

RURAL LOGISTICS



DEFINITION



- Logistics is the **management** of the flow of **resources** between the point of origin and the point of consumption in order to meet some requirements, for example, of customers or corporations.

HUB AND SPOKE SYSTEM



- **It is a system of connections arranged like a chariot wheel.**
- **Traffic moves along spokes with hub at the centre.**
- **Stockists are appointed in major towns and feeder towns. They perform the functions- financing, warehousing and sub-distribution.**
- **It is also known as satellite distribution system.**
- **The main advantage of this system is that market penetration takes place right into the interiors of rural markets.**

SYNDICATED DISTRIBUTION



- **It is a system in which two more companies come together to form a syndicated trading organization, jointly distribute a collective group of products or services by sharing distribution costs. Ex Coca-Cola India purchased the parle brands (thumps up, limca etc).**
- **Some problems with the syndicated model of distribution are:**
 - ✓ **Markets for the coverage of both companies are different.**
 - ✓ **Terms of payment are different.**
 - ✓ **The salesman does not make serious efforts to collect payments for the other company.**



THANK YOU