DISTRIBUTION STRATEGY AND SALES **PLANNING** DR JUSTUS M MUNYOKI WELCOME 2014

- Channels of Distribution
- need to link producers and consumers
- Many activities take place involving hours of information, products, negotiations, risks, money and people.

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Distribution is about ensuring

- ► Right product
- ► Right quality
- Right quantity
- Right price prises Management Institute

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- ▶ Right place
- ► Right time

Number of Channel Levels

Channel Level - Each Layer of Marketing Intermediaries that Perform Some Work in Bringing the Product and its Ownership Closer to the Final Buyer.

0-level channel **Producer** Consumer 1-level channel **Producer** Retailer Consumer 2-level channel **Producer** Wholesaler 3-level channel Wholesaler Jobber Retailer Producer Consumer

- ▶ Market Intermediaries
- link the and users of products to the producers.
- They may be classified as follows:
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▶ Retailers

- buy and resell merchandise to end users. They usually buy from wholesalers or agents, but may also buy directly from the manufacturers.
- ► They usually
- take title of the goods.
- Retailers are the final link between
- manufacturers and consumers,.



> Small Scale Retailers

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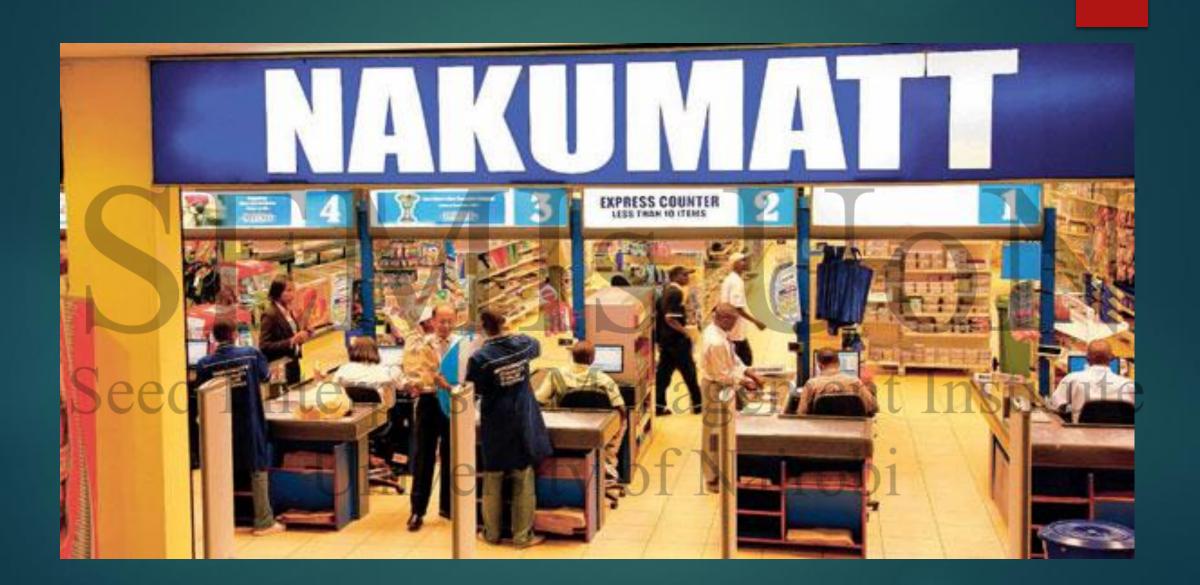




Large scale retailers

▶ Department Stores – These are a number of single shops under one roof and under the same management, for example, the stores may have several units dealing with clothing, hardware, a bar and so on.

- ▶ **Supermarkets**. These are self-service stores which usually stock a circle variety of goods.
- Occupy 50,000 80,000 sq feet
- ► All the goods are put on open display with fixed prices indicated.





- Wholesalers
- Buy ands resell merchandise to retailers or to institutional, industrial or commercial enterprises.
- Normally take title of goods they sell.

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- Channel Logistics
- Efficiency and effectiveness of a distribution channel depends on there being a well coordinated physical movement of products,

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▶ Includes such activities as production, scheduling, storage, inventory control, materials handling, purchasing order processing, transportation and plant/warehouse site selection. University of Nairobi

Store layout

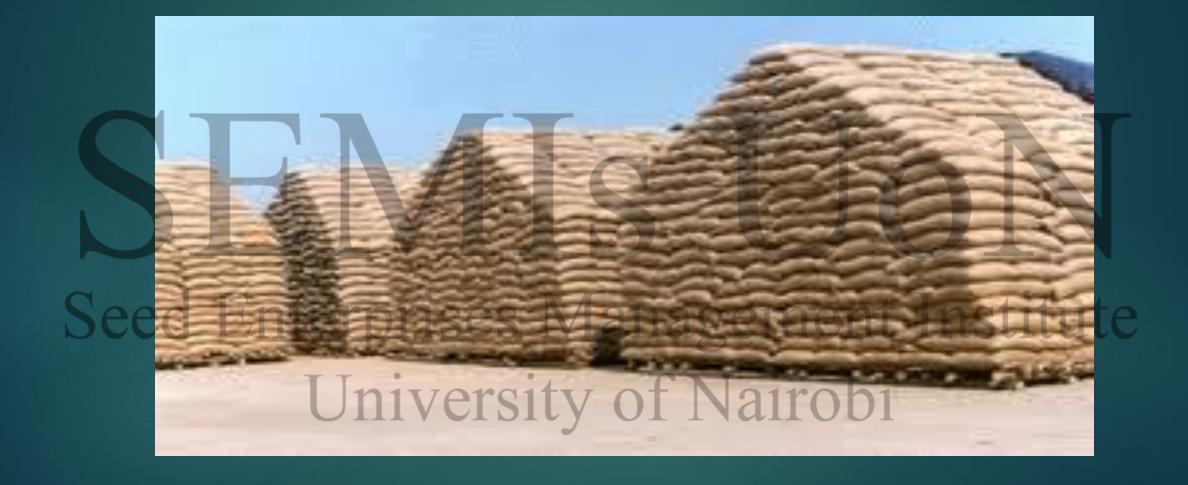


- ► The Logistical Plan
- Companies need to have a well coordinated logistical plan that takes into amount the interdependence of the different distribution functions and provides an opportunity for cost saving.

The logistic system has three broad categories:

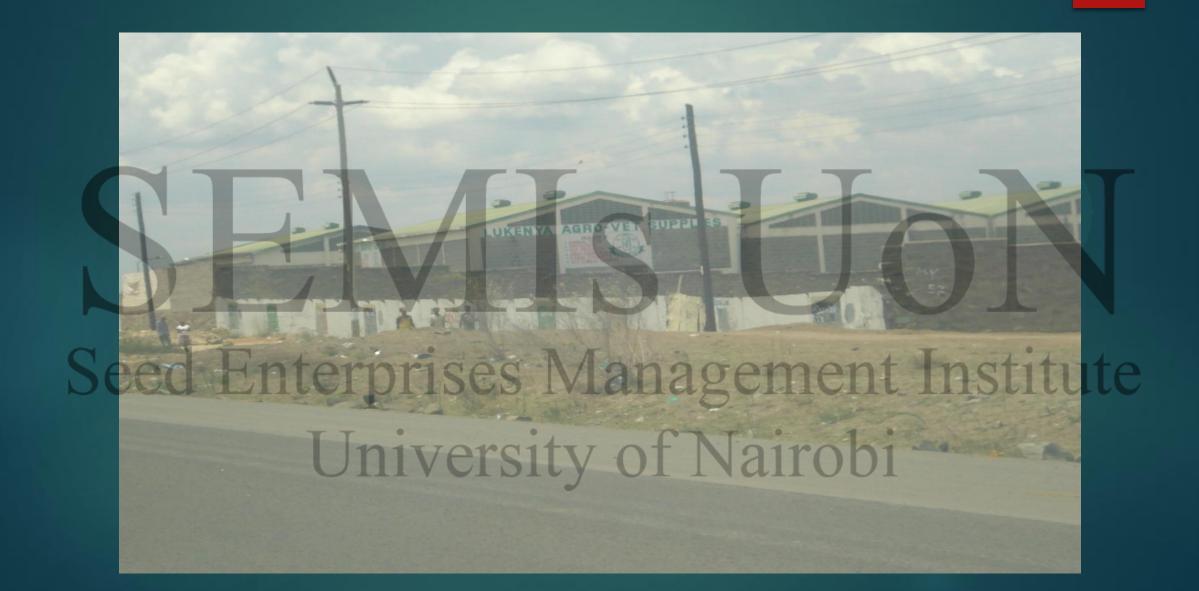
- ► Stationary facilities
- ► Transportation network
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What should we consider





- The transportation network. Includes all types of carriers rail, water, highway, pipeline and air.
- ► The mode of transport varies according to circumstances and the nature of product.

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Transport logidtics

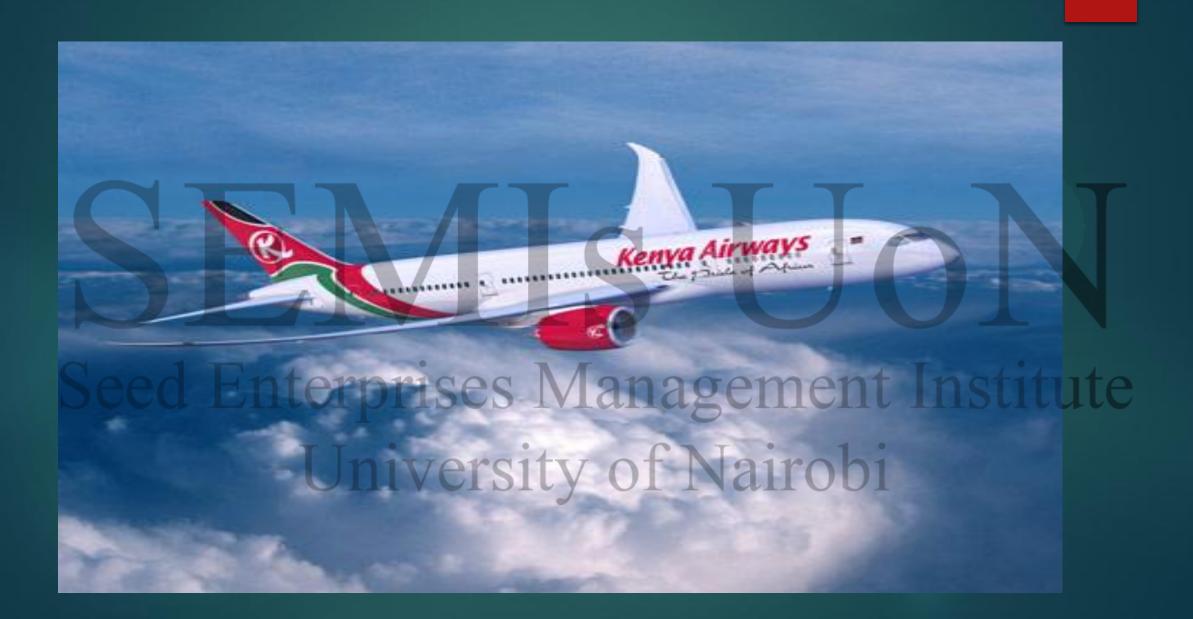


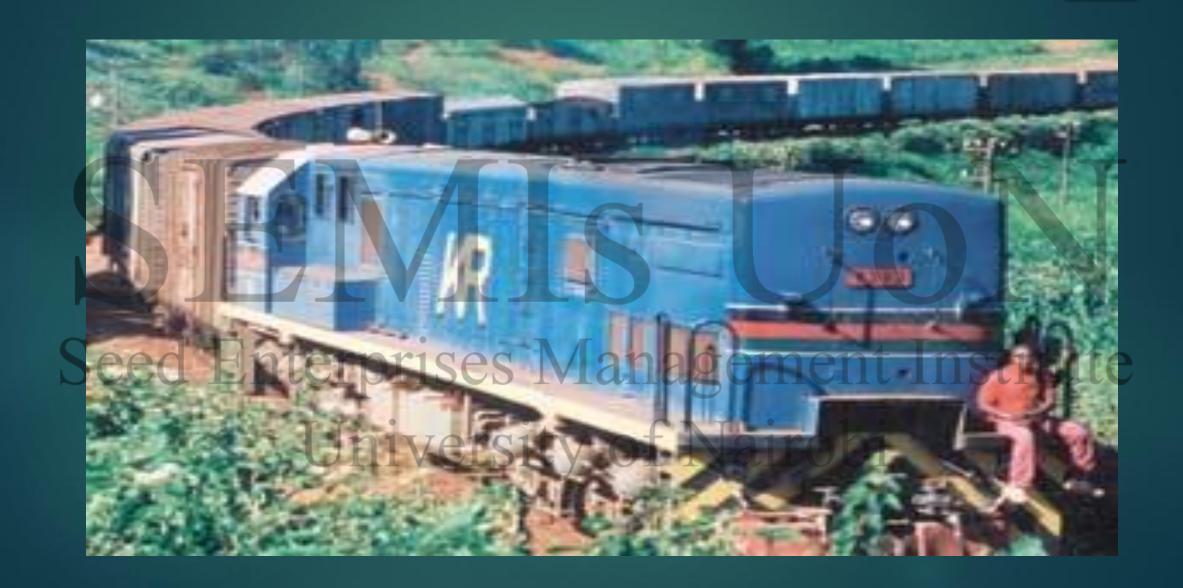
Considerations in selecting an appropriate channel of distribution:

- ► Customer characteristics
- Product characteristics
- Company characteristics, ement Institute
- ► Environmental characteristics.
- ►Intermediaries
- Competitors

Selection of Middlemen

- Consider.
- Number of years in business
- Location:
- Potential for growth
- Other products handled by the middleman.
- ► Sales records.
- Financial Ability niversity of Nairo







Sales Planning

- The need to ensure proper panning of seed production
- Do we have enough seed at the right time?
- Are we able to service existing demand?, expected demand?
- Proper maintenance of sales records essential

- Sales planning concept
- May vary from country to country depending on markets, mentalities and channels, but generally involves
 - 1. situation analysis
 - 2. sales targets
 - 3. Sales strategy
 - 4. Primary sales planning
 - 5. Secondary Sales planning
 - 6. Sales budget
 - 7. Sales controls

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