

# **Paper** **MARKETING MANAGEMENT**

**MBA II SEMESTER (CBCS)**  
**(Batch 2019-2021)**

**Lecture on**

**Distribution Channel**

**Factors Affecting Selection of Distribution Channel**

**Faculty**

**Dr. Kamran Sultan**

**Pandit Jawaharlal Nehru Institute of Business Management**

**Vikram University Ujjain (M.P)**

# *Distribution Channel*

- Marketing channels are sets of interdependent organisations involved in the process of making a product or service available for use or consumption to final consumer.
- These are the set of pathways of a product or service that follows after production available as finished goods culminating for purchase and finally used by the ultimate consumer.

# *Distribution Channel*

- Marketing channels also represent a substantial opportunity for business firm.
- One of the chief role of marketing channels is to convert potential buyers into profitable customers for their products/ services.
- Marketing channels must not just serve market, but establish markets for the Companies products as well as selling brands.

# *Importance and Functions*

- Concentration and dispersion of goods
- Creation of massed reserve
- Reduction of number of transactions
- Routinization of decisions
- Postponement of physical changes in product
- Advising producers on product pricing
- Acting as channel of communication
- Promotional activities
- Financing the marketing function
- Creation of utilities

# *Factors Affecting Selection of Distribution Channel*

The following factors play an important role in the selection of channels of distribution:

- **Market Characteristics:** Customer characteristics, size of the market, extend of concentration of customer, size of purchase, frequency of purchase, buyer behaviour, etc.
- **Product Characteristic:** Price of the product, technical complexity, bulk, perishability, items complementarity with other products, etc.

# *Factors Affecting Selection of Distribution Channel*

- **Company Policies:** Advertising policies , sales policies, price policies, service policies, desire for control over channel, etc.
- **Distribution Strategy:** Kind of customers, type of product / service, company policies for intensive, selective or exclusive distribution, etc.

*Thank You*

**Dr. Kamran Sultan**

**Contact no. 9425012255**

**Email-Id:kamran\_sultan@rediffmail.com**