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ROLE OF DISTRIBUTION MANAGEMENT IN MARKETING MIX

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ABSTRACT

Objectives-To understand the concept of distribution and its management and to understand what is the role of distribution management in marketing mix.

Methods-In construction of this research paper secondary data is used, this data has been collected through books, journals and business magazines. Secondary data studied properly to find the gap in previous writing and to find new facts to build that gap.

Findingsof this research paper is very useful to make your selves understand that there are certain function in the distribution channels. Through those channels, asymmetric information is covered to work efficiently with the all intermediaries of distribution. In addition, there are few major findings are regarding discrepancies this research specific all discrepancies those have great impact on distribution channels.

INTRODUCTION

Distribution management is one of the most important phase of marketing This phase of the marketing function enable us towards place, time and possession utility to the customer. If customers requirement is to buy a bottle of shampoo this distribution channel and its management in the organization make sure that shampoo bottle should be available to the customer's retail shop close to his residence, that what we called place utility.

If any customer wants to buy that shampoo bottle at 4 pm on Monday, then this distribution channel management make that sure that customer will able to buy that particular product on his decided date and time, this provide us time utility, and when customer go that retail store and buy that product and take away, that what we got possession utility.

In this case, there is no direct connection of the customer with the company whose brand is this. That customer only deal with the retailer. Now the main point is how company ensured that customer would get the shampoo of bottle on this chosen place as well as time. This whole cycle is the game of distribution management function.

Manufacturing and services sector plays a very important role in the growth of the GDP in any country. Manufacturing sector is fail to serve in the countries growth without distribution system, but in this era market have a huge rush in terms of population.

Now companies starting realizing that direct distribution is not easy to handle it's not easily manageable and it's really very expensive, now a challenging point came to make the solution of these problems, here the need of intermediaries came to make job perfect.

REVIEW OF LITRATURE

Channel management decision are among the most important decisions that management faces today. If one looks at the major strategy of the market, mix the greatest potential for achieving a competitive advantage now lies in distribution channel (**Obji2011**).

Distribution is the inspirable part of marketing which includes all the decisions regarding distribution of product to the end user(**barman 1999, kin 1996, Delton 1997,frozier 1999,Kotler 2003,rasenbloom 1999,starn(2006)**).

The economic marketing channels gradually came to be viewed as the set of the interdependent organization involved in the process of making a product or services available for use or consumption (**coughlin, Anderson ,stern &EI-Ansary 2001**)

Comprising the distribution system and engaged in the delivery of goods & services from the point if conception to the point of consumption (**Anderson & Coughlan, 2002**)

Concept of distribution refers to where and how product and services are to be offered for sale all essential mechanism and logistical support for the transfer of goods and services as well as ownership of goods and services to the customer (**Stern Et Al, 2006**)

A successful marketing channel ensure that a desired product is distributed in a desired amount to a desired channel to satisfy the desired consumer (**Kotler and keller, 2009**)

The distribution function, like other function of the firm must be developed with in the framework of the management philosophy and available resource oh the individual firm suring1960's (**La Londe, Grabner& Robeson 1993**).

DATA INTREPERTATION

Intermediaries are link between manufacturer and the customer. Ultimate goal is to re-distribute the product in that manner in which product will get its user. Role of intermediaries is to make smooth flow of goods and services. Distribution channel required because company cannot reach to their million customers, weather-selling product through marketing channels decisions play a long-term importance role and insure the success of a company in the market reason due these distribution channels now company is able to reach to millions of customers.

To make product reachable to its end user there are few function that these distribution channels perform

First and the most important function is cost minimization. Distribution channels works on large number of product so that distribution costs could be minimized. In addition, this system believes in investing in infrastructure and operating expenses through channel members will get dispersed over the large number of products so they able to handle in fast way.

Second, to avoid asymmetric information and provide better and equal information to the seller and to the buyer so they can both survive in the market. This asymmetric information always create market failure, that means company is fail to fulfill the demand of consumer and if this kind of situation occurs, there are very high chances to lose the sales opportunities forever.

Third function is to provide right recommendation to the customers. This function only can be performed when they are buying large variety of product then only they can able to compare the costs and prices and then only they can suggest their customers that what is good and what is best for them. This function also creates a good faith between seller and customer if advice suits to the customer then definitely their will be good relation.

Fourth function is to study the environment in which they work. In this function retailer is always aware with the product he is keeping. If there are food products he make himself aware about the choice and quality of the product because if any inspection will happen there is no backlash on the product on other hand if any chemist having drugs those are near to expiry he will contact to the company any exchange them with those medicines which have long-life.

After knowing, the distribution channels and all its functions one main question is here that are intermediaries are necessary. In addition, after knowing and studying some example answer would be not always, let us take few examples through which we can know why answer is so uncertain. If we study the internet base organizational, work there is Amazon and dell those have direct reach to their customers. One more example of Bata they have their own distribution channel of their own outlets. Their customer even do not know the other way to buy Bata branded shoes.

Other example is we can take of Eureka forbs they do not have any physical stock of its product in any place for consumer access. Company's sale person go to the customer explain the benefits of products, cost and all-important things and sell the product directly.

Reason of these kind of activity were company trust on their sale person more rather than intermediaries is that they cannot expect the intermediaries can remember information and present in proper way as companies sales persons do and in this case intermediaries may not able to answer of the customer about product.

So now, what would be the most effective way through which company should work?

Answer would be most of the companies are using combination of direct and indirect distribution modes. Moreover, there are always few factors on which companies make their decision; rather they need to go with direct channel or indirect channel. Those factors are-

One of the most important factor is nature of the product and company, under this factor we always have to Annalise what kind of Product Company is making. If product need company's sale person to explain better and required more and more suitable answer to be given then defiantly direct channel would be better

Other factor is capability and strength of the company if company is capable to open its own outlets like we already studied in the case of Bata then defiantly company will be choose or build their own distribution channel and some of choose direct channel like Eureka forbs.

One of the well-known researcher and author on distribution channel management Wroe Alderson gave a concept in 1954 in which he explained four main discrepancies of those every channel member should take care.

First, one is Spatial discrepancy, this discrepancy occurs when there is distance between producer and consumer. Product has to be carried from one point to the other point. This shifting from one place to another is done by transportation. For example- if Hindustan uniliver limited is head and shoulder shampoo in the one part of India that shampoo have to be distributed in all over India as well as overseas also. Now in this case intermediaries are C&FA, transporter, distributors, wholesalers and retailers. These intermediators file that space between producer and consumer.

Second, Temporal discrepancy is to not meet up with the requirement of the customer. this means the product have to be made and sorted at many places those are close to the point of

consumption. This need a lot of effort to forecast the demand then planning for the stock point and placing your stock their so that every consumer will get product fast and in desired place.

Third discrepancy is bulk, it means reducing large quantities into acceptable lot size to the consumer. To minimize the cost of the production, product always have to be made in bulk. However, consumption is always is in smaller quantities. We can understand this factor through the example – on producer is making 100ml of shampoo bottle. May be that 100ml shampoo comes in a case where 200 shampoo bottles are there. Retailer will only buy 50 bottles and customer will only buy one bottle. So now customer pay only for one pack, retailer for 200 C&FA will collect the payment from retailer and deposit it to company.

Fourth discrepancy is assortment. It means providing verity to the customer, so they can choose according to them. For example- one company is making one product in Mumbai and other product in its other facility in Karnataka. Now customer want all products of that particular company in one place or under their desired retailer so this assortment done by these channels. Company should always try to provide more and more verity to the customers.

In addition with this research topic now, we have to find how distribution add value to the product. This value addition concept can be understand with the help of few examples like if anyone will buy any kind of electronic item from any retail store may be he will get the free home delivery with that television. Also same as with car any other things consumer will definitely get some additional services along with the purchase.in addition with this topic if any re-seller will sell any kind of IT product then its his responsibility to maintain and keep running those software and also introduce the customer with new one.

CONCLUSION

This research concludes the roles and importance of distribution management in marketing mix. When we discuss the about place, time, people, product, and possession only through distribution channel and its proper management can made it possible.

There are four major functions in distribution management cost minimization, asymmetric information, high recommendation, study of environment. On these four major areas distribution management always drag a success flag on roof.

This research also specify major discrepancies which might be affect distribution managements function and its effectiveness. So every company should study these kind of discrepancies well try to avoid them as much as they can.

This study also concludes that how all the supportive firs help in fulfill the distribution channels goal that is to full fill the demand of the customer, like transportation etc.

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