

Paper MARKETING MANAGEMENT

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

Lecture on

Levels of Distribution Channel

Faculty

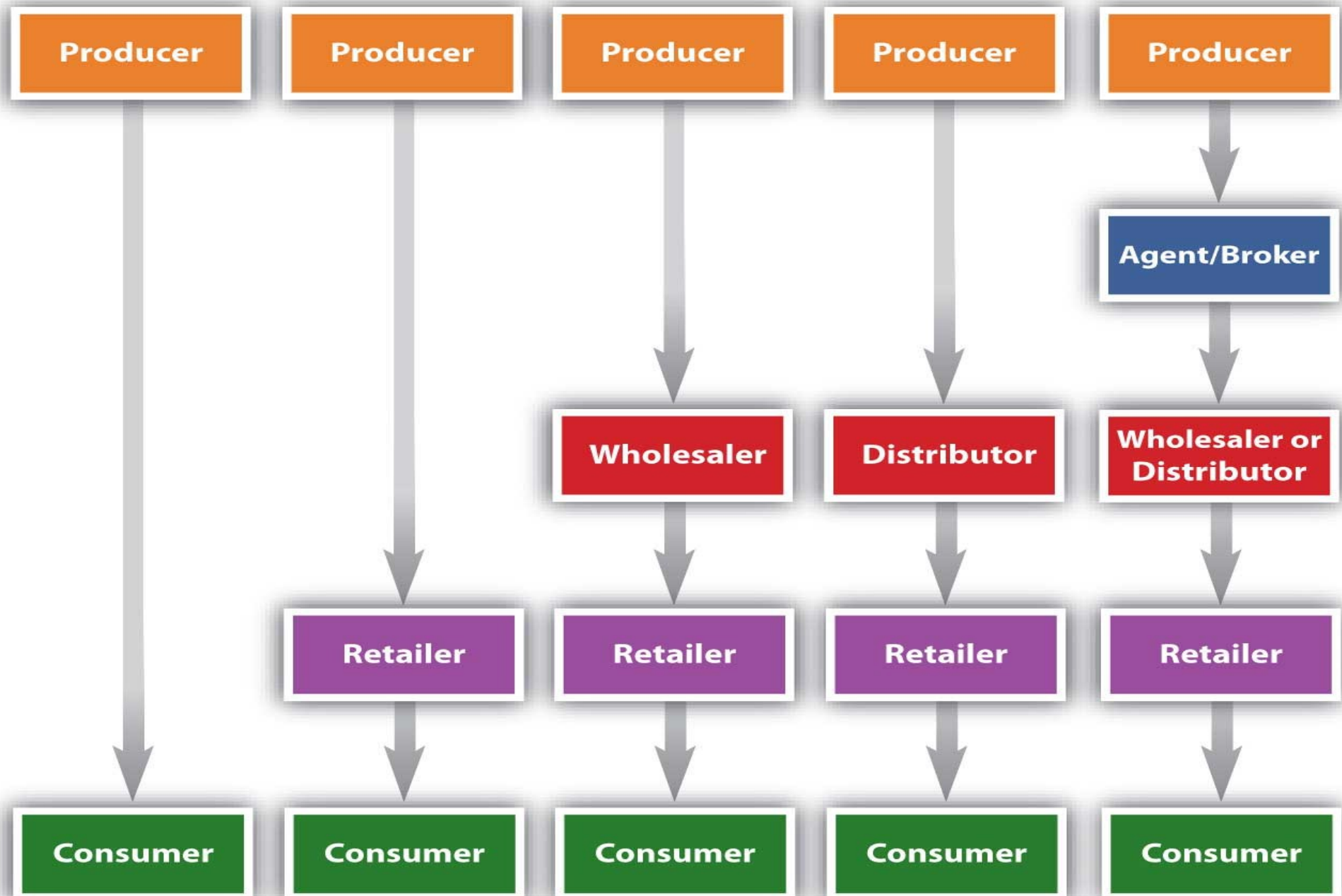
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Distribution Channel

- 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.
- Marketing channels also represent a substantial opportunity for business firm.

Level of Consumer Marketing Channels



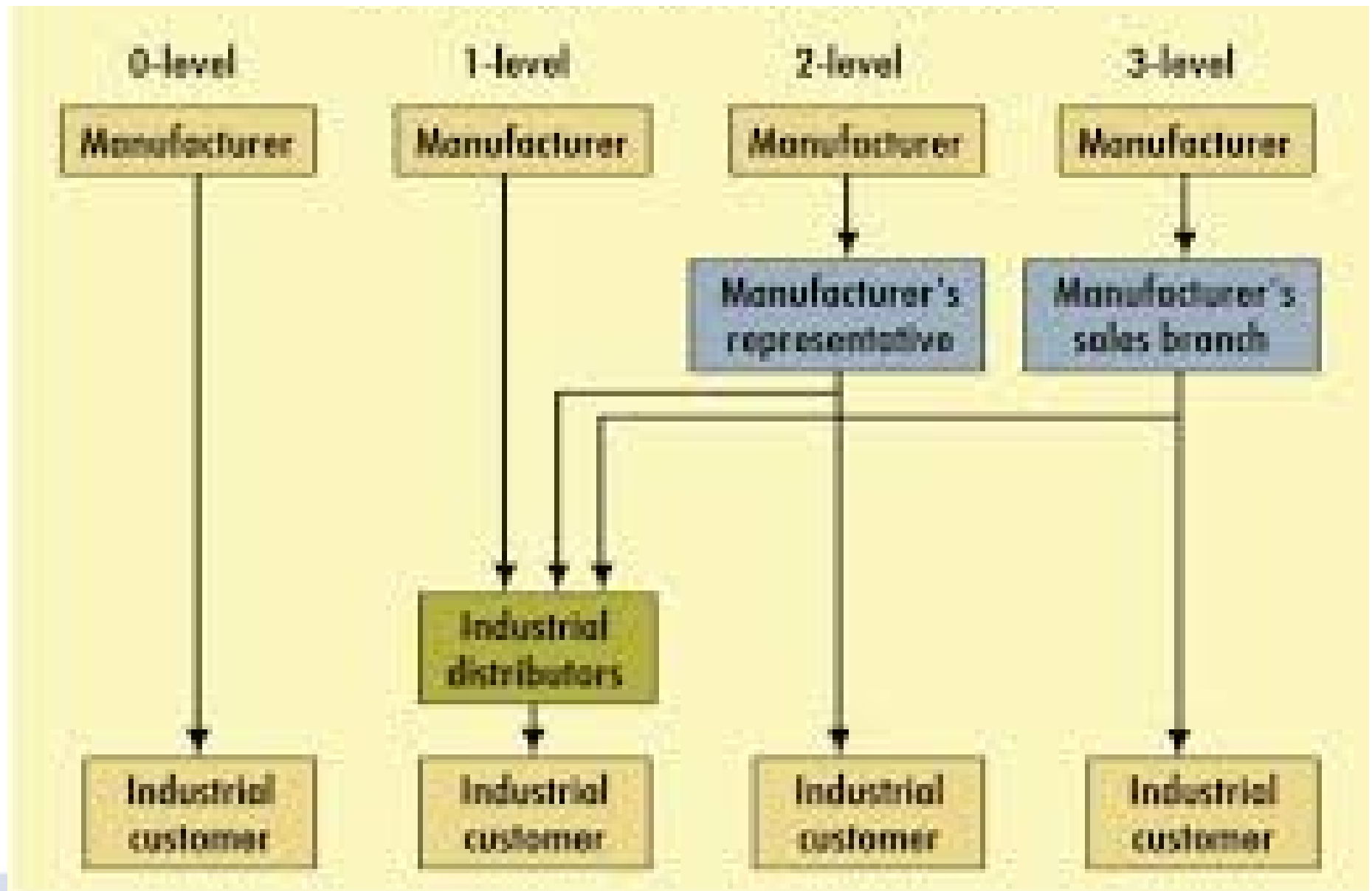
Level of Consumer Marketing Channels

- The producer and the final customer are part of every channel. We will use the number of intermediary level to designate the length of a channel. Several consumer goods marketing channels are of different length.
- A zero-level channel (also called a direct marketing channel) consists of a manufacturer selling directly to the final customers.
- The major example are door to door sales, home parties, mail order, telemarketing, TV selling, internet selling and manufacturer-owned stores.
- In the meatpacking industry, wholesalers sale to the jobbers, who further sell to small retailers.

Level of Consumer Marketing Channels

- One-level channel contains one intermediaries between manufacturer & consumer such as Dealer.
- Two-level channel contains two intermediaries between manufacturer & consumer such as Distributor and Dealer.
- Three-level channels contains three intermediaries between manufacturer & consumer.
- In multichannel consumer markets there are C&F, wholesaler, stockist, dealer and retailer.
- From the producer's point of view, obtaining information about end users and exercising control becomes more difficult as the number of channel

Level of Industrial Marketing Channels



Level of Industrial Marketing Channels

- Zero, one and two-level marketing channels are quite common.
- An industrial-goods manufacturer can use its sales force to sell directly to industrial customers; or it can sell through industrial distributors, who further sell goods to the industrial consumers.
- Direct selling through manufacturer's representative or its own sales branches directly to industrial customers,
- Indirect selling to industrial customers through industrial distributors.
- Industrial Marketing channels commonly used B2B marketing.

Level of Industrial Marketing Channels

Channels normally describe a forward movement of products from source to user, but there are also reverse flow channels. These are important in the following cases;

- To reuse products containers (such as refillable chemical-carrying drums)
- To refurbish products (such as circuit boards for computers) for resale
- To recycle products (such as paper) and
- To dispose of products and packaging (such as waste products)

Channel flow of Middlemen

- **Manufacturer to Agent to Consumer**
- **Manufacturer to Distributor to Dealer to Retailer to Customer**
- **Manufacturer to Company sales force/ Representative to Retailer to Customer**
- **Manufacturer to C&F to Wholesaler to Retailer to Customer, and**
- **Many more types of Channel Partner/Intermediaries depending on the nature of products/services, size of market, type of customer, etc.**

Thank You

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