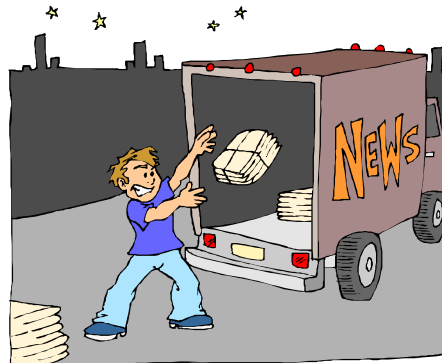




Place

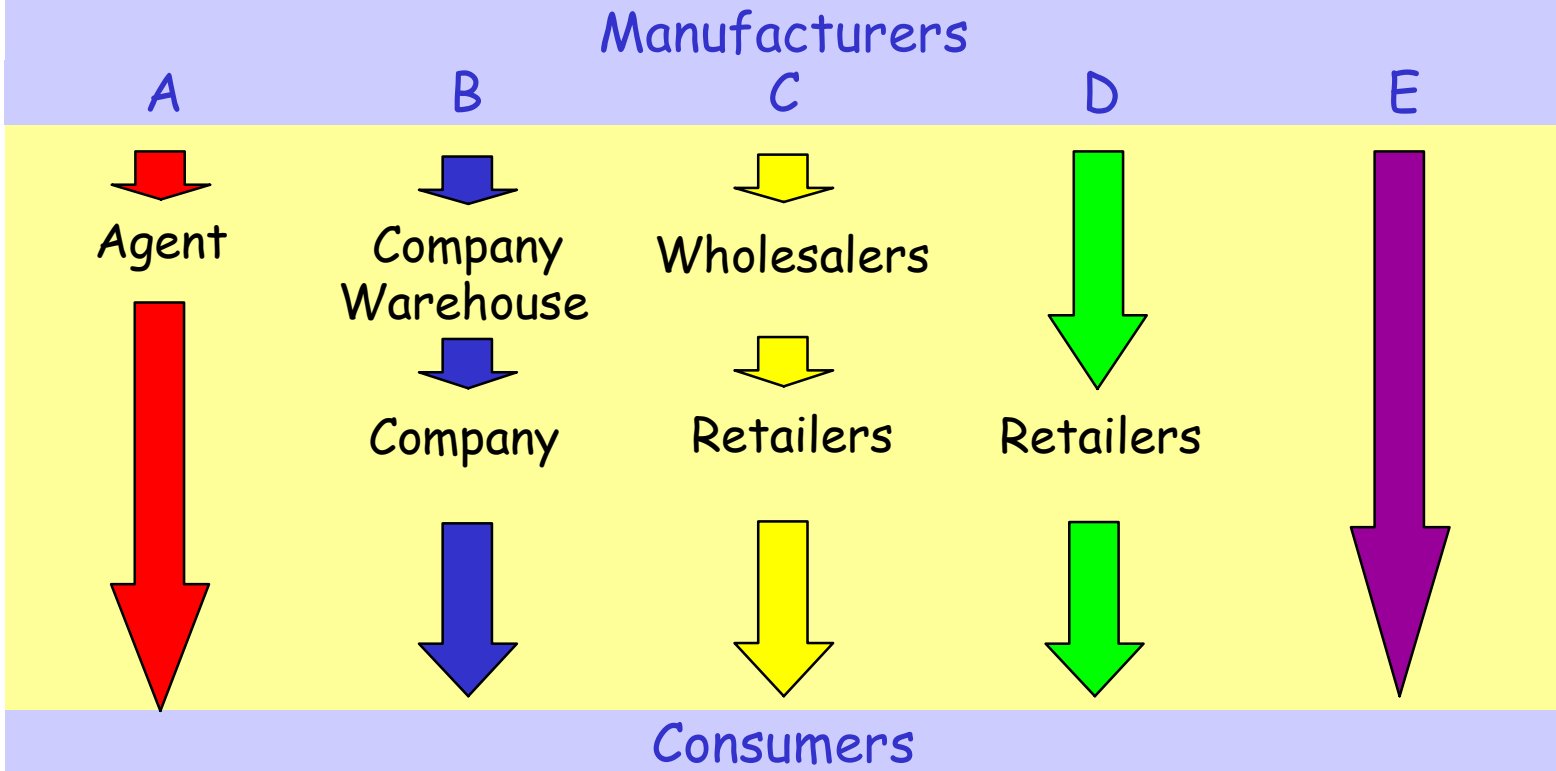
- This involves making goods or services available for those who want to buy them
- To do this a business will use a **distribution channel**
 - A distribution channel refers:
 - The movement of goods from manufacturer to consumer
 - Where goods are actually sold
- Place is often overlooked, but it is a vital part of marketing - without it nothing would be sold!





Distribution Channels

- There are a number of possible channels which can be combine in various ways using **INTERMEDIARIES**:

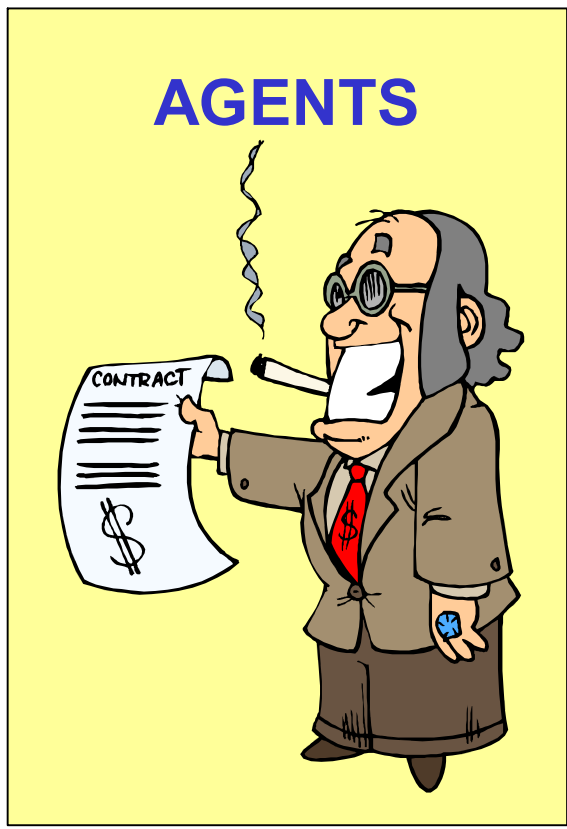


- Intermediaries are used since few businesses have the resources to distribute directly



Intermediaries

- There are 3 main intermediaries:



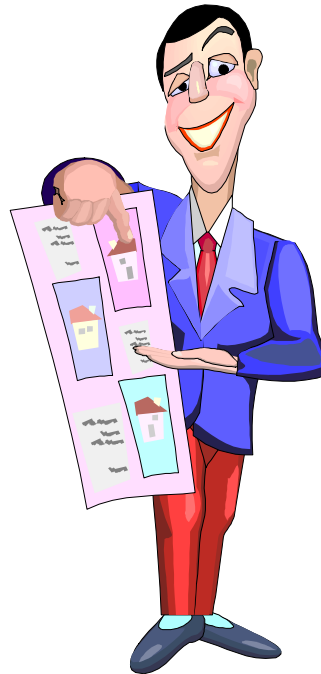


Agents

- Usually negotiate sales on behalf of the seller
- Are not usually involved in ownership
- Instead usually take a commission
- Examples include:



Travel Agents



Estate Agents



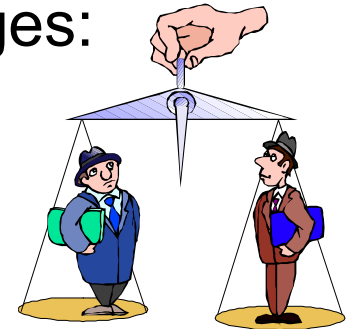
Football Agents



Wholesalers

- There are 2 types of wholesalers:
 - **Cash & Carry**
 - Like a large supermarket where small, local retailers buy in bulk
 - **Voluntary Groups**
 - Set up by a group of small retailers to allow economies of scale. They only serve members. E.g. Spar, Nisa Today

- Wholesalers often balance the interests of retailers and manufacturers, and offer a number of advantages:
 - **Breaking Bulk**
 - Retailers can buy in single cases rather than multiples
 - **Storage**
 - Retailers do not have to hold large amounts of stock
 - **Offering Advice**
 - Being in the middle means that wholesalers know what is happening in the market

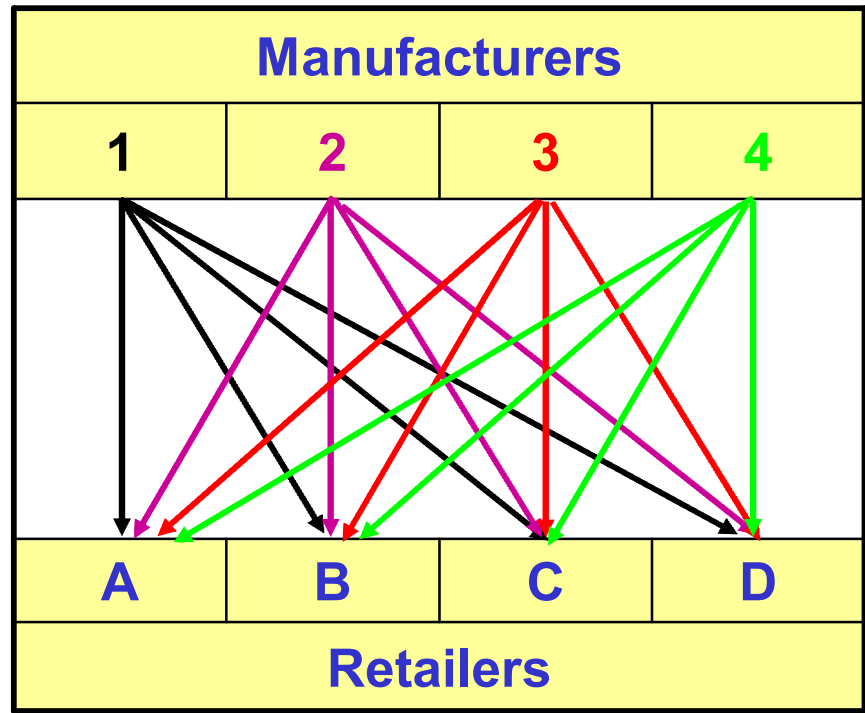




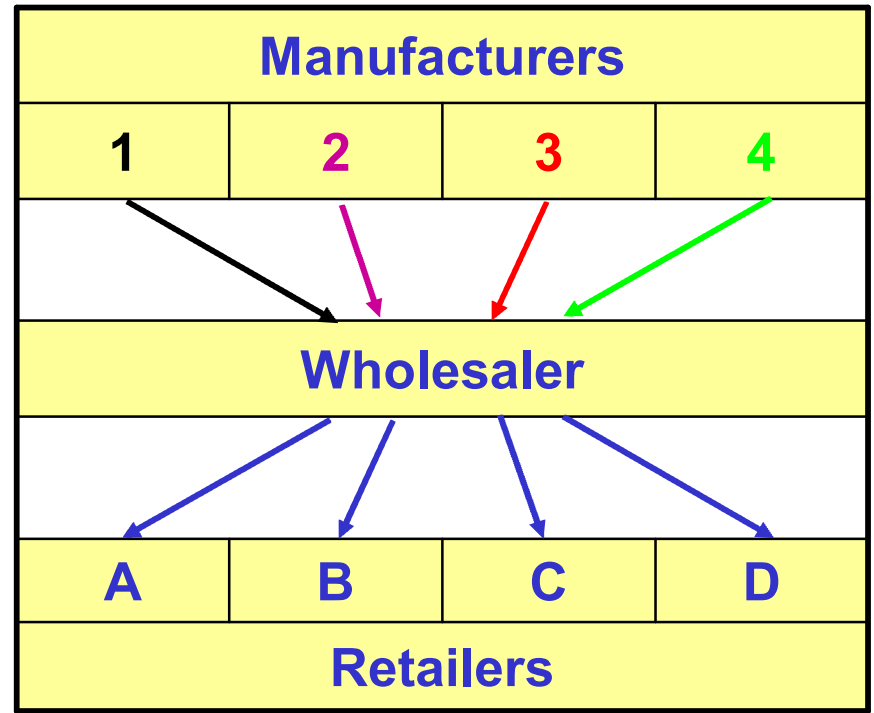
The Main Advantage of Wholesalers

- The main advantage of using a wholesaler is that they simplify the distribution process:

Without Wholesalers



With Wholesalers





Retailers

● There are 5 main types of retailers in the UK:

➤ **Independent Traders:**

- Often run by sole traders, and must have less than 10 branches.
- Decreasing numbers - many now part of voluntary groups

➤ **Multiple Chains:**

- Have more than 10 branches
- Can be specialist (e.g. Waterstones) or variety (e.g. Woolworths)



➤ **Supermarkets:**

- Store with at least 400m² of floor space having at least 3 checkouts
- Most are owned by Tesco, Sainsbury's, Walmart & Morrisons

➤ **Superstores:**

- Large stores often selling diverse, but related products



➤ **Department Stores:**

- Have at least 5 departments and have 2,500m² of selling space
- Many now contain franchised departments



Which Distribution Channel?

- The choice of distribution channel is usually based upon 3 criteria:

- **The Economic Criteria**

- Comparison of costs for each method

- **The Control Criteria**

- A firm will want to retain some control since customers will hold them responsible when things go wrong

- **The Adaptive Criteria**

- A distribution channel should be capable of being adapted in case things go wrong

