

Channels of Distribution

Meaning

- Distribution channels are the paths that products and services take on their way from the manufacturer or service provider to the end consumer.

Functions

- Physical distribution and logistics: In this phase, the distribution channel performs four functions; assembly, storing, sorting out the product, and transportation from the production to the final buyer.

Middlemen in Distribution channel

Wholesalers, retailers, distributors, or brokers, for example. In this case, manufacturers do not have total control over distribution channels. The benefit is that this makes it possible to sell larger volumes and sell to a range of customers.

Kinds

- The normal distribution, which is used frequently in finance, investing, science, and engineering. The normal distribution is fully characterized by its mean and standard deviation, meaning the distribution is not skewed and does exhibit kurtosis.

Wholesalers

- A merchant middleman who sells chiefly to retailers, other merchants, or industrial, institutional, and commercial users mainly for resale or business use.

➤ Characteristics wholesalers

- (i) He buys in bulk quantities from producers and resells them to retailers in small quantities.
- (ii) He usually deals in a few types of products.
- (iii) He is a vital link between the producer and the retailer.
- (iv) He operates in a specific area determined by producers.

Service to Retailers

- ◆ Retailers provide information to wholesalers, such as the tastes and preferences of customers, prevailing market conditions and level of competition in the market.

Functions of Retailers

- ◆ A retailer performs the dual functions of buying and assembling of goods. The responsibility of a retailer is to identify the most economical source for obtaining the goods from the suppliers and passing on the advantages to the consumer. The retailers perform the functions of warehousing and storing.

Service of the Retailers

Retailers introduce new products to the customers and also guide them with the usage of the products. Retailers can provide additional services like free home delivery or after sales services.

Types of Retailers

- ◆ The types of retail stores like department stores, speciality stores, supermarkets, convenience stores, catalogue showrooms, drug stores, superstores, discount stores, extreme value stores etc.



Thank you