

PRINCIPLES OF MARKETING

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MARKETING CHANNELS DEFINED

- “A marketing channel is a set of interdependent organizations that help make a product or service available for use or consumption by the consumer or business user.”
- Said another way: Marketing Channels are the means in which we sell and distribute products to customers.



EXAMPLES OF MARKETING CHANNELS

- Examples of Marketing Channels include:
 - e-Commerce Websites
 - Big Box Discount retailers (Walmart, Ocean State Job Lots)
 - Small, independent department retailers (Belmain's)
 - Restaurants
 - Grocery Stores
 - Convenience Stores



REMEMBER THE DEFINITION FOR MARKETING FROM THE 1ST DAY OF CLASS?

- Marketing builds value for captures so that we may capture value from customers...
- How can Marketing Channels add value to this equation?



MARKETING CHANNELS ADD VALUE BY...

- Gathering and collecting information about consumers and producers in the marketing environment
- Promoting product to mass audiences
- Marketing directly to the end user
- Negotiating on behalf of the producer on price and other terms
- Handling the physical distribution of products to consumers
- Financing otherwise expensive costs of marketing in the channel
- Assuming much of the risk in the marketing channel



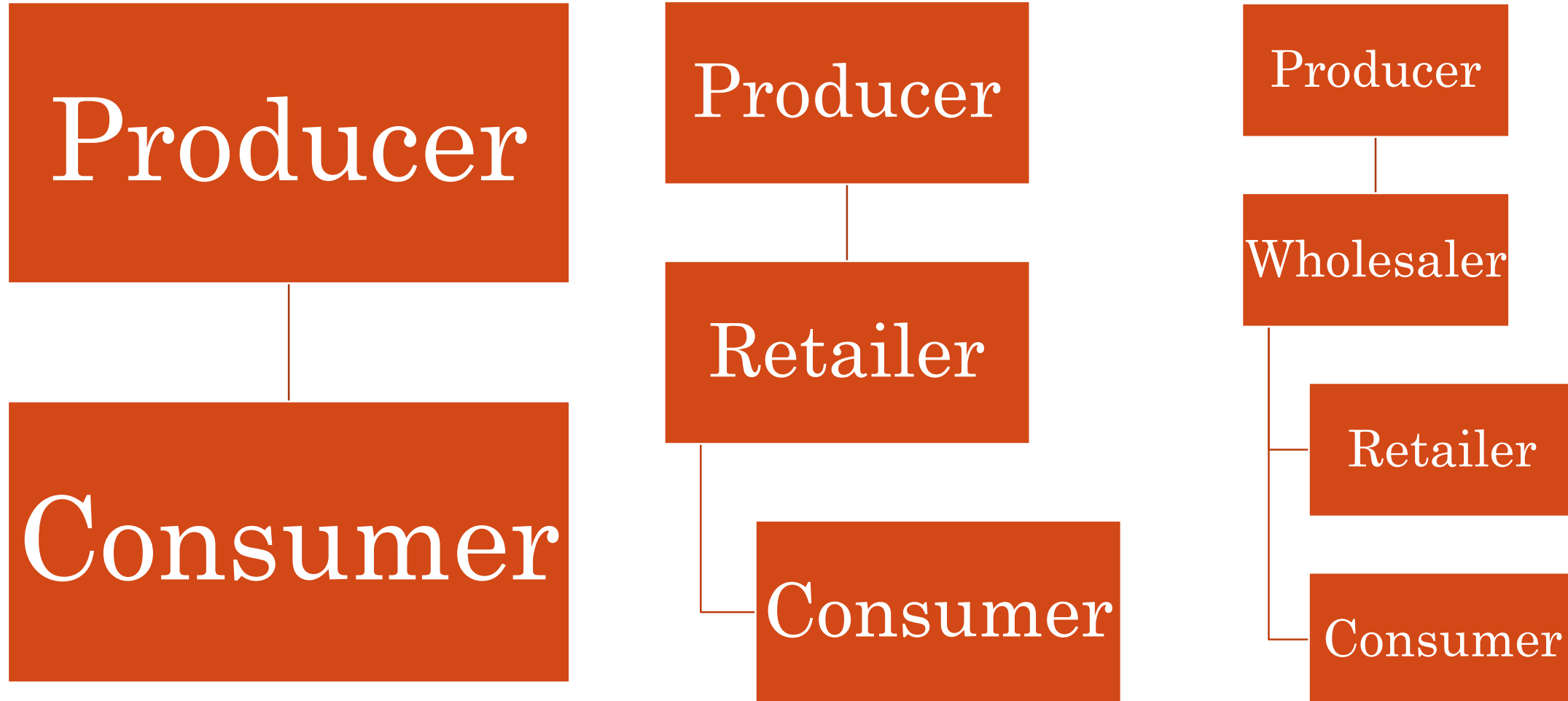
THE MARKETING CHANNELS YOU CHOOSE SAY A LOT ABOUT WHO YOU ARE AS A BUSINESS

- eCommerce Business, selling Directly to Consumers requires:
 - Distribution and logistics that can handle hundreds and thousands of small orders at a high frequency all going to different locations
 - Website that can handle large volume of orders at a high frequency
 - Customer service that handle large volume of calls
 - Marketing that can reach mass markets
- Business that sells through a Big Box Chain like Walmart
 - Distribution that can ship large volumes of products a few times a year to one location
 - Website...or not
 - Sales force that markets/sells to one buyer from Walmart...or a small group of buyers

SELLING DIRECT TO CONSUMERS SEEMS SO HARD....WHY BOTHER?



MARKETING CHANNEL LEVELS



MARKETING CHANNEL MASTERS





<http://www.youtube.com/watch?v=l3wq5zQtAm4>

<http://www.youtube.com/watch?v=nx23RqdqiRA>

