

Channels of Distribution

What is a Marketing Channel?

- This is a set of interdependent organizations involved in the process of making a product or service available for use or consumption

- Why would a manufacturer/ Producer not like to do his own distribution?

Types of intermediaries

- Distributors
- Wholesalers
- Retailers
- Agents
- Facilitators

Six basic channel decisions

- Direct or indirect channels
- Single or multiple channels
- Length of channel
- Types of intermediaries
- Number of intermediaries at each level
- Which intermediaries? Avoid intrachannel conflict

Factors influencing Distribution decisions

- Market characteristics
- Company characteristics
- Product Characteristics
- Middleman characteristics
- Intensity of competition
- Environmental characteristics

Channel for different Agricultural produce in India

■ Wheat:

1. Farmers to consumers
2. Farmer-village trader-consumer
3. Farmer-wholesaler-retailer- consumer
4. Farmer- Cooperative marketing society-
retailer-consumer
5. Farmer- FCI-FPS- consumer
6. Farmer-wholesaler-flour miller-retailer-
consumer

Oil seed

- Producer-Consumer
- Producer-village trader- processor- retailer-consumer
- Producer- wholesaler- processor- oil whole salers- oil retailers- consumers
- Producer- Govt. agency- processor- oil wholesaler- oil retailer- oil consumer

Fruits and Vegetable

- Producer- consumer
- Producer-Primary wholesaler-retailer/hawker-consumer
- Producer- processor-Consumers
- Producers-wholesalers-processors- secondary whole saler-retailer-consumer
- Producer-primary wholesaler-processor-consumer

Direct Marketing Channel/Farmer's Markets

- It has been realized that perishable farm produces should have as small channel as possible
- Direct marketing by the farmers is being encouraged as an alternative channel.
- Some key such channels Apni mandi/kisan mandi, Hadaspur vegetable market, Rythu bazars, Uzhavar sandies, Shetkari bazar, krushak bazars, safal market etc.

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Thank You