

SISTEM DISTRIBUSI DAN MARKETING (PMI303)

RIFDAH ZAHABIYAH S.T., M.T.
rifdah.zahabiyah@polytechnic.astra.ac.id



9 – MARKETING CHANNELS DELIVERING CUSTOMER



Supply Chains and the Value Delivery Network

The Nature and Importance of Marketing Channels

How Channel Members Add Value

Members of the marketing channel perform many key functions. Some help to complete transactions:

- a. **Information.** Gathering and distributing information about consumers, producers, and other actors and forces in the marketing environment needed for planning and aiding exchange.
- b. **Promotion.** Developing and spreading persuasive communications about an offer.
- c. **Contact.** Finding and engaging customers and prospective buyers.



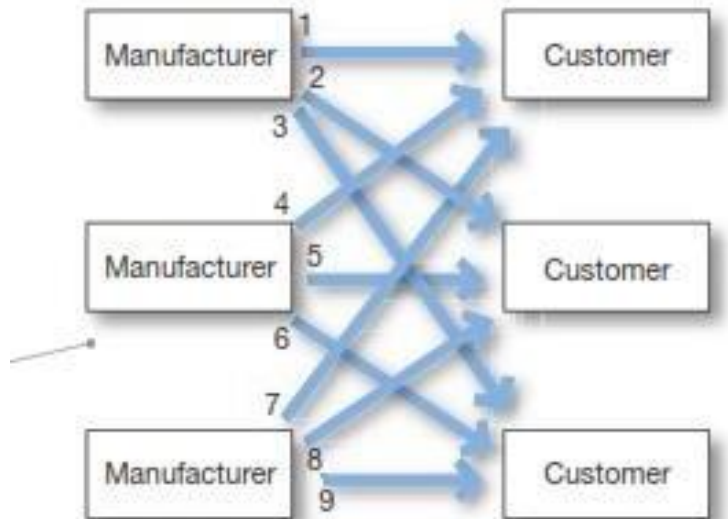
- d. Matching.** Shaping offers to meet the buyer's needs, including activities such as manufacturing, grading, assembling, and packaging.
- e. Negotiation.** Reaching an agreement on price and other terms so that ownership or possession can be transferred.

Others help to fulfill the completed transactions:

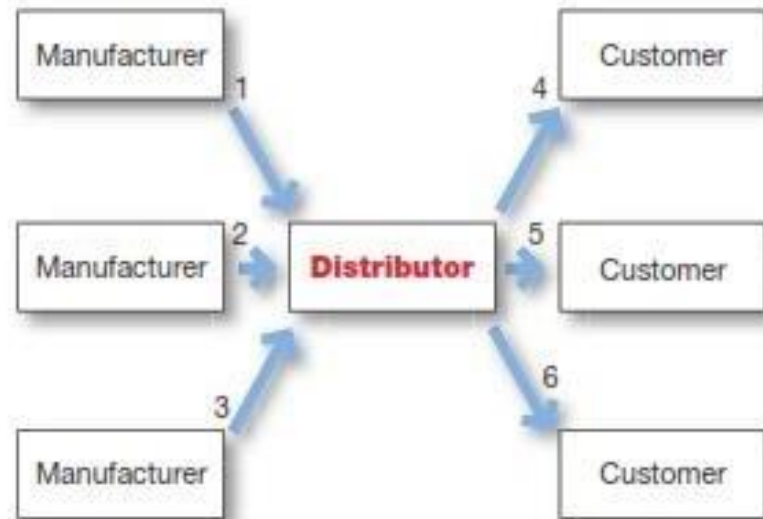
- f. Physical distribution.** Transporting and storing goods.
- g. Financing.** Acquiring and using funds to cover the costs of the channel work.
- h. Risk taking.** Assuming the risks of carrying out the channel work.



How a **Distributor** Reduces the Number of Channel Transactions



A. Number of contacts without a distributor



B. Number of contacts with a distributor



Number of Channel Levels

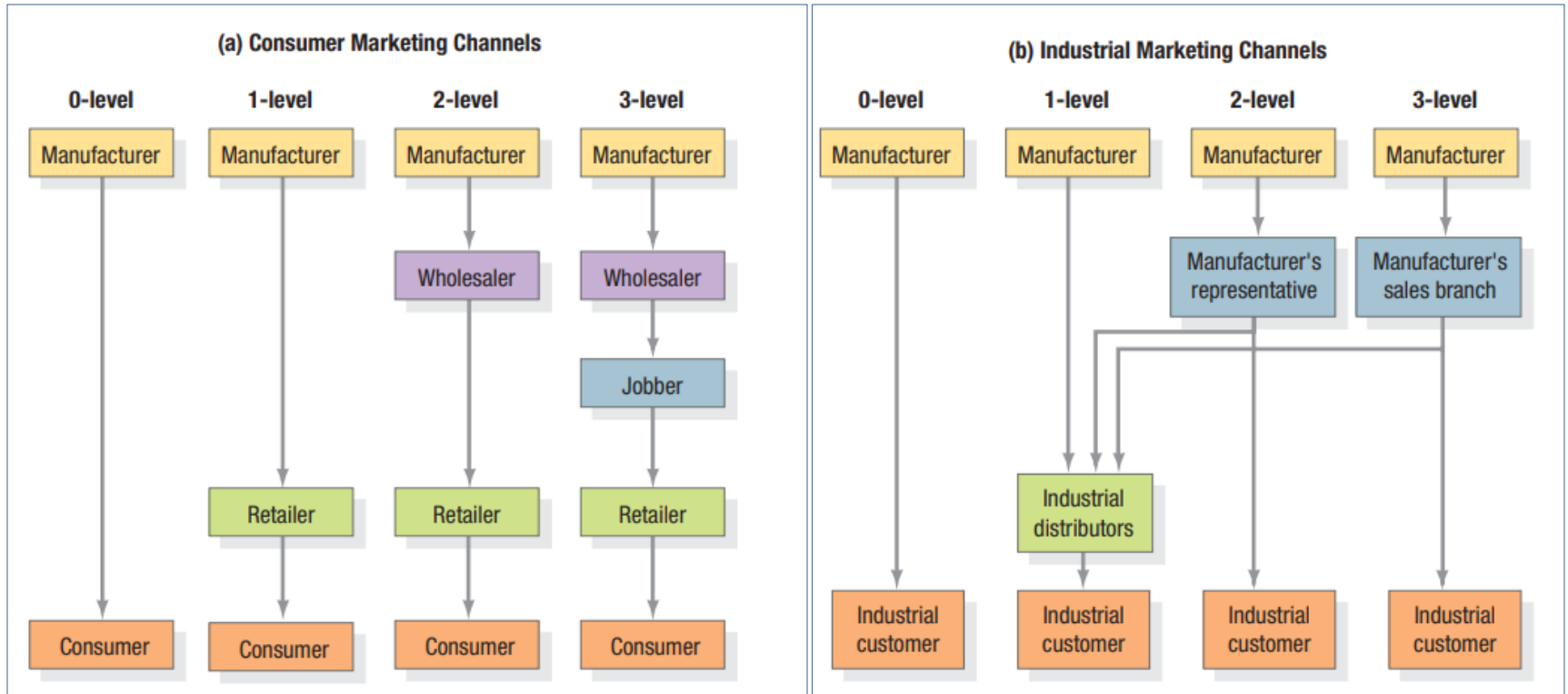


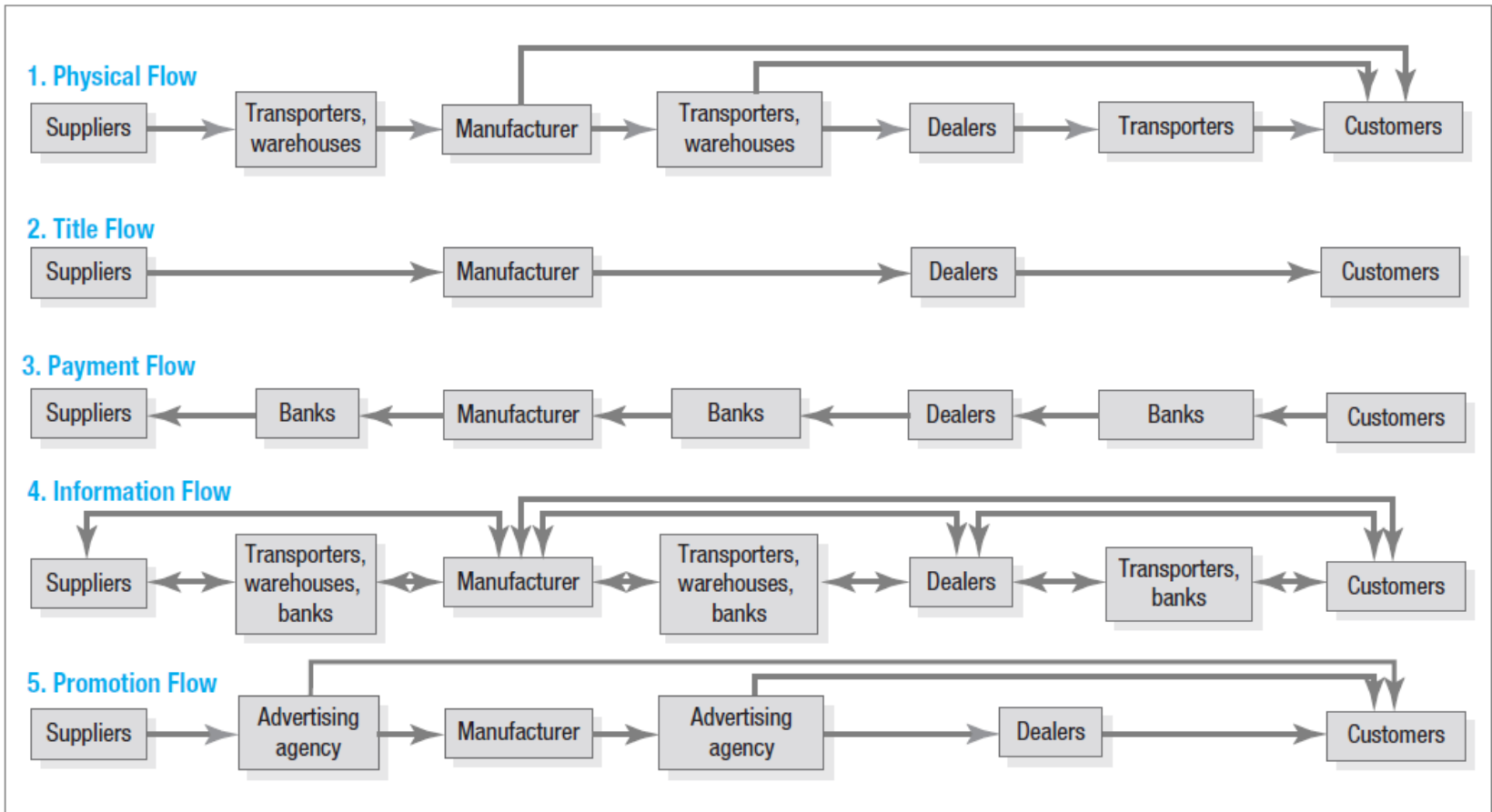
Fig. 15.2

Consumer and Industrial Marketing Channels



Channels and Flows

FIGURE 12.1 Five Marketing Flows in the Marketing Channel for Forklift Trucks



Channel Levels

- **A zero-level** channel, also called a *direct marketing channel*, consists of a manufacturer selling directly to the final customer.
The major examples are door-to-door sales, home parties, mail order, telemarketing, etc.
- **A one-level** channel contains **one selling intermediary**, such as a retailer.
- **A two-level** channel contains **two intermediaries**. In consumer markets, these are typically a **wholesaler** and a **retailer**.
- **A three-level** channel contains three intermediaries.
In the meatpacking industry, wholesalers sell to jobbers, essentially small-scale wholesalers, who sell to small retailers. In Japan, food distribution may include as many as six levels.



Channel Behavior and Organization

1. Conventional Distributions Systems

Conventional distribution systems consist of one or more **independent** producers, wholesalers, and retailers. Each seeks to maximize its own profits, and there is little control over the other members and no formal means for assigning roles and resolving conflict.



Channel Behavior and Organization

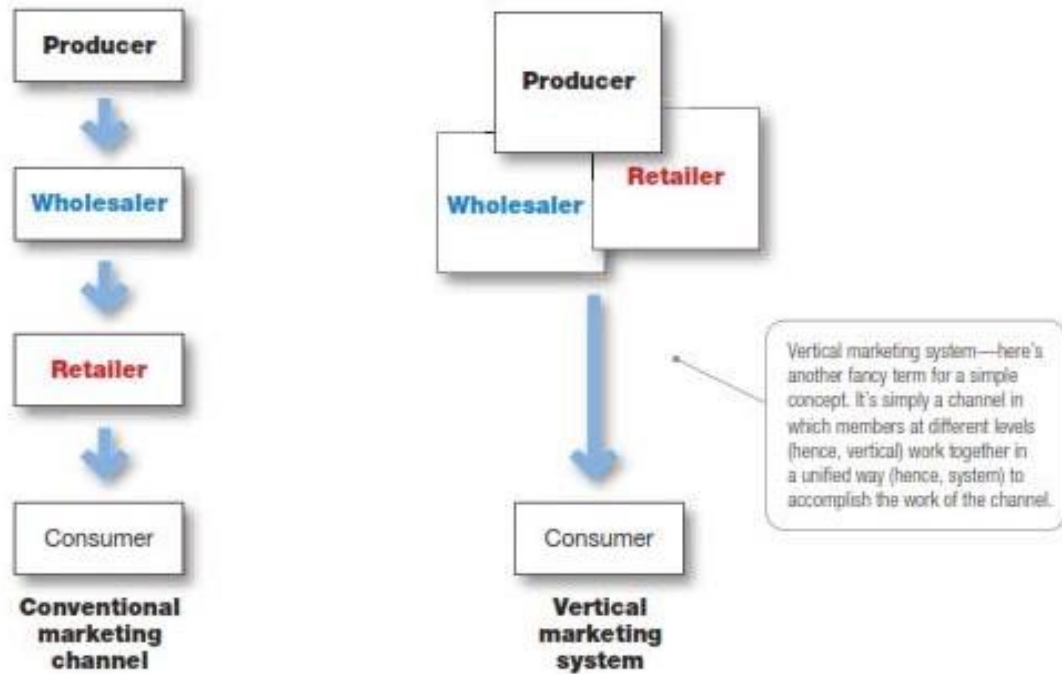
2. Vertical Marketing Systems

Vertical marketing systems (VMS) provide channel leadership and consist of producers, wholesalers, and retailers acting **as a unified system** and consist of:

- Corporate marketing systems
- Contractual marketing systems
- Administered marketing systems



FIGURE | 12.3
Comparison of Conventional
Distribution Channel with Vertical
Marketing System



Channel Behavior and Organization

2. Vertical Marketing Systems

- **Corporate vertical marketing system** integrates successive stages of production and distribution under single ownership
- **Contractual vertical marketing system** consists of independent firms at different levels of production and distribution who join together through contracts to obtain more economies or sales impact than each could achieve alone. The most common form is the franchise organization.
- **Administered vertical marketing system** has a few dominant channel members without common ownership. Leadership comes from size and power.



Channel Behavior and Organization

3. Horizontal Marketing Systems

Horizontal marketing systems are when two or more companies at one level join together to follow a new marketing opportunity. Companies combine financial, production, or marketing resources to accomplish **more than any one company could alone**.

Contoh: Joint Venture yang dilakukan **PT. Astra Internasional** dengan **Honda Motor Company** dalam penjualan produk sepeda motor Honda di Indonesia



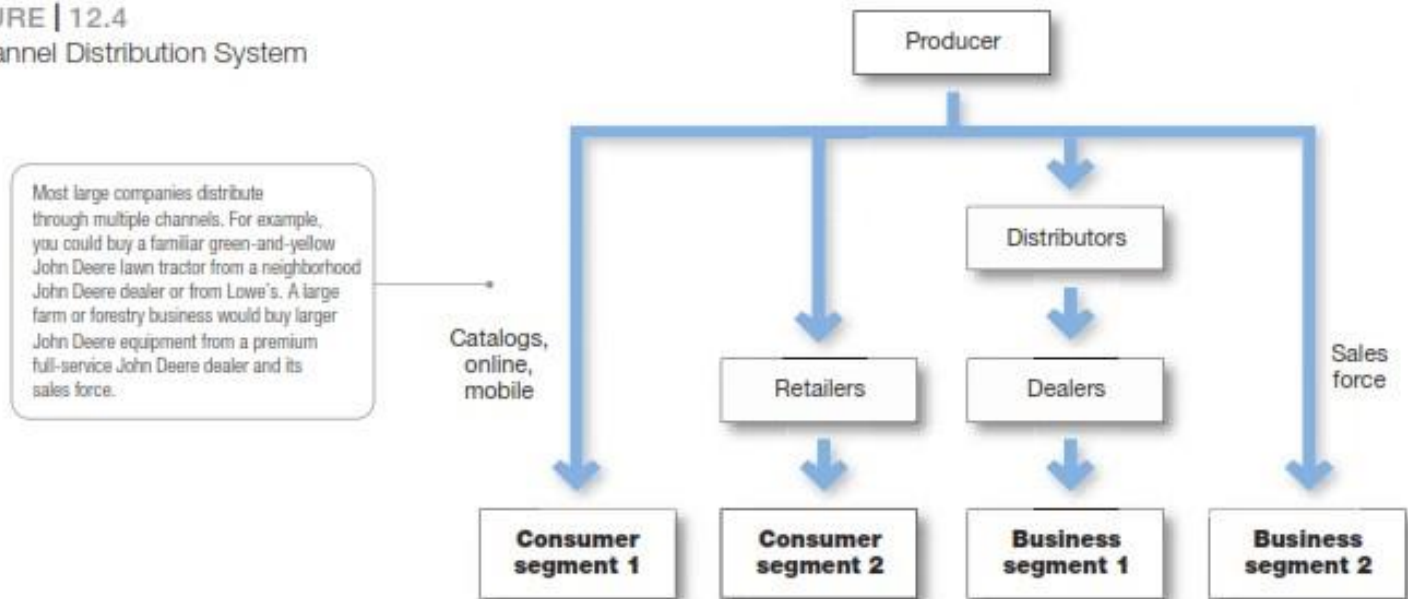
Channel Behavior and Organization

4. Multichannel Distribution Systems Hybrid Marketing Channels

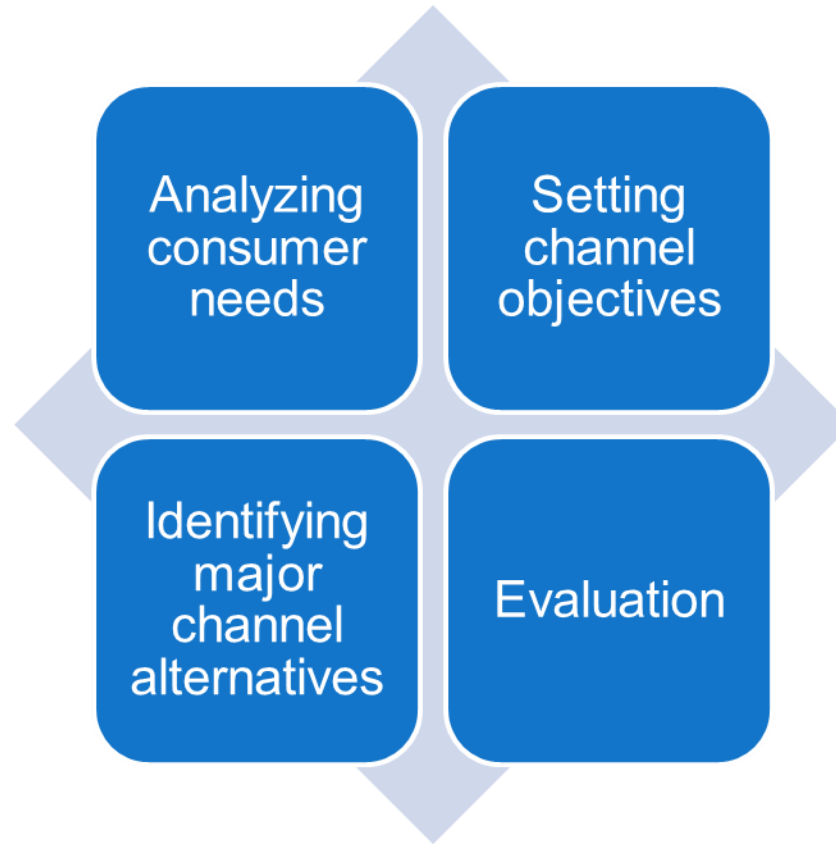
Multichannel Distribution systems (Hybrid marketing channels) are when a single firm sets up **two or more marketing channels** to reach one or more customer segments



● FIGURE | 12.4
Multichannel Distribution System



Channel Design Decisions



Channel Design Decisions

Setting Channel Objectives

- Targeted levels of customer service
- What segments to serve
- Best channels to use
- Minimizing the cost of meeting customer service requirements



Channel Design Decisions

Identifying Major Alternatives

Intensive distribution

- Candy and toothpaste

Exclusive distribution

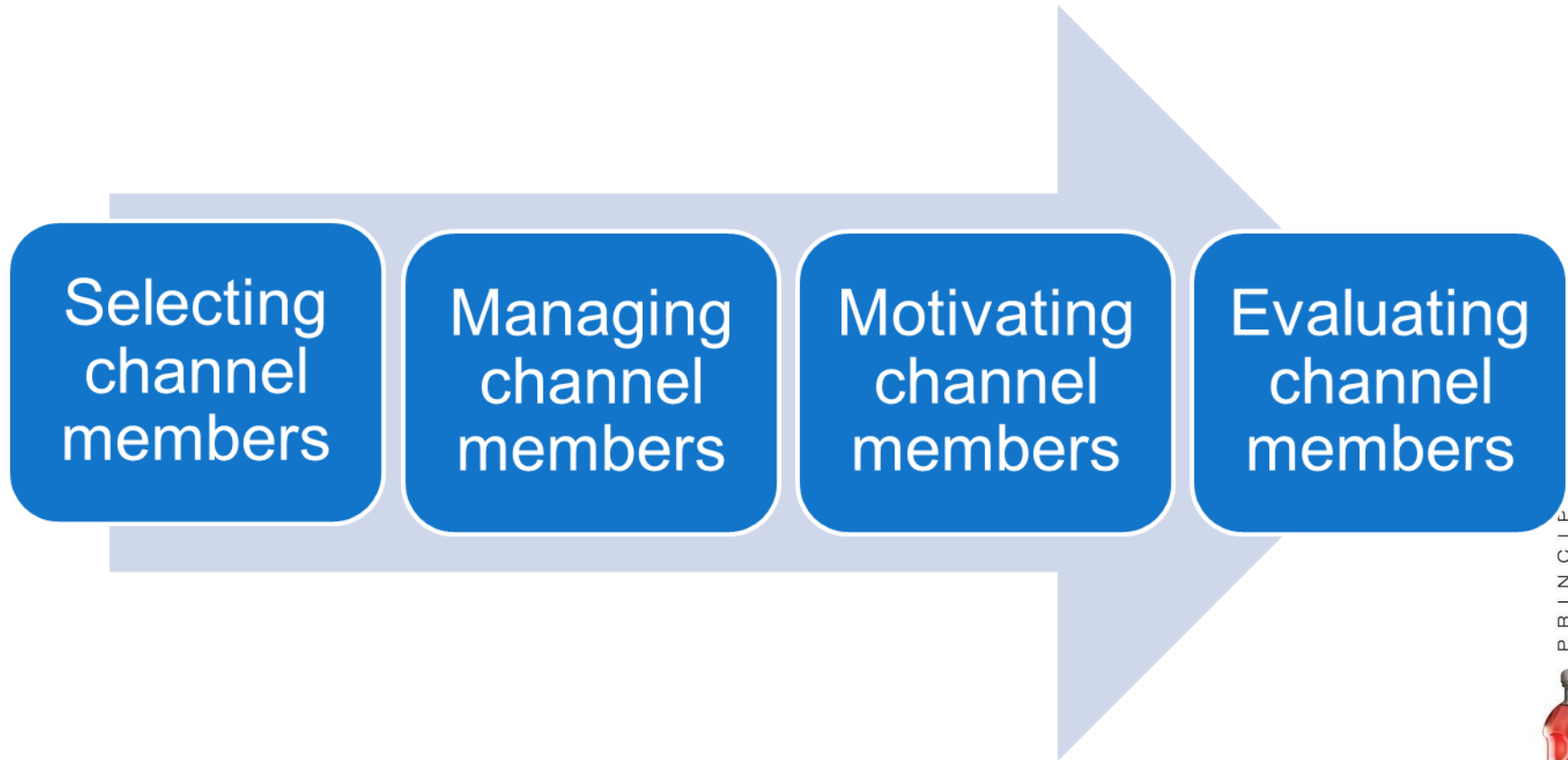
- Luxury automobiles and prestige clothing

Selective distribution

- Television and home appliance



Channel Management Decisions



Public Policy and Distribution Decisions

Exclusive distribution is when the seller allows only certain outlets to carry its products

Exclusive dealing is when the seller requires that the sellers not handle competitor's products

Exclusive territorial agreements is when producer or seller limit territory

Tying agreements are agreements where the dealer must take most or all of the line

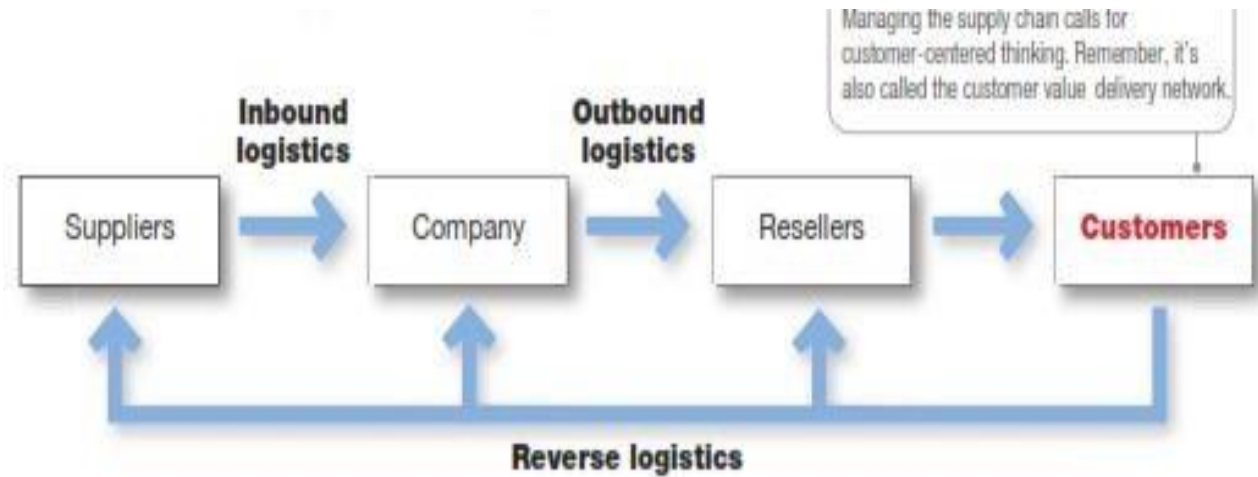


Marketing Logistics and Supply Chain Management

Nature and Importance of Marketing Logistics

Marketing logistics (physical distribution) involves planning, implementing, and controlling the physical flow of goods, services, and related information from points of origin to points of consumption to meet consumer requirements at a profit





● The importance of logistics: At any given time, GM has hundreds of millions of tons of finished vehicles and parts in transit, running up an annual logistics bill of about \$8 billion. Even small savings can be substantial.

Bloomberg/Getty Images



Marketing Logistics and Supply Chain Management

Nature and Importance of Marketing Logistics

Supply chain management is the process of managing upstream and downstream value-added flows of materials, final goods, and related information among suppliers, the company, resellers, and final consumers



Major Logistics Functions

Transportation

Warehousing



● High-tech distribution centers: Amazon employs teams of super-retrievers—day-glo orange Kiva robots—to keep its fulfillment centers humming.



● Transportation: In shipping goods to their warehouses, dealers, and customers, companies can choose among many transportation modes, including truck, rail, water, pipeline, and air. Much of today's shipping requires multiple modes.

Thanapun/Shutterstock

Inventory Management

Logistics Information Management



Integrated Logistics Management



● **Integrated logistics management:** Oracle's supply chain management software solutions help companies to "gain sustainable advantage and drive innovation by transforming their traditional supply chains into integrated value chains."

Oracle Corporation

Integrated logistics management
The logistics concept that emphasizes teamwork—both inside the company and among all the marketing channel organizations—to maximize the performance of the entire distribution system.

