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B.Com Honours

Semester I

Calicut University

Essentials of Marketing

Course Code: COM1MN107 • Module 3 Notes

1. Distribution Channels: Role, Structure, and Intensity

Producing a high-quality product is meaningless unless it is made accessible to target consumers at the right place and time. Distribution channels represent the path that goods follow from the manufacturer to the final consumer. This module covers the roles of channel intermediaries, direct vs. indirect channel levels, distribution intensity strategies, promotion mix elements, sales promotion strategies, personal selling, and public relations.

The Role of Marketing Channels

Intermediaries (wholesalers, retailers, distributors) are used because they improve efficiency in making goods available. They bridge the time, place, and possession gaps separating goods from users, providing specialized contact networks, storage facilities, and transaction sorting.

Channel Levels: Direct vs. Indirect

Direct Marketing Channel

Zero-Level: The manufacturer sells directly to the final consumer without any intermediaries (e.g., door-to-door sales, factory outlets, direct website sales like Tesla).

Indirect Marketing Channels

- **One-Level:** One intermediary (Manufacturer → Retailer → Consumer). E.g., clothing, automobiles.
- **Two-Level:** Two intermediaries (Manufacturer → Wholesaler → Retailer → Consumer). E.g., fast-moving consumer goods (FMCG) like soap.
- **Three-Level:** Three intermediaries (Manufacturer → Agent → Wholesaler → Retailer → Consumer). E.g., imported foods.

Distribution Intensity Strategies

- **Intensive Distribution:** Stocking the product in as many outlets as possible. Used for convenience goods where utility depends on location (e.g., soft drinks, biscuits).
- **Selective Distribution:** Using more than one, but fewer than all, intermediaries who are willing to carry the company's products. Used for shopping goods (e.g., televisions, home appliances).
- **Exclusive Distribution:** Giving only a limited number of dealers the exclusive right to distribute the company's products in their territories (e.g., luxury brands, sports cars).

2. Promotion Mix and Sales Promotion Techniques

The promotion mix represents the specific blend of promotion tools that the company uses to persuasively communicate customer value and build customer relationships.

Elements of the Promotion Mix

- **Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Sales Promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
- **Personal Selling:** Personal customer interaction by the firm's sales force for the purpose of making sales and building customer relationships.
- **Public Relations (PR):** Building good relations with the company's various publics by obtaining favorable publicity and building a good corporate image.

Sales Promotion Strategies

Sales promotion includes tools for consumer promotion and trade promotion:

Target Audience	Promotion Strategy	Typical Tools Used
Consumers (Pull Strategy)	Encourage final buyers to purchase immediately; drive short-term sales volume.	Free samples, price discounts/sales, discount coupons, cash refunds (cashback), contests, and buy-one-get-one (BOGO) offers.
Trade Partners (Push Strategy)	Persuade retailers and wholesalers to carry the brand, allocate shelf space, and promote it to consumers.	Buying allowances, free merchandise, merchandise allowances, dealer contests, and cooperative advertising funding.

3. Personal Selling and Public Relations

The Personal Selling Process

Personal selling is a face-to-face interaction that follows a structured sequence of steps to close sales successfully:

- 1. Prospecting & Qualifying:** Identifying potential customers (leads) and screening them to check financial capacity and need (qualifying).
- 2. Pre-approach:** Learning as much as possible about a prospective customer before making a sales call (researching needs, preferences).
- 3. Approach:** Meeting the customer for the first time; setting a positive impression and establishing rapport.
- 4. Presentation & Demonstration:** Presenting the product value proposition, demonstrating benefits, and explaining how it solves the customer's problem.
- 5. Handling Objections:** Answering customer questions and overcoming resistance (e.g., pricing doubts) with clear counter-arguments.
- 6. Closing:** Asking for the order, finalizing deal terms, and securing the sale.
- 7. Follow-up:** Contacting the customer post-sale to ensure customer satisfaction, handle problems, and secure repeat business.

Public Relations (PR)

PR is used to manage the corporate image. Unlike advertising, PR is unpaid and possesses high credibility as the message is carried via third-party news sources. Tools include press releases, sponsorships of cultural/sports events, public speeches, lobbying, and community welfare initiatives.

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