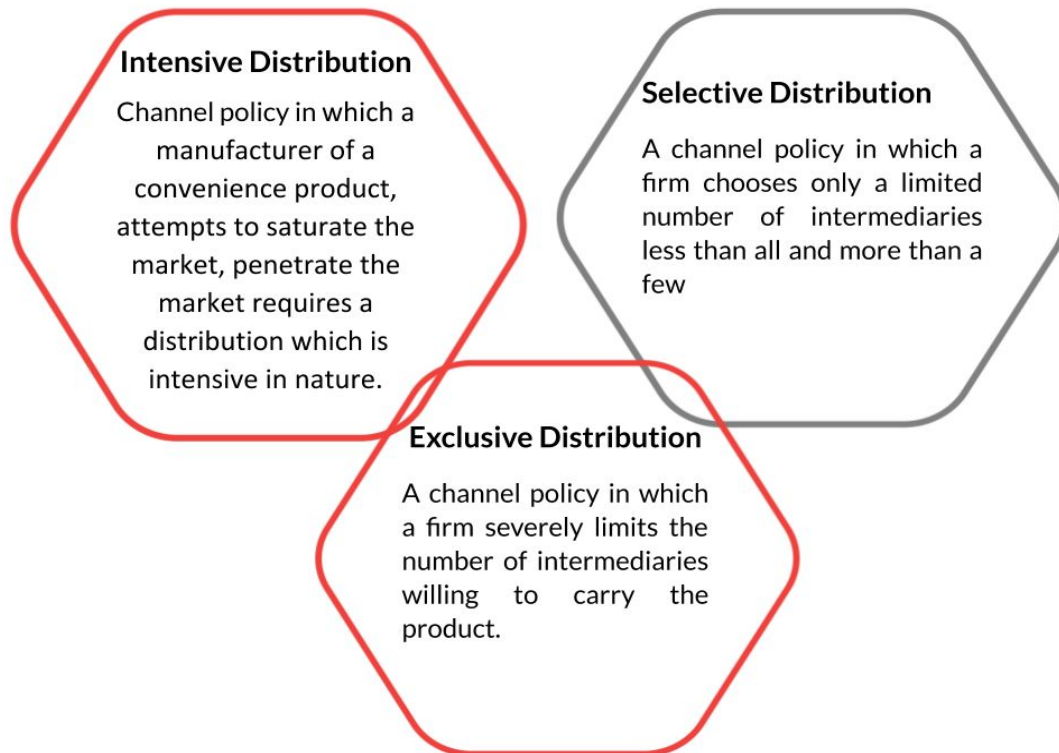
Important aspects to be considered here are-

1. Where does the consumer expect to buy the product from?

2. The willingness of the channel intermediaries to market a product

3. The profit margins that are demanded by the channel intermediaries

4. The location and the geographic concentration of my customers

Manufacturer related factors are the factors that stem from the resources that the manufacturer has available to take on channel operations.

In the product-related factors, the choice of distribution channels depends on the technicality and complexity of the products

3. Distribution intensity simply implies the number of intermediaries that the manufacturer would need to employ to distribute its goods to the consumers

Intensive Distribution

Channel policy in which a manufacturer of a convenience product, attempts to saturate the market, penetrate the market requires a distribution which is intensive in nature.

Selective Distribution

A channel policy in which a firm chooses only a limited number of intermediaries less than all and more than a few

Exclusive Distribution

A channel policy in which a firm severely limits the number of intermediaries willing to carry the product.