PRINCIPLES OF MARKETING
DBB 1313

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CHAPTER 7:
PLACE STRATEGY

LEARNING OUTCOMES

LO[1] Define the types of channel intermediaries and describe their functions and activities

LO[2] Describe the channel structures.

LO[3] List the major tasks involved in developing a retail marketing strategy.

LO[4] Describe the major types of retail operations

CHANNEL INTERMEDIARIES

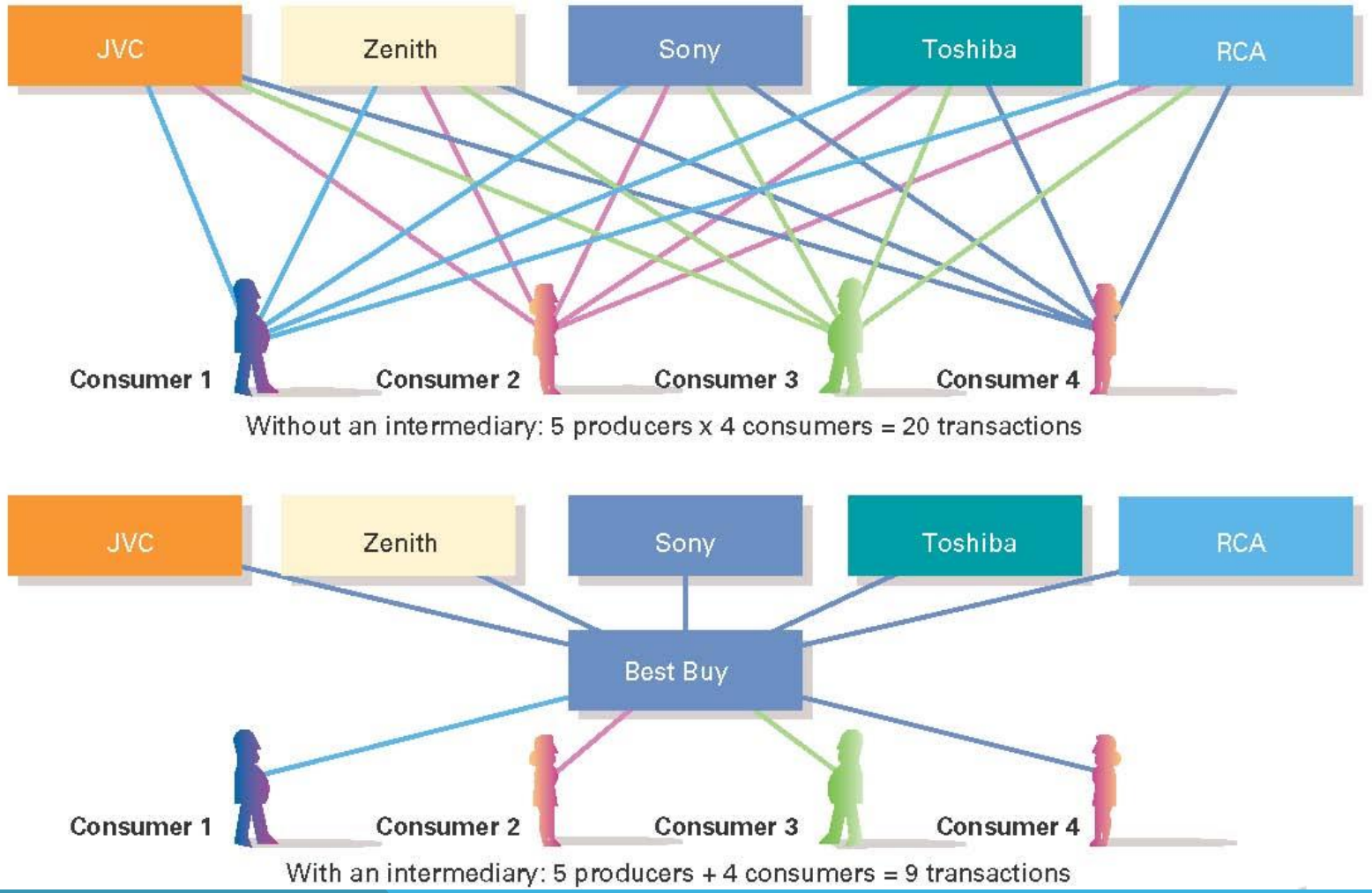
LO[1]

Define the types of channel intermediaries and describe their functions and activities.

CHANNEL INTERMEDIARIES

Organizations that help the transfer of products from producer to consumer.

Channel Intermediaries



CHANNEL INTERMEDIARIES

Retailer	**A channel intermediary that sells mainly to customers.**
Wholesaler	**An institution that buys goods from manufacturers, stores them, and resells and ships them.**
Agents	**Representing of retailers, wholesalers, or manufacturers.**

FUNCTIONS OF CHANNEL INTERMEDIARIES

Distribution– Channel intermediaries help to store, transport and sort products for manufacturers.

Promotion – Channel intermediaries help in promoting and spreading persuasive communication about a product.

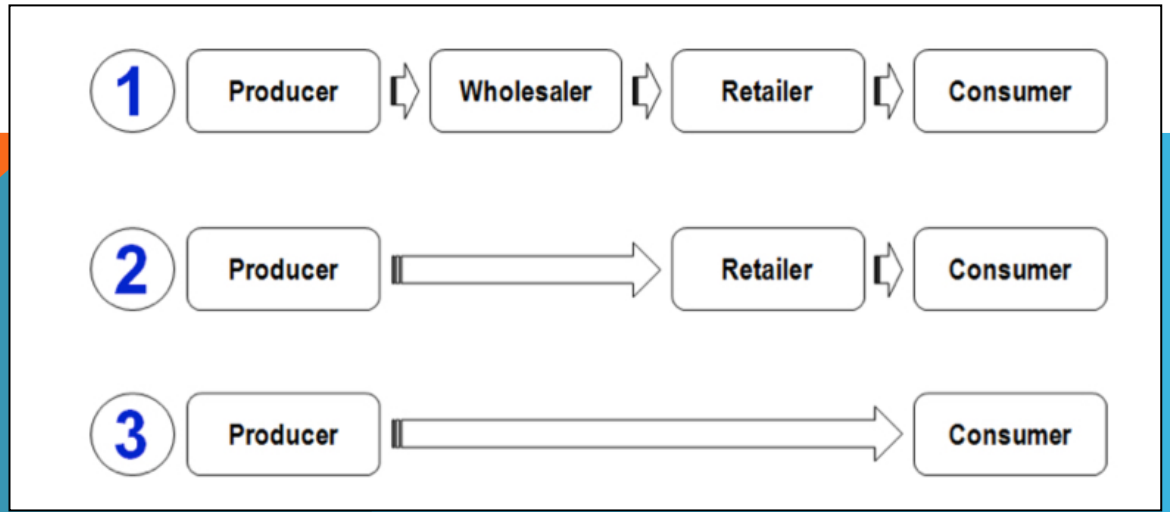
Information– Channel intermediaries provide valuable information about customers to manufacturers.

LO[1]

REVIEW LEARNING OUTCOME

CHANNEL INTERMEDIARIES AND FUNCTIONS

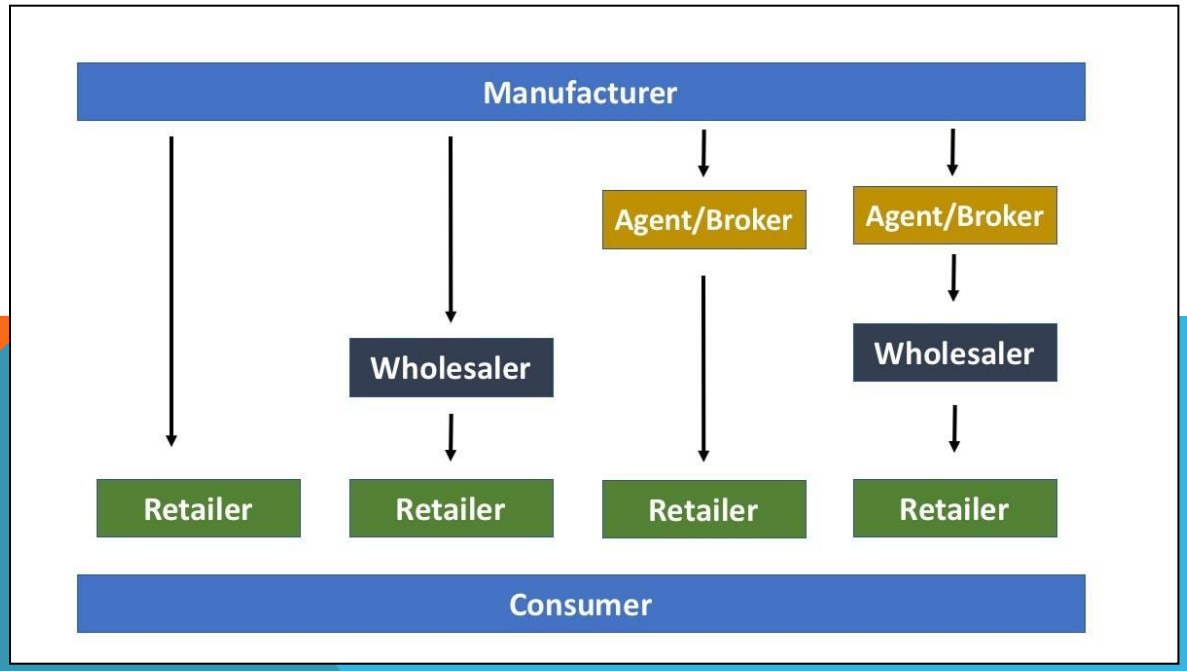
CHANNEL INTERMEDIARIES		CHANNEL FUNCTIONS
Retailers Wholesalers Agents	Perform →	Distribution Promotion Information



CHANNEL STRUCTURES

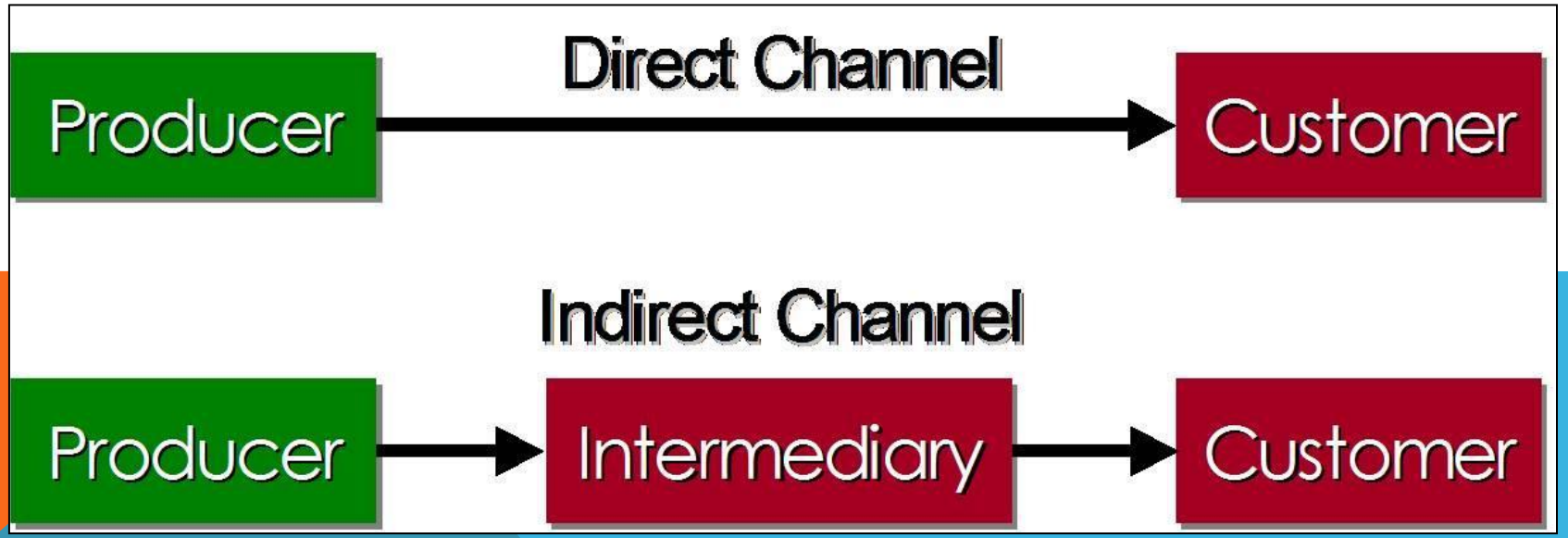
LO^2

Describe the channel structures.



CHANNELS STRUCTURE

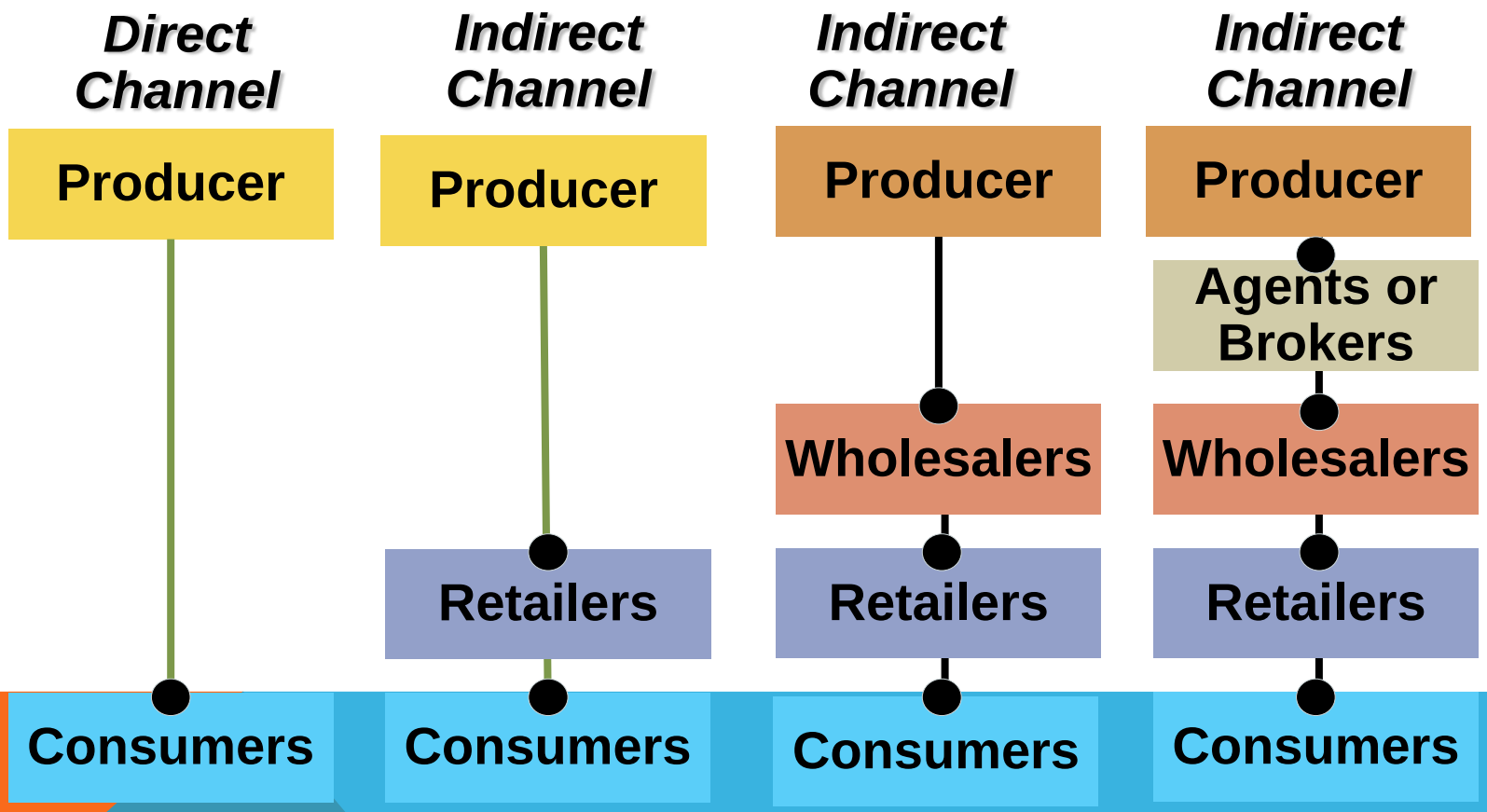
Direct Channel - A distribution channel in which producers sell directly to consumers.



CHANNELS STRUCTURE

Indirect Channel - A distribution channel in which goods go through wholesalers and retailers to arrive at consumers.

Channels Structure



LO2

REVIEW LEARNING OUTCOME

CHANNEL STRUCTURES

CHANNEL STRUCTURE

- **Direct**
- **Indirect (Retail, Wholesaler, Agent)**

Channel Strategy Decisions

LO^3

Discuss the channel strategy decisions.

CHANNEL STRATEGY DECISION

Intensive	A form of distribution aimed at having a product available in every outlet
Selective	A form of distribution achieved by having product in all but a few outlet in an area
Exclusive	A form of distribution that use only one or a few outlet within a given area

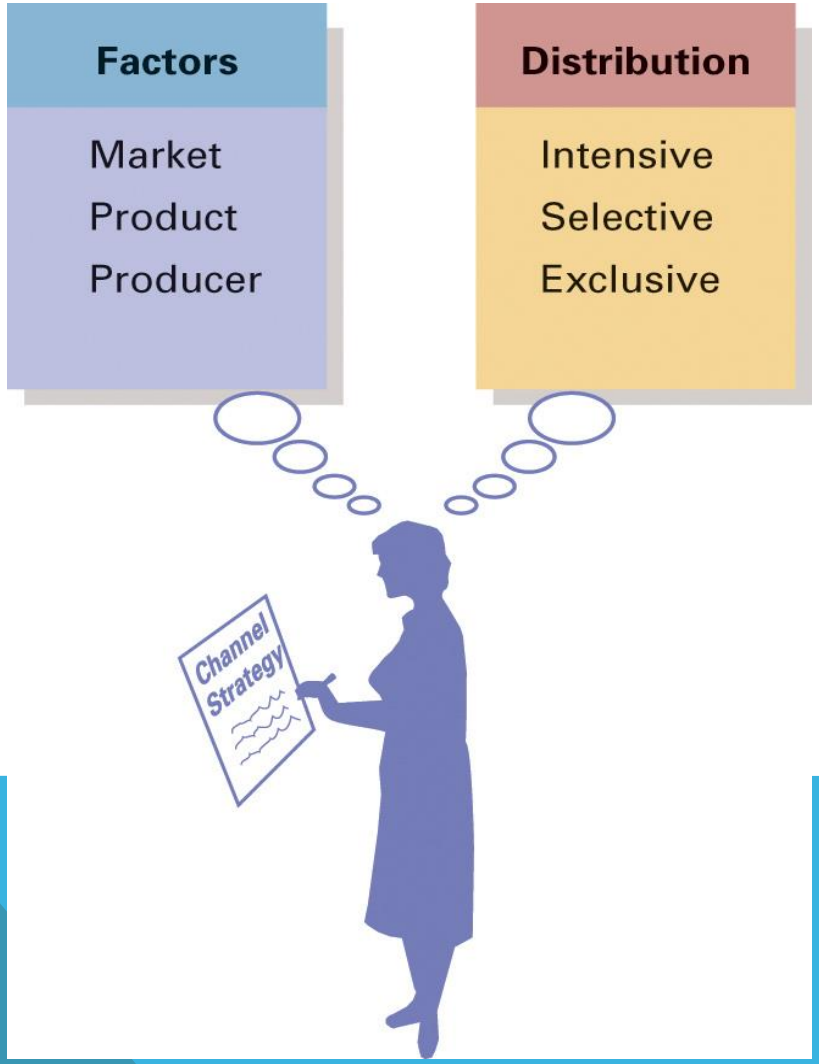
Channel Strategy Decision

Intensity Level	Objective	Number of Intermediaries
Intensive	**Achieve mass market selling. Convenience goods.**	**Many**
Selective	**Work with selected intermediaries.**	**Several**
Exclusive	**Work with single intermediary.**	**One or very few**

LO[3]

REVIEW LEARNING OUTCOME

ISSUES INFLUENCING CHANNEL STRATEGY



RETAIL MARKETING STRATEGY

List the major tasks involved in developing a retail marketing strategy.

LO4

Retail Marketing Strategy

Choosing a Community

Economic growth potential

Competition

Geography

Retail Marketing Strategy

Choosing a Site

Freestanding Store

Mall / Shopping Centre

Choosing a Site

- **Watsons has a choice to open their outlet at a freestanding store or inside a mall / shopping centre.**

PRESENTATION OF THE RETAIL STORE

Atmosphere - The overall impression conveyed by a store's physical layout, décor, and surroundings.

Presentation of the Retail Store

- Employee type and density
- Merchandise type and density
- Colors and visual factors
- Sound
- Odors

STARBUCKS COFFEE

ROLEX

THE DISNEY STORE

© Disney

BOYS

ETUDE
HOUSE

VICTORIA'S SECRET

VICTORIA'S SECRET
VICTORIA'S SECRET

WISMA
Andalusia

al Quds
Umrah & Tours
(M) Sendirian Berhad
al Quds
Umrah & Tours
ألقدس
للعمرة والسياحة
Lebih Jimat, Serendah RM
Lebih Jimat, Serendah RM

WISMA ZAHAFIZ
PASAR
PENGEDAR CAT
NIPPON PAINT
Colour Creations
ZAHAFIZ
TRAVEL & TOURS SDN BHD
ZAHAFIZ GROUP SDN BHD
PENDEKAL KURMA & AIR ZAM ZAM

MAJOR TYPES OF RETAIL OPERATIONS

LO[5]

Describe the major types of retail operations.

MAJOR TYPES OF RETAIL OPERATIONS

- Department Stores
- Specialty Stores
- Supermarkets
- Discount Stores
- Convenience Stores
- Drugstores

DEPARTMENT STORE

Carry several product lines with each product lines operated as separated department

Eg: Parkson and AEON

SPECIALTY STORE

Carry a narrow product line with deep assortment

Eg: Apple store &The Body Shop

SUPERMARKETS

Large, low cost, high volume operation design to serve consumer need's for grocery and household product

Eg: Tesco and Giant

DISCOUNT STORES

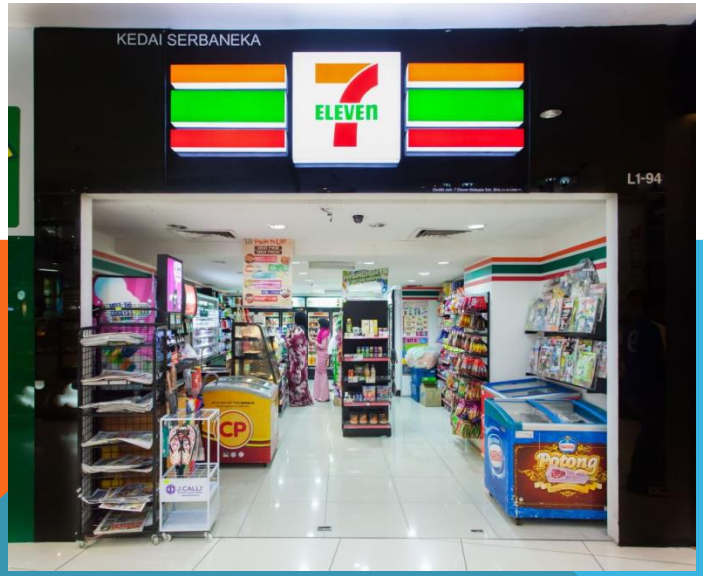
Carry standard merchandise sold at lower prices and higher volume.

Eg: Wal-Mart

CONVENIENCE STORE

Small stores located near residential areas

Eg: 7-Eleven, Family Mart



DRUGSTORES

A pharmacy where
the main product of
is medications
along with first aid
and other similar products.

Eg: Watsons and Guardian

LO5 REVIEW LEARNING OUTCOME

TYPES OF RETAIL OPERATIONS