



KERIN
HARTLEY
RUDELIUS

MARKETING: The Core 5/e

CHAPTER

12

MANAGING
MARKETING
CHANNELS AND
SUPPLY CHAINS

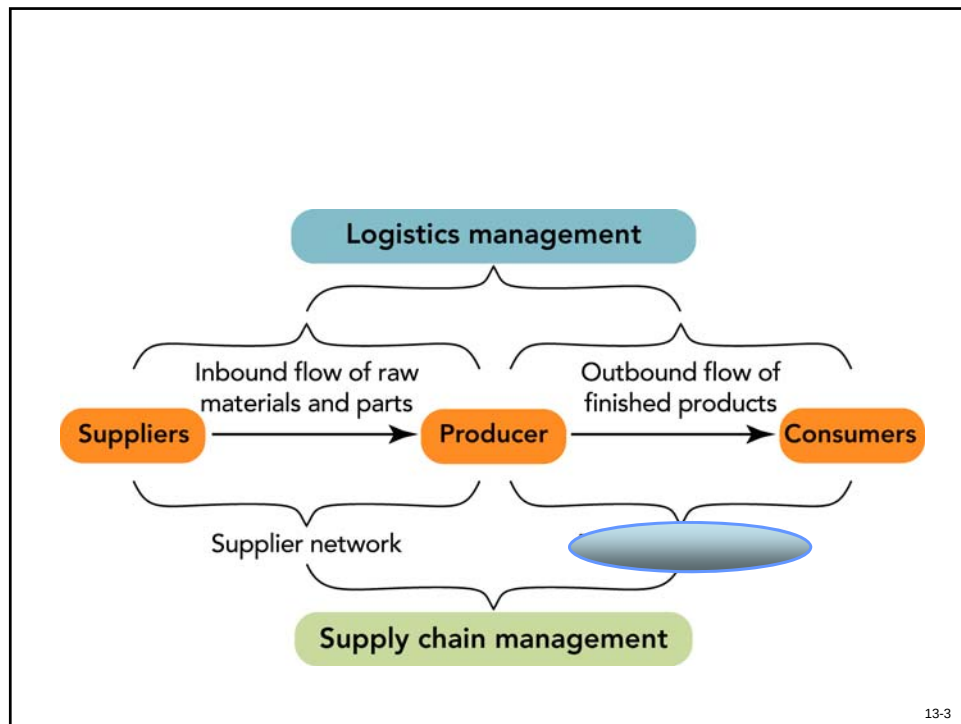


McGraw-Hill/Connect

Copyright © 2013 by The McGraw-Hill Companies, Inc. All rights reserved.

Supply Chain Management





L04

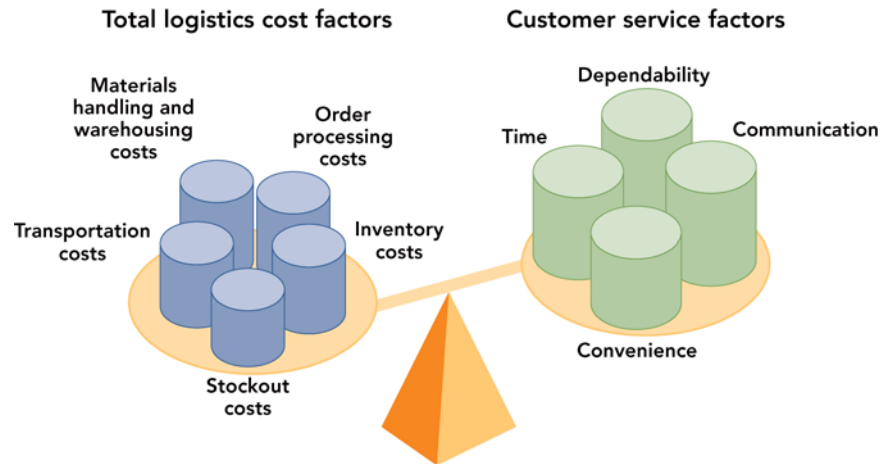
LOGISTICS & SUPPLY CHAIN MANAGEMENT SUPPLY CHAIN MGMT & MKT STRATEGY

- **Dell: A Responsive Supply Chain**
- **Wal-Mart: An Efficient Supply Chain**
 - **Cross-docking**



13-4

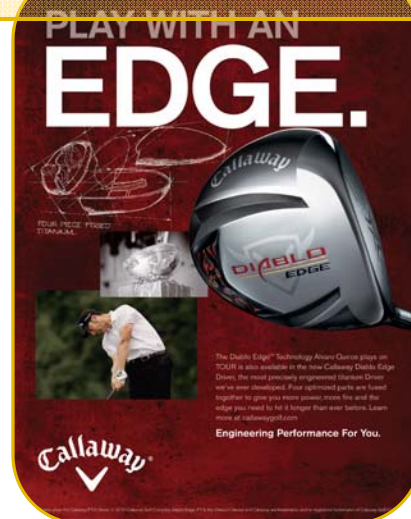
TWO CONCEPTS OF LOGISTICS MANAGEMENT IN A SUPPLY CHAIN



13-5

Marketing Channels)

CALLAWAY GOLF: DESIGNING AND DELIVERING THE GOODS FOR GREAT GOLF



13-8

Terms used for marketing intermediaries (Channels) vary in specificity and use in consumer and business markets

TERM	DESCRIPTION
Middleman	Any intermediary between manufacturer and end-user markets
Agent or broker	Any intermediary with legal authority to act on behalf of the manufacturer
Wholesaler	An intermediary who sells to other intermediaries, usually to retailers; term usually applies to consumer markets
Retailer	An intermediary who sells to consumers
Distributor	An imprecise term, usually used to describe intermediaries who perform a variety of distribution functions, including selling, maintaining inventories, extending credit, and so on; a more common term in business markets but may also be used to refer to wholesalers
Dealer	A more imprecise term than distributor that can mean the same as distributor, retailer, wholesaler, and so forth

13-9

L01

Functions Performed by Intermediaries

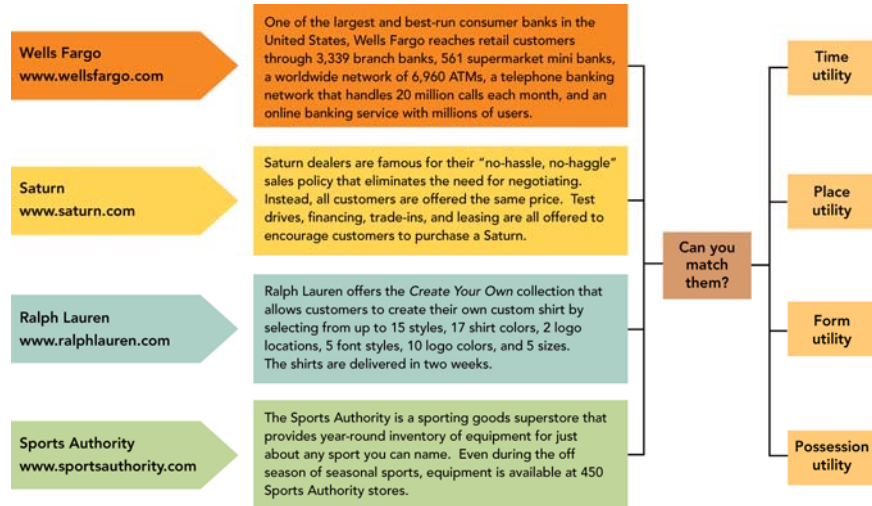
TYPE OF FUNCTION	ACTIVITIES RELATED TO FUNCTION
Transactional function	• <i>Buying</i>: Purchasing products for resale or as an agent for supply of a product • <i>Selling</i>: Contacting potential customers, promoting products, and seeking orders • <i>Risk taking</i>: Assuming business risks in the ownership of inventory that can become obsolete or deteriorate
Logistical function	• <i>Assorting</i>: Creating product assortments from several sources to serve customers • <i>Storing</i>: Assembling and protecting products at a convenient location to offer better customer service • <i>Sorting</i>: Purchasing in large quantities and breaking into smaller amounts desired by customers • <i>Transporting</i>: Physically moving a product to customers
Facilitating function	• <i>Financing</i>: Extending credit to customers • <i>Grading</i>: Inspecting, testing, or judging products, and assigning them quality grades • <i>Marketing information and research</i>: Providing information to customers and suppliers, including competitive conditions and trends

Time utility. Place utility. Form utility. Possession utility.

13-11

Utilities Consumers Receive

Which retailer best provides which utilities?



14-12

CHANNEL STRUCTURE & ORGANIZATION

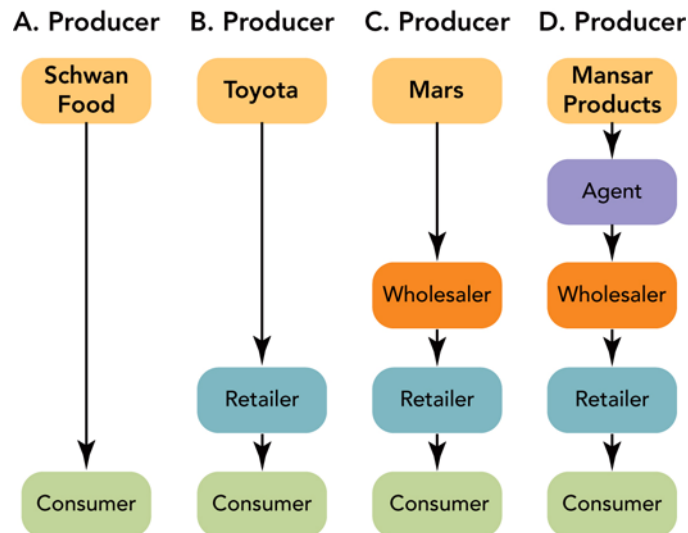
L02

MARKETING CHANNELS FOR

- Direct Channel
- Indirect Channel

13-13

Common marketing channels for consumer offerings by the kind and number of intermediaries



13-15

CHANNEL STRUCTURE & ORGANIZATION

L02

ELECTRONIC MARKETING CHANNELS; DIRECT AND MULTICHANNEL MARKETING

➤ Electronic Marketing Channels

➤ Direct Marketing Channels

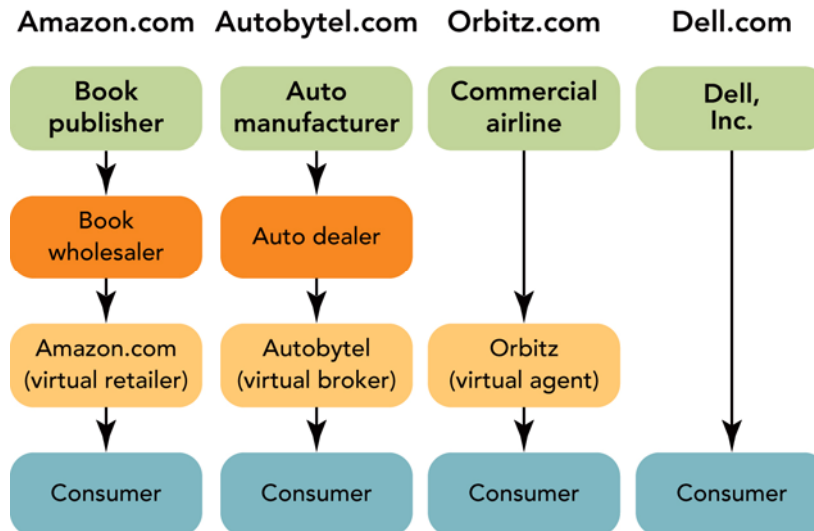


➤ Multichannel Marketing



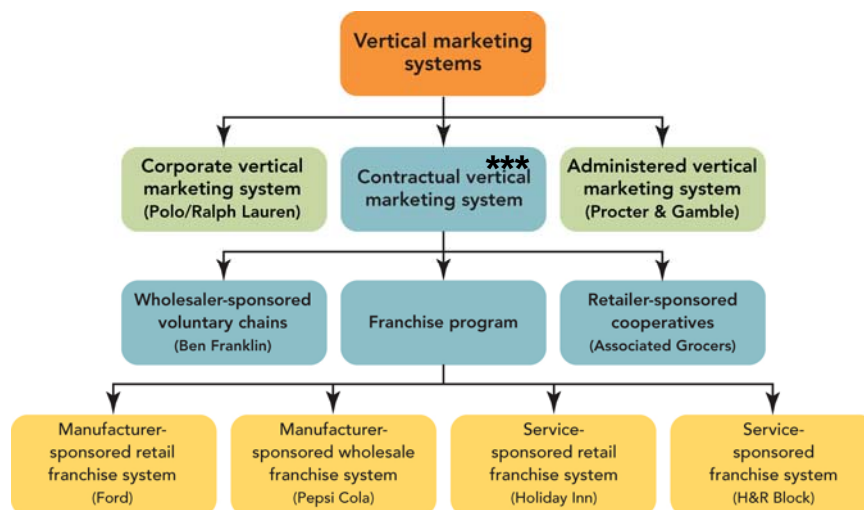
13-18

FIGURE 13-5 Consumer electronic marketing channels are similar to those for consumer and business offerings



13-19

FIGURE 13-6 Three types of vertical marketing systems: corporate, contractual (most popular), and administered



13-22

L03

CHANNEL CHOICE AND MANAGEMENT CHANNEL CHOICE CONSIDERATIONS

➤ 1) Target Market Coverage (Density)

- Intensive Distribution



- Exclusive Distribution

Gucci

- Selective Distribution



13-26

L03

CHANNEL CHOICE AND MANAGEMENT CHANNEL CHOICE CONSIDERATIONS

➤ 2) Satisfying Buyer Requirements

- Information



- Convenience



- Variety

- Pre- or Post-Sale Service

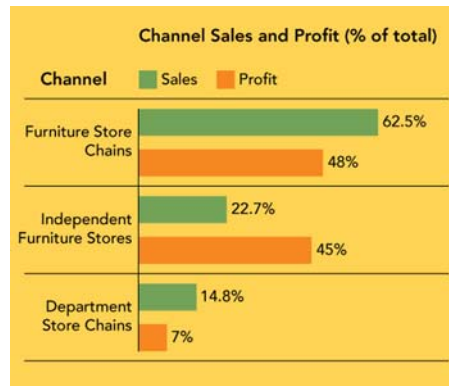
➤ 3) Profitability

13-27

L03

USING MARKETING DASHBOARDS

3) Channel Sales and Profit at Charlesburg Furniture



13-29

L04

LOGISTICS & SUPPLY CHAIN MANAGEMENT KEY CONCEPTS

➤ Logistics

➤ Logistics Management

- Customer Requirements
- Cost-Effective Flow
- Customer Service

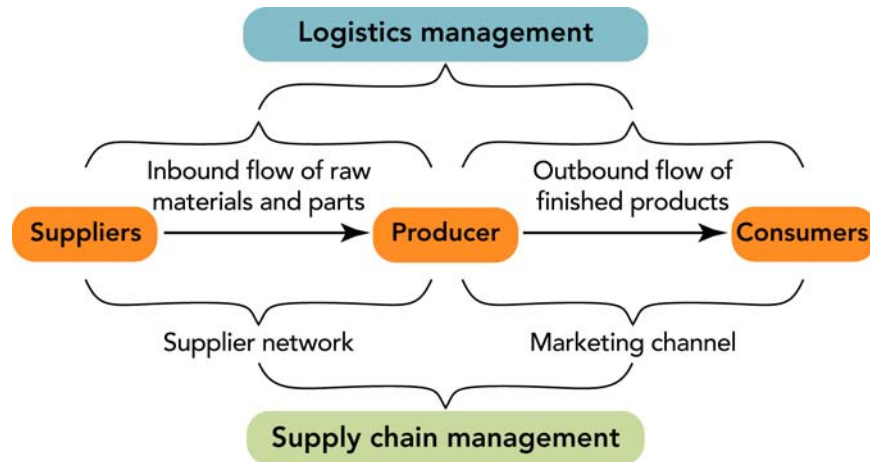
➤ Supply Chain

➤ Supply Chain Management

- The Automotive Supply Chain

13-33

Relating logistics management and supply chain management to supplier networks and marketing channels



13-34

VIDEO CASE 12

AMAZON: DELIVERING THE GOODS...MILLIONS OF TIMES A DAY



12-43