

Vivekanand College, Kolhapur

(Autonomous)

Principles of Marketing Paper- II

Place Mix (Distribution channel)



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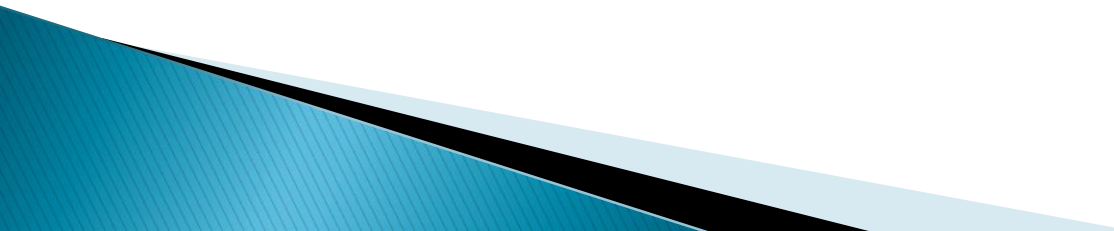
Place Mix (Distribution Channel)

Introduction- The distribution channel simply refers to the path or route through which product moves from producer to ultimate customer. It is through distribution channels that businesses are able to deliver their products to customers. The place of production & consumption of products is not the same therefore the distribution channel has an efficient role in overcoming this problem. Goods produced by the manufactures must come to the knowledge of the ultimate consumers. This is arranged by sales promotion activities like salesmanship and advertising. By mere knowledge, the prospective consumers are not happy. The products must reach their hands for actual use. Channels of distribution are paths through which products move from the points of production to the points of consumption. Distribution channels are also called trade channels.

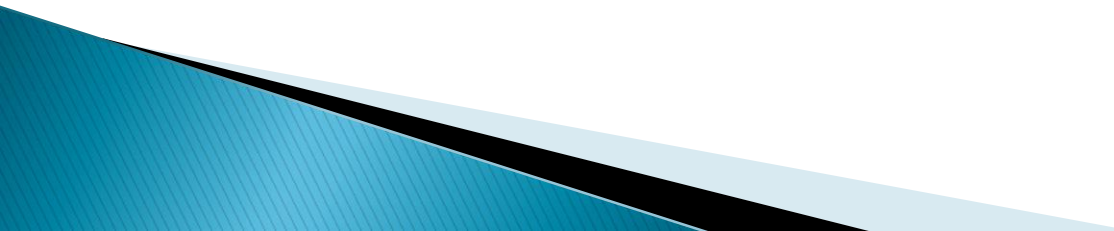
Definition

1. Distribution channel can be defined as route or path way through which product flow from producer to customer
2. “Use of intermediaries' like wholesale, retailer, agent etc. between manufactures and customer for the purpose of facility availability of goods and services is known as distribution channel” - **Philip Kotler**
3. “Distribution channel refers to the set of marketing institution participating in marketing activities involved in the flow of goods and services from primary producer to the ultimate consumers.” – **S. A. Sherlekar**

Objectives of Distribution channel

1. To make supply regularly
 2. To promote the sale
 3. To overcome competition
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Importance of Distribution channel

1. Create place, time and ownership utilities
 2. Regularity and continuity of product supply
 3. Development of new geographical market
 4. Maintain Stock Of Products
 5. Provides Market Information
 6. Promotion Of Goods
 7. Provide Finance
 8. Generates Employment
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Types of Distribution channel

1. Direct Distribution channel

2. Indirect Distribution channel

A- Manufacturer – Retailer – Consumer

B- Manufacturer- Wholesaler – Retailer – Consumer

C- Manufacturer –Agent- Wholesaler- Retailer – Consumer

D- Manufacturer- Wholesaler –Consumer

Factors affecting on choice of Distribution channel-

- a. Factors related to Product
 - b. Factors related to Market
 - c. Factors related to Company
 - d. Factors related to Competition
 - e. Factors related to Market environment
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