

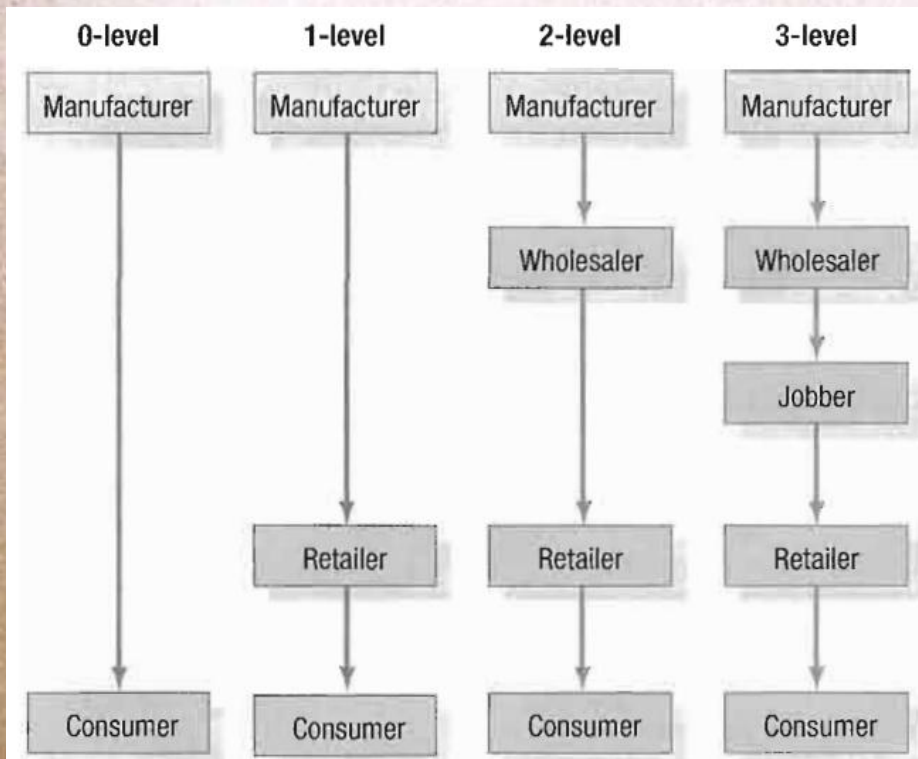
Successful “go-to-market” strategies require integrating retailers, wholesalers, and logistical organizations.

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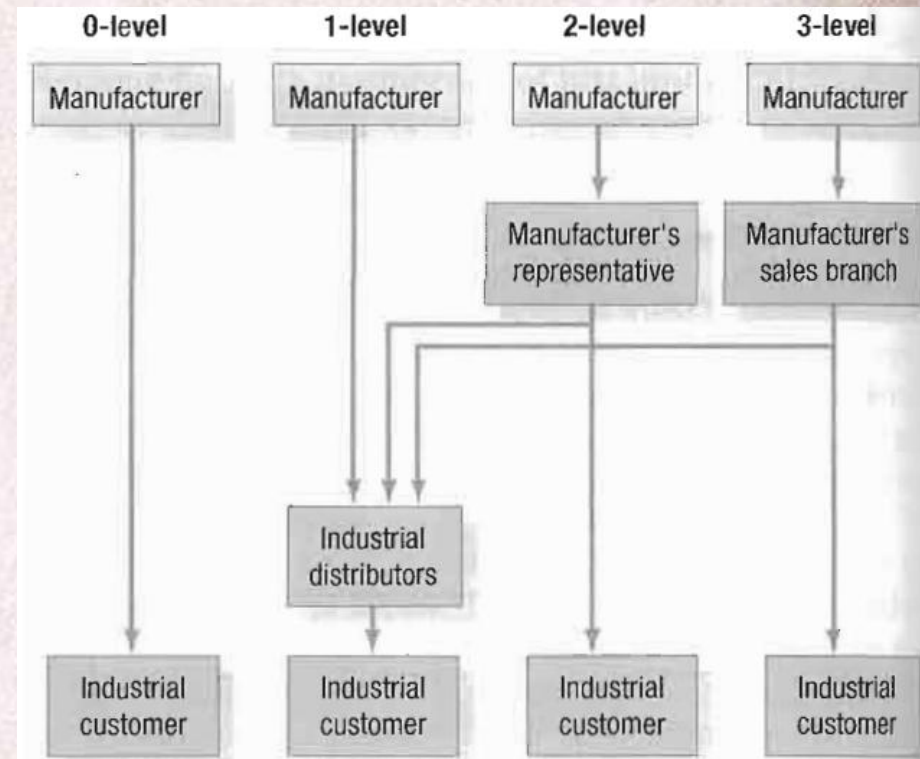
MANAGING RETAILING, WHOLESALING, AND MARKET LOGISTICS

Marketing Channels

(a). Consumer Marketing Channels



(b). Industrial Marketing Channels



Retailing

- **Types of Retailers**
 - Level of service
 - Four levels of service:
 - Self-service
 - Self-selection
 - Limited service
 - Full service
 - Major Retailer Types
 - Speciality store
 - Department store
 - Supermarket
 - Convenience store
 - Discount store
 - Off-price retailer
 - Superstore
 - Catalog showroom



Retailing

- Nonstore retailing
- Categories of nonstore retailing
 - Direct selling
 - Direct marketing
 - » Telemarketing
 - » Television direct-response marketing
 - » Electronic shopping
 - Automatic vending
 - Buying service



Retailing

- Corporate Retailing

- Major Types of Corporate Retail Organizations:

- Corporate chain store
 - Voluntary chain
 - Retailer cooperative
 - Consumer cooperative
 - Franchise organization
 - Merchandising conglomerate



Retailing

- Trends in Retailing
 1. New retail forms and combinations
 2. Growth of intertype competition
 3. Growth of giant retailers
 4. Growing investment in technology
 5. Global presence of major retailers
 6. Selling an experience, not just goods
 7. Competition between store-based and non-store-based retailing



Carrefour

Retailing

- Market Decisions
 - Target Market
 - Product Assorment



Retailing

– Product-differentiation Strategy Possibilities

- Feature exclusive national brands that are not available at competing retailers
- Feature mostly private branded merchandise
- Feature blockbuster distinctive merchandise events
- Feature surprise or ever-changing merchandise
- Feature the latest or newest merchandise first
- Offer merchandise customizing services
- Offer a highly targeted assortment

– Procurement - Merchandise managers

– Direct product profitability (DPP)

Retailing

- Services and Store Atmosphere
 - Prepurchase services include accepting telephone and mail orders, etc.
 - Postpurchase services include shipping and delivery, etc.
 - Ancillary services include general information, check cashing, parking, etc.
- Price Decision
 - High-markup, lower volume
 - Low-markup, high volume



Retailing

- Promotion Decision
- Place Decision
 - General business districts
 - Regional shopping centers
 - Community centers
 - Strip malls (a.k.a. shopping strips)
 - A location within a larger store



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Wholesaling

– Wholesalers' functions:

- Selling and promoting
- Buying and assortment building
- Bulk breaking
- Warehousing
- Transportation
- Financing
- Risk bearing
- Market information
- Management services and counseling



Wholesaling

- The Growth and Types of Wholesaling
 - Major Wholesaler Types:
 - Merchant wholesalers
 - Full-service wholesalers
 - Limited-service wholesalers
 - Brokers and agents
 - Manufactures' and retailers' branches and offices
 - Specialized wholesalers



Wholesaling

- Trends in Wholesaling
 - Narus and Anderson identified four ways to strengthen relationships with manufacturers
 - Sought clear agreement about their expected function in the marketing channel
 - Gained insight into the manufacturers' requirements by visiting their plants
 - Fulfilled commitments by meeting volume targets
 - Identified and offered value-added services to help their suppliers



Market Logistics

- Supply chain management (SCM)
- Value network
- Demand chain planning
- Market logistics
 - Market logistics planning has four steps:
 - Deciding on the company's value proposition to its customers
 - Deciding on the best channel design and network strategy for reaching the customers
 - Developing operational excellence in sales forecasting, warehouse management, transportation management, and materials management
 - Implementing the solution with the best information systems, equipment, policies, and procedures
- Integrated logistics systems (ILS)

Market Logistics

- Market-logistics Objectives
- Market-logistics Decisions
 - Order Processing
 - Order-to-payment cycle
 - Warehousing
 - Storage warehouses
 - Distribution warehouses
 - Automated warehouses



Market Logistics

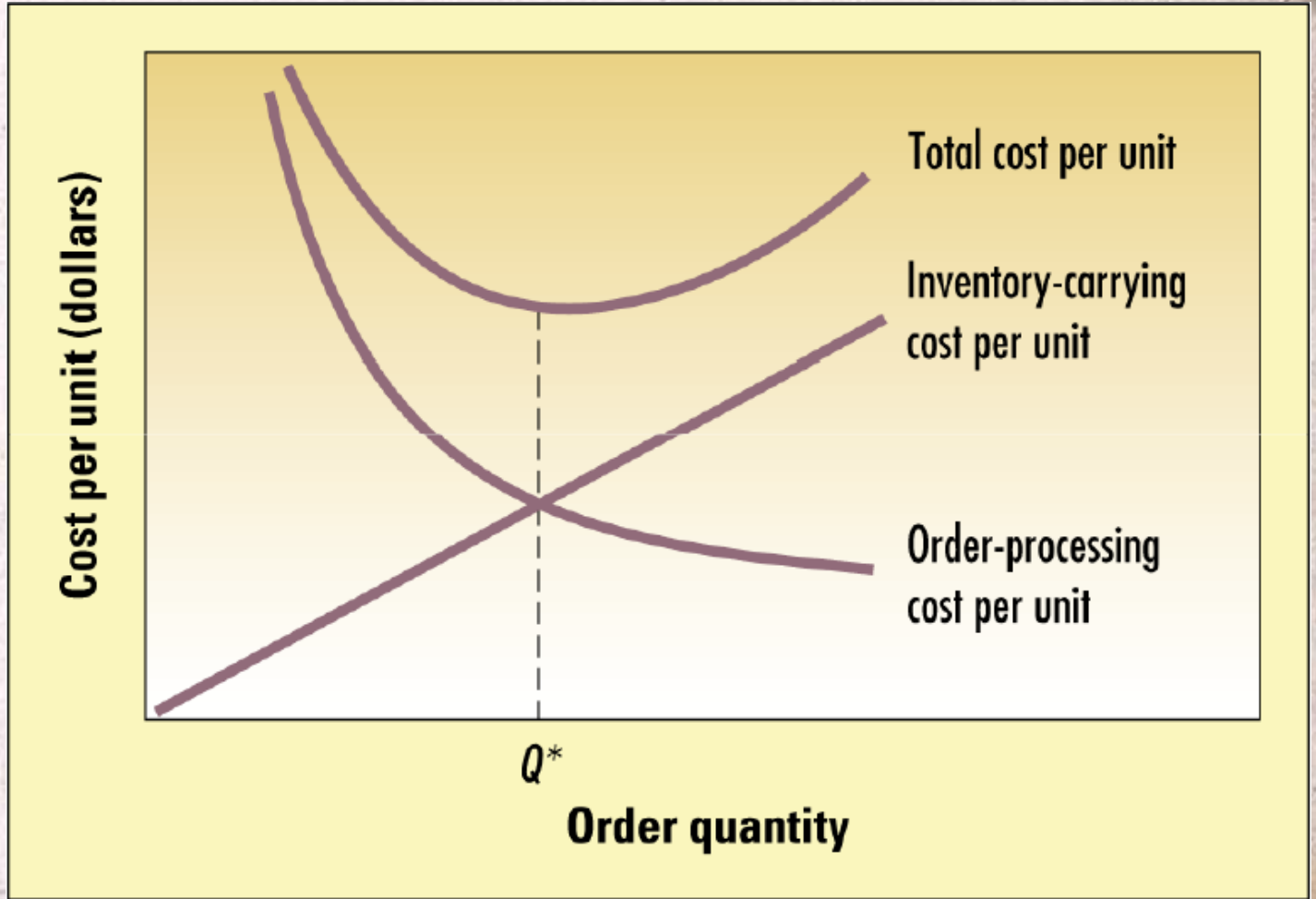
– Inventory

- Inventory cost increases at an accelerating rate as the customer service level approaches 100%
- Order (reorder) point
- Order-processing costs
- Inventory-carrying costs
- Just-In-Time production (JIT)



Market Logistics

Determining
Optimal Order
Quantity



Market Logistics

– Transportation

- Containerization

- Piggyback
- Fishyback
- Trainship
- Airtruck
- Private carrier
- Contract carrier
- Common carrier



Market Logistics

– Organizational Lessons

- Companies should appoint a senior vice president of logistics to be the single point of contact for all logistical elements
- The senior vice president of logistics should hold periodic meetings with sales and operations people to review inventory, etc.
- New software and systems are the key to achieving competitively superior logistics performance in the future



Reference

- Kotler, Philip, and Kevin Keller. *Marketing Management*. 13th ed. Prentice Hall, 2008.

