



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.
- 



Distribution is about ensuring

- ▶ Right product
 - ▶ Right quality
 - ▶ Right quantity
 - ▶ Right price
 - ▶ 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

Retailer

Consumer

3-level channel

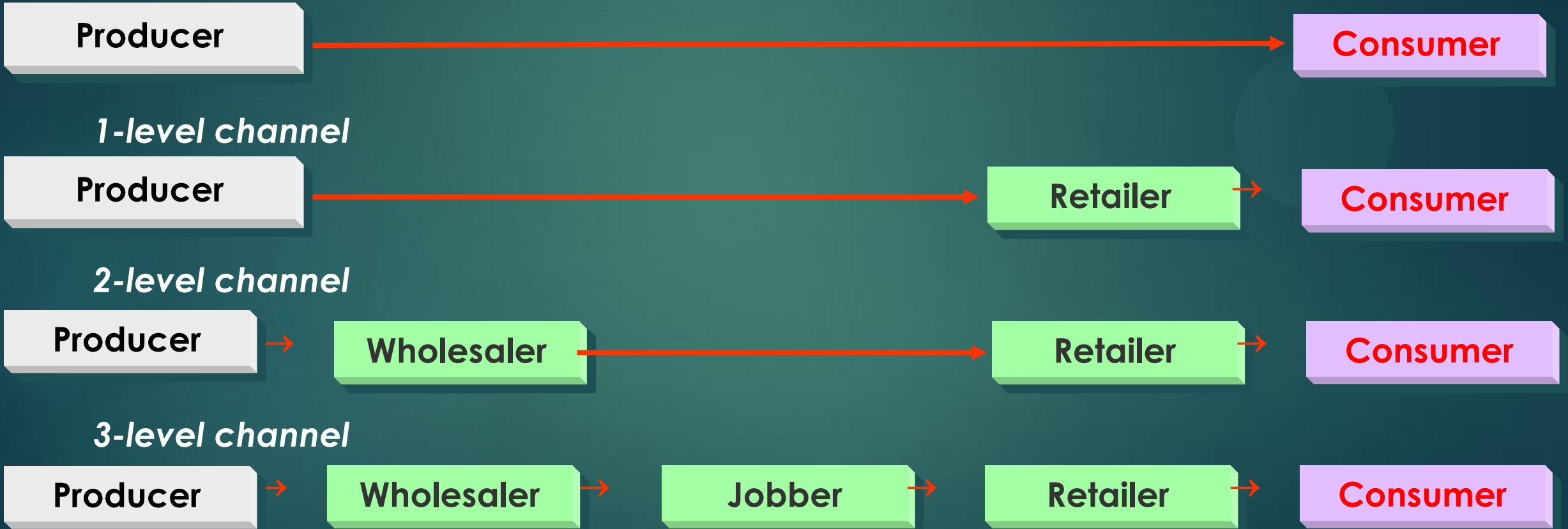
Producer

Wholesaler

Jobber

Retailer

Consumer





▶ **Market Intermediaries**

▶ link the and users of products to the producers.

▶ They may be classified as follows:





▶ **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








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 wide variety of goods.
 - ▶ Occupy 50,000 - 80,000 sq feet
 - ▶ All the goods are put on open display with fixed prices indicated.

NAKUMATT



UCHUMI







▶ **Wholesalers**

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



▶ **Channel Logistics**

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

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

Store layout





▶ **The Logistical Plan**

- ▶ Companies need to have a well coordinated logistical plan that takes into account 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
 - ▶ Location
 - ▶
- 





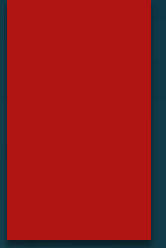


What should we consider





- 
- 
- ▶ **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.








Transport logidtics





Considerations in selecting an appropriate channel of distribution:

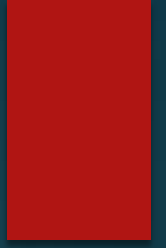
- ▶ Customer characteristics
- ▶ Product characteristics
- ▶ Company characteristics.
- ▶ Environmental characteristics.
- ▶ Intermediaries
- ▶ Competitors

Selection of Middlemen

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

► Modes of transport









Sales Planning

- ▶ The need to ensure proper planning 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

END

