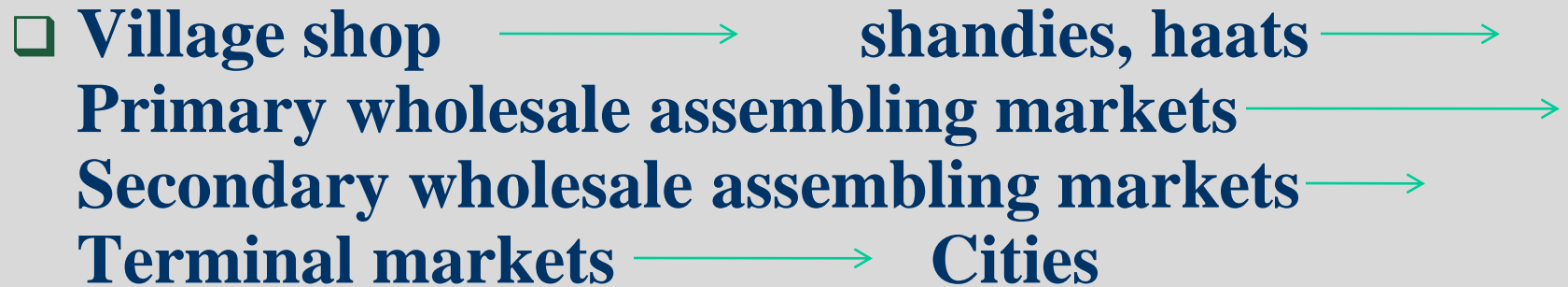


PHYSICAL DISTRIBUTION

DEFINITION

- ❑ **It refers to the physical movement of goods from point of production to the point of consumption.**
- ❑ **The process involves decisions on transportation choices, warehousing, inventory maintenance and control, materials handling and selling standards of customer service.**

HIERARCHY OF MARKETS FOR RURAL CONSUMERS



PERCENTAGE OF PRODUCTS BOUGHT FROM NEARBY TOWNS

CATEGORY	Percentage share from urban purchase
Shaving preparations	36.6
Bulbs and balms	32
Toilet soaps	24
Washing powders/Liquids	23.4
Iodized salt	14.4

PLACE UTILITY

- ❑ **Place utility aims at providing the product at the right time (time utility), at the right place (place utility) and in the right quantity (possession utility). Place utility decision needs to be based on the following:**
 - **Consumer requirements.**
 - **Company capability.**
 - **Completion.**

CONSUMER REQUIREMENTS

❑ Choice of a store:-

- Location.
- Reputation of the store.
- Physical characteristics of the store.
- Products offered.
- Prices charged.
- Store personnel service.
- Advertising by the store.
- Friend's perception of the store.

CHOICE OF STORE FOR DIFFERENT RURAL SEGMENTS

DIRECT FACTORS	<i>Villages within a radius of urban center</i>	<i>Villages connected by public transport</i>	<i>Remote village (not connected by public transport)</i>
INDIRECT FACTORS			
Traditional landlords	Super premium/ premium products of consumer durables from towns.	Consumer durable brands promising for money from towns.	Cheap varieties of consumer durables from the towns and premium to moderately priced.
Neo rich	Consumer durable brands promising value for money from towns.	Cheap varieties of consumer durables from the towns.	A market for small packs of national brands of consumer durables look alike.
Other farmers and agricultural labor	Cheap varieties of consumer durables from village outlets.	A market for small packs of national of consumer durables look alike.	Not a market for the consumer goods manufactured in the organized sector.

EVALUATION CRITERIA

- ❑ **Comparison of brands.**
- ❑ **Variety**

COMPANY PERSPECTIVE

- ❑ **Reduced transportation expenses.**
- ❑ **Proper communication and distribution facilities, logistics and storage.**
- ❑ **Competition.**

MARKETING IMPLICATIONS

- ❑ **Proper selection criteria for intermediaries should be developed.**
- ❑ **Build brand pull to reduce the evaluation criteria during brand decisions.**
- ❑ **Create a demand for rural markets and try to take the benefit of the natural flow of goods.**
- ❑ **Reach should match the competitors if the products cannot be differentiated.**

THANK YOU