



Distribution

The distribution technique is used to offer a company's products or services to customers through new or different channels, based on a determination of how and where purchases are made. Generally, decisions related to distribution are the responsibility of marketing and are examined under the "four P's" of the marketing mix, product, promotion, price, and place. However, this technique goes further, emphasising the importance of distribution and its impact on other aspects of the business. Therefore, it can include, for example, decisions regarding separate pricing structures for online selling versus traditional retail, or those related to the commitments required when introducing distribution through intermediaries.

Using 'Distribution'

Step 1: Select the correct channels. The organisation evaluate the best mix from channel alternatives, based on the number of locations and the number and type of intermediaries required. The options range from direct selling, to wide or exclusive distribution through a number of merchants or agents. There are advantages and disadvantages for each choice that relate to costs, market reach, control, and the ability to obtain customer information.

Step 2: Monitor the performance of channels and examine whether the channel mix can be optimised or should be changed.

Step 3: If using intermediaries, ensure they are fully trained with regard to the focal product or service.

Step 4: Motivate intermediaries through rewards for positive performance, or introduce actions that address poor performance.

Step 5: Address any horizontal or vertical channel conflicts that arise as a result of the channel mix selected.

