

Distribution Decisions: Channels & Affecting Factors

Distribution decisions play an important role in the marketing strategy of any product or service. These decisions involve many aspects like deciding about marketing channels and different distributional aspects. In this article, we will discuss distribution decisions, their objectives and factors affecting the choice of marketing channels in detail.

Distribution Decisions Overview

Distribution becomes essential to make that product available to the customer. Hence there is a need that marketers to take into account different distributional aspects in order to make an effective distribution decision. This decision is concerned with different supply chain management strategies and choosing the right channel for distributing the product or service.

What is Distribution?

Distribution is a physical flow of products through distribution channels. The channels of distribution are the chain of market intermediaries or middle when used by the organization to make products and services available at the place when and where the customer or users want them.

What are Distribution Decisions?

The distribution decisions are the decisions and activities that make products available to customers when and where they want to purchase them. They include different aspects like supply chain management, operation management, Logistics management etc.

Objectives of Distribution Decisions

Distribution decision involves the major decision of establishing a channel for a given product. Following are the different other objectives of the distribution decisions

- Satisfy customer requirements by providing a high level of service.
- Ensure promotional efforts by obtaining promotional support from distributional intermediaries.
- Increase the availability of goods or services to potential customers.
- Obtain timely and detailed market information from the middleman and accurate feedback from the customer.

Channels of Distribution

There are a number of channels which are widely used in the marketing of consumer products. These channels differ from each other because of the involvement of a number of middlemen in them. Below are some major channels of distribution.

Factors Affecting the Choice of Distribution Channels

Distribution decision involves the most important aspect which is deciding about the distributional channels. A marketer should have to focus on different factors before choosing the distributional channel

Market Considerations

Before choosing the distribution channel the market should have to make itself aware about the market considerations. This involves factors like

- **Number of potential customers:** if the customer base is small then the manufacturer can use its own sales force
- **Order size by the customers:** if the order size is large then selling can be made directly to the customers
- **Geographical concentration of the market:** sellers can establish sales branches in areas which are densely populated.

Product Considerations

There are many factors related to the product that affect the distributional decisions, especially of choosing the right channel for the product distribution. These product considerations involved taken into account below factors

- **Perishability of the product:** product subject to perishability to be distributed fast through shorter channels
- **Technicality involved in the nature of the product:** an industrial product that is highly technical is distributed directly to industrial
- **Unit value:** The unit value also affects the unit value and also affects distribution decisions. The product with lower unit value has longer distribution channels.

Middleman Considerations

This involves the factors that are related to the middleman's involvement in the marketing and distributional channel. The market needs to think about the intermediaries and middlemen involved in the whole supply chain in order to make an effective distribution decision. This involves taking into account the following factors.

- Availability of the desired number and qualified middleman.
- The attitude of the middleman towards the corporate policies.
- Different services are provided by the middleman to the manufacturer as well as customers.

Company Consideration

These considerations involve taking into account the aspect related to the company while deciding the channel of distribution. This involves factors like

- **Management ability:** many firms with little marketing knowledge and ability prefer to distribute through a middleman.
- **Control:** the manufacturers who want to have control over the distribution of shorter channels than the environment of lot intermediaries in between.
- **Services provided by the seller:** distribution decisions are also affected by the marketing services the manufacturer is able to provide to the middleman.
- **Financial resources:** financial resources also play an important role in deciding the kind of distribution channel the marketer opts for.

Conclusion

Distribution decisions are an important part of the whole marketing process. It helps to fill the gap between the product and the customers. Effective distribution channels and supply chain management can make the whole marketing process effective or vice versa.