UNIT -III

UNIT-3

Planning Marketing Programs

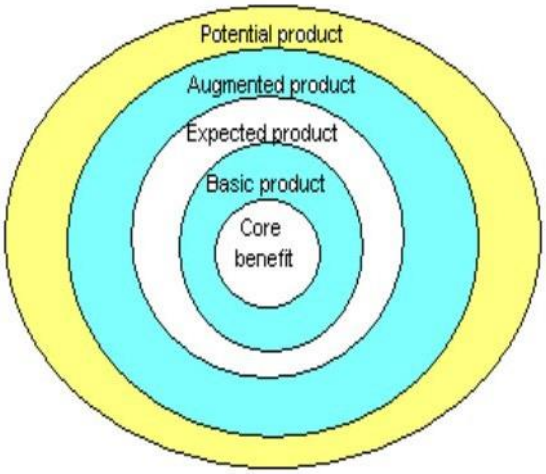
1. **Levels of product,**
2. **Product lines,**
3. **Product mix,**
4. **Brand and Packing,**
5. **Managing services,**
6. **Managing marketing channels,**
7. **Managing direct and on-line marketing.**

1.1. Levels of product,

Definition of Product : We define a product is any thing that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need. Products include more than just tangible goods. It includes physical objects, services, persons, place, organizations, ideas or mixtures of these entities. Products are almost always combinations of the tangible and intangible. The entire package is sometimes referred to as the augmented product. The mix of tangibles and intangibles in the augmented product varies from one product or service to another.

Levels of the product:

1) **Core Product / Core Benefit**: The fundamental service or benefit that the customer is really buying.
(2) **Basic Product:** At the same level, the marketer has to turn the core benefit into a basic product.
(3) **Expected Product**: A set of attributes and conditions buyers normally expect when they purchase this product.
4) **Augmented Product**: The marketer prepares an augmented product that exceeds customer expectations. Today's competition essentially takes place at the product-augmentation level.
5) Potential Product: encompasses all the possible augmentations and transformations the product might undergo in the future. Companies search for new ways to satisfy customers and distinguish their offer.



In case of a car, the 5 levels of a product are:

1. **Core product:** Transportation from one place to another.
2. **Actual Product**: Brand of the car, looks and design of the car etc.

3. E**xpected Product:** Decent mileage, proper engine, inflated tyres etc.
4. **Augmented Product:** After-sale services, insurance policy etc.
5. **Potential Product:** May run more smoothly as it wears off a

- **Classification of the product**

Products are classified into 2 types.

- **Consumer product.**
- **Industrial product.**

Consumer product: On the basis of the product characteristics:

1. Non durables
2. Durables
3. Services

- **Non durables**: These are tangible goods normally consumed in one or few uses. Because these goods are consumed quickly and purchased frequently, the appropriate strategy is to make them available at many locations, charge only a small mark up and advertise heavily to induce trial and build preference.
- **Durables;** These are tangible goods that normally survive many uses. Normally require more personal selling and service, command a higher margin, and require more seller guarantees.
- **Services:** These are intangible, inseparable, variable and perishable products.

Normally require more quality control, superior credibility, and adaptability.

On the basis of customer shopping habits

(1) Convenience goods
(2) Shopping goods
(3) Specialty goods
(4) Unsought goods

Convenient goods: These goods that the customer usually purchases frequently, immediately, and with a minimum of efforts. This type of goods can divide into the following way:

(A) **Staples**: Consumers purchase on a regular basis.
(B) **Impulse Goods**: are purchased without any planning or search efforts.
(C) **Emergency Goods**: are purchased when a need is urgent.

Shopping goods: These goods that the customer in the process of selection and purchase, characteristically compares on such basis as suitability, quality, price and style.

Specially goods : These goods with unique characteristics or brand identification for which buyer is willing to make a special purchasing effort.

Unsought goods: These goods the consumer does not know about or does not normally think of buying. These goods require advertising and personal selling support.

Industrial products: -

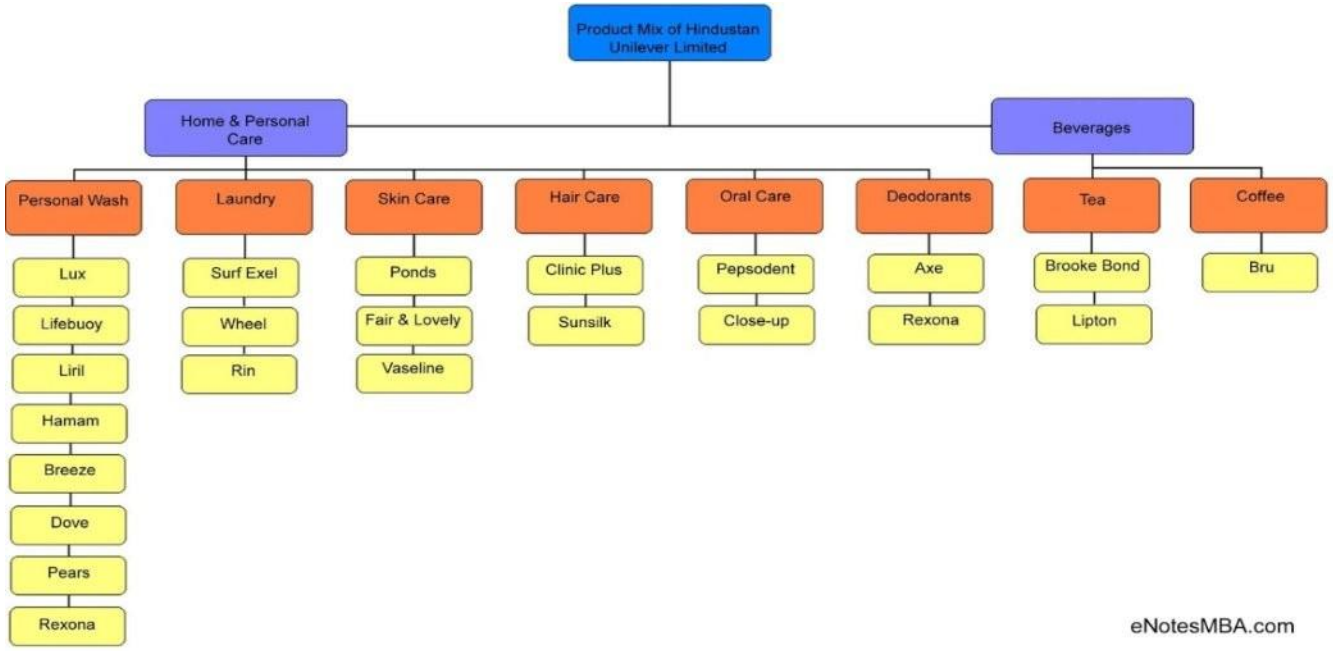
- **Material and parts**: Raw materials consists of form product-wheat, cotton, live stock, fruits, vegetables manufactured material, iron, yarn, cement and wires.
- **Capital items:** installations consist of major purchases such as buildings-factories, offices. Accessory equipment-hand tools lift trucks.

- **Suppliers and services**: Suppliers-lubricants, coal, paper, pencils, advisory services-legal, management consulting, and advertising.

Base for classification	***Classification***
Tangibility	Goods Service
Purpose of use	House hold goods commercial goods
Function of product	Consumable Durable
Habits	Convenience goods Shopping goods Specialty goods
Price	Mass goods Premium goods
Product development	Innovative goods Imitative goods
Product hierarchy	Global product National product Regional product Local product Unbranded product Commodities

3.2. Product lines.

Introduction: In marketing jargon, **product lining** is offering several related products for sale individually. Unlike product bundling, where several products are combined into one group, which is then offered for sale as a unit, product lining involves offering the products for sale separately. A line can comprise related products of various sizes, types, colors, qualities, or prices.


Product Mix of Hindustan Unilever Limited
Home & Personal Care
Beverages
Personal Wash
Laundry
Skin Care
Hair Care
Oral Care
Deodorants
Tea
Coffee
Lux
Lifebuoy
Liril
Hamam
Breeze
Dove
Pears
Rexona
Surf Exel
Wheel
Rin
Ponds
Fair & Lovely
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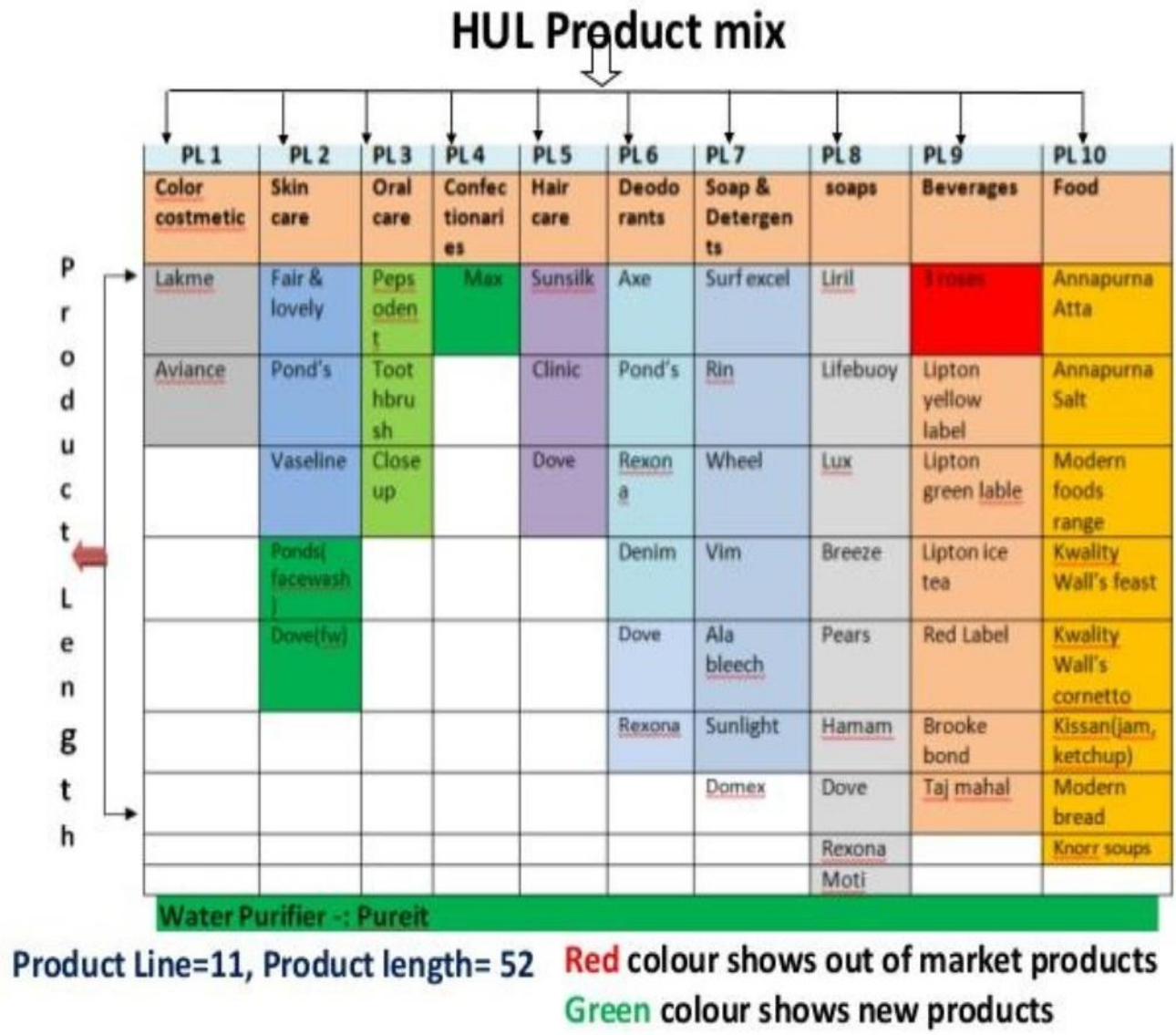


3.3. Product mix,

Introduction: Product mix, also known as product assortment, refers to the total number of product lines that a company offers to its customers. For example, a small company may sell multiple lines of products. Sometimes, these product lines are fairly similar, such as dish washing liquid and bar soap, which are used for cleaning and use similar technologies. Other times, the product lines are vastly different, such as diapers and razors. The four dimensions to a company's product mix include width, length, depth and consistency.

Width: The width of a company's product mix pertains to the number of product lines that a company sells. For example, if a company has two product lines, its product mix width is two. Small and upstart businesses will usually not have a wide product mix. It is more practical to start with some basic products and build market share. Later on, a

company's technology may allow the company to diversify into other industries and build the width of the product mix.

Length: Product mix length pertains to the number of total products or items in a company's product mix, according to Philip Kotler's textbook "Marketing Management: Analysis, Planning, Implementation and Control." For example, ABC company may have two product lines, and five brands within each product line. Thus, ABC's product mix length would be 10. Companies that have multiple product lines will sometimes keep track of their average length per product line. In the above case, the average length of an ABC Company's product line is five.

Depth: Depth of a product mix pertains to the total number of variations for each product. Variations can include size, flavor and any other distinguishing characteristic. For example, if a company sells three sizes and two flavors of toothpaste, that particular brand of toothpaste has a depth of six. Just like length, companies sometimes report the average depth of their product lines; or the depth of a specific product line.

Consistency: Product mix consistency pertains to how closely related product lines are to one another--in terms of use, production and distribution. A company's product mix may be consistent in distribution but vastly different in use. For example, a small company may sell its health bars and health magazine in retail stores. However, one product is edible and the other is not. The production consistency of these products would vary as well.

3.4. Brand and packing,

Introduction: There are millions of products and services all over the world, each claims to be the best among their category. But, every product is not equally popular. Consumer doesn't remember every product, only few products are remembered by their name, logo, or slogan. Such products generate desired emotions in the mind of consumer. It is branding that makes product popular and known in the market; branding is not an activity that can be done overnight, it might takes months and even years to create a loyal and reputed brand.

Definition of Branding

According to **American Marketing Association** - **Brand** is "A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name."

According to **Philip Kotler** - "**Brand** is a name, term, sign, symbol, design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors"

Meaning of Branding

Branding is a process of creating a unique name and image for a product in the mind of consumer, mainly through advertising campaigns. A brand is a name, term, symbol, design or combination of these elements, used to identify a product, a family of products, or all products of an organisation.

Elements of Branding

Brand includes various elements like - brand names, trade names, brand marks, trade marks, and trade characters. The combination of these elements form a firm's corporate symbol or name.

Brand Name - It is also called Product Brand. It can be a word, a group of words, letters, or numbers to represent a product or service. For example - Pepsi, iPhone 5, and etc.

Trade Name - It is also called Corporate Brand. It identifies and promotes a company or a division of a particular corporation. For example - Dell, Nike, Google, and etc.

Brand Mark - It is a unique symbol, colouring, lettering, or other design element. It is visually recognisable, not necessary to be pronounced. For example - Apple's apple, or Coca-cola's cursive typeface.

Trade Mark - It is a word, name, symbol, or combination of these elements. Trade mark is legally protected by government. For example - NBC colourful peacock, or McDonald's golden arches. No other organisation can use these symbols.

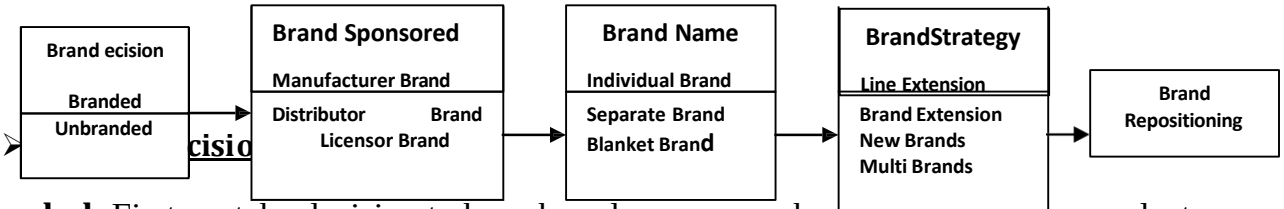
Trade Characters - Animal, people, animated characters, objects, and the like that are used to advertise a product or service, that come to be associated with that product or service. For example - Keebler Elves for Keebler cookies

Branding Strategies

There are various branding strategies on which marketing organisations rely to meet sales and marketing objectives. Some of these strategies are as following :-

- **Brand Extension** - According to this strategy, an existing brand name is used to promote a new or an improved product in an organisation's product line. Marketing organisations uses this strategy to minimise the cost of launching a new product and the risk of failure of new product. There is risk of brand diluting if a product line is over extended.
- **Brand Licensing** - According to this strategy, some organisations allow other organisations to use their brand name, trade name, or trade character. Such authorisation is a legal licensing agreement for which the licensing organisation receives royalty in return for the authorisation. Organisations follow this strategy to increase revenue sources, enhance organisation image, and sell more of their core products.
- **Mixed Branding** - This strategy is used by some manufacturers and retailers to sell products. A manufacturer of a national brand can make a product for sale under another company's brand. Like this a business can maintain brand loyalty through its national brand and increase its product mix through private brands. It can increase its profits by selling private brands without affecting the reputation and sales of its national brand.
- **Co-Branding** - According to this strategy one or more brands are combined in the manufacture of a product or in the delivery of a service to capitalise on other companies' products and services to reach new customers and increase sales for both companies' brands.

Brand decision making Process:



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Branded: First we take decision to have brand name or un br and name for our product. But some times some products have no brand names in market.

Unbranded: Some products have no brand names due to legal procedures. So some companies decide to have no need of brand names for products. But some advantageous are there for branding some of them are given below:

Brand Sponsored:

- **Manufacturer Brand:** Real manufacture of a product may have chance to put his own name for product. It is called manufacturer's brand.
- **Distributor Brand:** It is called store brand, reseller brand, house brand or private brand. Here it not manufacturer but they can get finished products from another maker ,but they sell in market with his name it is called distributor brand.
- **Licensor Brand:** Some companies may get license from branded companies to use their brands for other manufacturer products for the period licensed term.
- **Brand Name**
- **Individual Brand**: From every company many products are being produced, but every product has its own name. This policy helps for the company in a situation of any particular product fails in market. For example EENADU has its own different goods like ETV, EENADU, PRIYA, KALANJALI, BRISHA and MARGADARSHI. This the policy of individual brand.

- **Separate Brand Family brand names:**A family brand name is used for all products. By building customer trust and loyalty to the family brand name, all products that use the brand can benefit. Good examples include brands in the food industry, including Kellogg's, Heinz and Del Monte. Of course, the use of a family brand can also create problems if one of the products gets bad publicity or is a failure in a market. This can damage the reputation of a whole range of
- **Blanket Brand:** One of the strategies that are available in brand name decision. In this strategy, every product the company offers to market bears the same brand name. Usually, this name is a company name. This strategy offers certain advantages such as the development cost is less because there is no need for name research or heavy advertising expenditures to create brand name recognition. Furthermore, sales of new product are likely to be strong if the manufacturer's name is well known.

Brand Strategy

- **Line extension :**Line extension occurs when a company introduces additional items in the same product category under the same brand name, usually with new flavours, forms, colours, added ingredients, package sizes and so on. Line extensions

generally have a higher chance of survival than new products. On the down side extensions may lead to the brand name losing its specific meanings; Ries and Trout call this " Line Extension Trap ."

- **Brand Extension:** Brand Extension also involves risks. The new product might disappoint buyers and damage their respect for company's other products. The brand name may loose its special positioning in the consumer's mind through over extension - a phenomenon called " brand dilution ."
- **New Brands**: When a company launches products in a new category, it may find that none of its current brand names are appropriate. When the present brand image is not likely to help the new product, companies are better off creating new brand names
- **Multi Brands:** A company will often introduce additional brands in the same product category. One of the motives for multi branding is to establish different features and/or appeal to different buying motives. It also enables the company to lock up more distributor shelf space and protest its major brand by setting up flanker brands
- **co –branding:** Co-branding occurs when two different companies pair their respective brands in a collaborative marketing effort. Each brand sponsor expects that other brand name will strengthen brand preference or purchase intension.

Packing:

Introduction: Product packaging plays an important role in the marketing mix .Packaging plays an important role as a medium in the marketing mix, in promotion campaigns, as a pricing criterion, in defining the character of new products, as a setter of trends and as an instrument to create brand identity and shelf impact in all product groups.

The top ten requests about packaging : Even though the consumer is not dissatisfied with the packaging available on the market, he would still like to be tempted by functional and attractive packaging ideas, by multisensory appeal and creative design - preferably with packaging ideas made from board. He acknowledges additional benefits and appeal and is even willing to pay an extra charge for them. Good starting points for improvements, changes, innovations which optimise the features of packaging that determine buying decisions and thus generate new market potential can be summarised in consumers' top ten requests about product packaging:

1. **Eye-catching appearance** A distinctive, unmistakable and eye-catching appearance is a signal at the POS to which all consumers and particularly the younger ones respond positively. Whatever stands out clearly in the monotonous competitive environment, whatever is surprising scores points with the consumer. Special effort makes a special impression - and is allowed to cost more too.

2. **Design, shape and colour** The purpose of well-considered design, creative printing and finishing is to entice the consumer to devote attention to the pack and its contents at

the POS. Aesthetics and attractiveness are major distinctive features - and are in fact essential in some product segments: beautiful packaging design is of central importance in the cosmetics and confectionery product groups. Consumers like to buy agreeably designed and decorative products!

1. **Functionality** Functional aspects are the basis for all successful packaging and for thus greater product success too. Product and aroma protection, hygiene and tightness, environmental responsibility and practical handling (in both use and storage) are just as important here as ideas that improve comfort: closure mechanisms, portioning, see-through windows, for example.
2. **Innovation** Novelty has exceptionally strong appeal. An innovative pack can even make "new products" out of familiar ones. Unusual solutions, functional new developments and originality not only set design trends but also boost sales!
3. **Material** What is printed on board is read particularly willingly, while what is packaged in board sells particularly well. Sustainability, easy disposal and, above all, great design variety and potential are particular features of the material. Popular with consumers, particularly high appeal and many other advantages too.
4. **Efficient communication** The packaging is the credible medium at the point of sale and is consulted willingly and intensively (see "Material"). This makes it an efficient means of communication and, in addition, one that gets closer to the consumer than all others. If several of his senses are appealed to as well, he can be persuaded particularly successfully.
5. **Multisensory** appeal Anyone who approaches consumers via several of his senses attracts greater attention, intensifies perception and stimulates interest in buying. Packaging that can be felt, smelled and heard as well as looked at wins the customer's favour. So much so that he is willing to pay a higher price for this multisensory appeal.
6. **Appropriateness** for the product Packaging is considered to be an important indicator of quality. The quality of the product therefore has to be communicated by good packaging and not just by promises of quality made in the text on the packaging. A credible "overall work of art" is created as a result, in which the contents and the packaging are coherent and the consumer is convinced by their consistency.
7. **Value** Packaging is an excellent way to communicate sophistication, class and value. This makes it an ideal strategic option for expressing premium positioning - as well as being the instrument of choice when a product needs to be upgraded or a brand needs to be revitalised. Products in classy packaging are particularly popular presents too.
8. **Additional benefits** Successful packaging not only combines what is pleasant with what is functionally useful but also provides additional benefits. For example, as a gift or for presentation, with entertaining components or simply by making it

possible to continue using the packaging for something else after the product has been consumed.

Functions of packing:

1. **Product Identification:**Packaging serves as an identification of the product. A product is packed in special sized, coloured and shaped container for keeping its difference from the products of competitors. For ex
2. **Product Protection:** The main function of packaging is to provide protection to the product from dirt, insects, dampness and breakage. For example, the products like biscuit, jam, chips, etc., need to be protected from environmental contact. That is why they are tightly packed.
3. **Convenience:**Packaging provides convenience in the carriage of the product from one place to another, in stocking and in consuming. For example, the new pet bottles of COKE makes the carriage and stocking easier. Similarly, the pack of FROOTI provides convenience in its consumption.
4. **Product Promotion:**Packaging simplifies the work of sales promotion. Packing material in the house reminds the consumers constantly about the product. In this way, the packaging performs the role of a passive salesman. Consequently, it increases the sales.

3.5. Managing services,

Definition of service : "Service is an act or performance offered by one party to another that is essentially intangible and does not result in the ownership of anything."

Trends in service sector

- Service industry known as tertiary industry (primary – agri, mining; secondary – manufacturing)
- Share of services, industry, and agriculture in India's GDP is 55.1 per cent, 26.4 per cent, and 18.5 per cent respectively
- A KPMG survey of BRIC countries (Brazil, Russia, India and China), has revealed highest confidence among the service sector in India with 60% of the Indian firms expect rise in activity, a few notches above than that of China

Factors contributing to growth:

1. Government Policies
   - Govt. regulations,
   - Privatisation
2. Social Changes
   - Rising customer expectations
   - More affluence
   - Increased desire for buying experiences vs products
3. Business trends
   - Mfrs. Adding value through services
   - Quality Movement
   - Growth of franchising

4. Advances in Information Technology
   - Growth of internet
   - Convergence of computers & telecommunications

The various sectors that combine together to constitute service industry in India are:

- Trade
- Hotels and Restaurants
- Railways
- Other Transport & Storage
- Communication (Post, Telecom)
- Banking
- Insurance
- Dwellings, Real Estate
- Business Services
- Public Administration; Defence
- Personal Services
- Community Services
- Other Services

Service elements within an organization that facilitate creation of--or add value to--its final Output

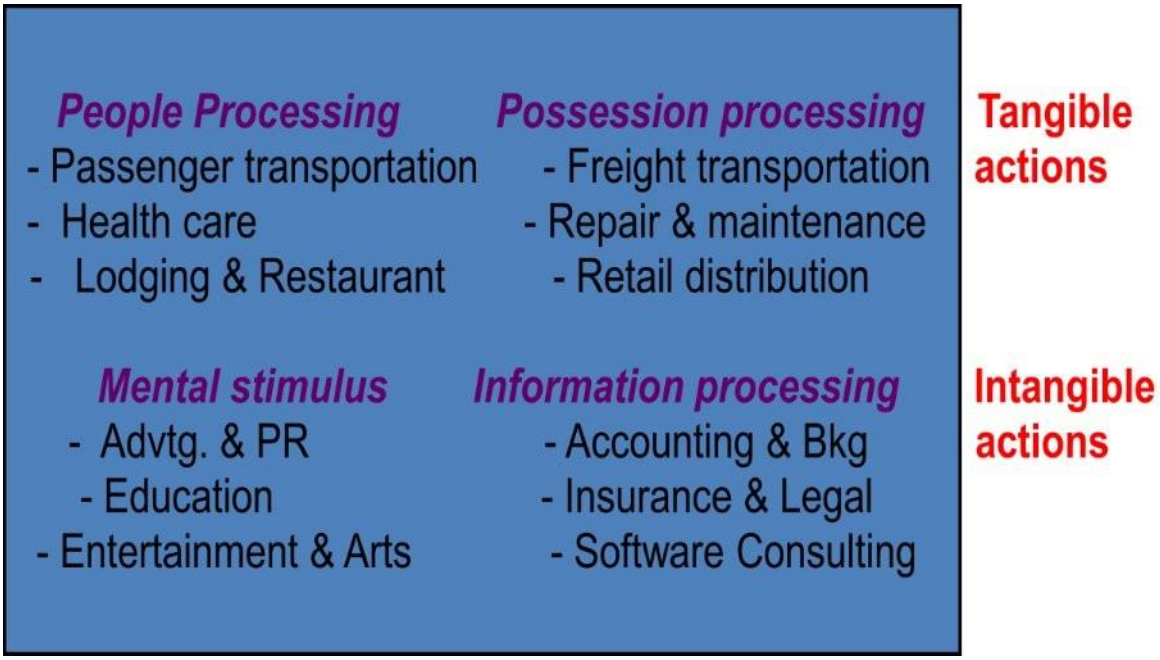
- Includes:
  - accounting and payroll administration
  - recruitment and training
  - legal services
  - transportation
  - catering and food services
  - cleaning and landscaping
- Increasingly, these services are being outsourced

Differences between goods & services

- Customers do not obtain ownership of services
- Service products are ephemeral & cannot be inventoried
- Intangible element
- Customers maybe involved in production process
- Other people part of product
- Greater variability in operational inputs & outputs
- Services are difficult for customers to evaluate
- Time factor assumes more importance
- Distribution channel take different forms

Classification of services

people **process**



People processing

- Customers must physically enter the service system as they are integral part of process
- They must spend time interacting & co-operating with service providers
- Process & output is important

Possession processing

- Providing treatment to possession. Customers less physically involved
- Customer's involvement – to drop item that needs treatment, requesting the service, explaining problem & later picking it up & paying the bill.
- If object to be processed is difficult to move then "service factory" comes to customer

Mental stimulus processing

- These services interact with the customer's minds which has the power to shape their attitude & behaviour. Core content is information
- Customers not physically present, but mentally connected with information presented.
- Recipients have to make investment of time

Information processing

- Information is most intangible but can be made tangible by letters, reports, books
- Financial & professional services are strong examples of collection & processing of information
- No requirement of personal contact with supplier of service. Contact could be over e-mail, telephone

Implications of service process

Designing Service Factory (people proc.)

- When customers have to be physically present throughout delivery, process must be designed with them in mind – right from the moment they arrive the service factory.
- Choose convenient location

- These factors assume importance
- exterior & interior facilities,
- encounters with service personnel,
- interactions with self-service equipment
- characteristics of other customers

For possession-processing, mental-stimulus processing, or information processing services, alternatives include:

- Customers come to the service factory
- Customers come to a retail office
- Service employees visit customer's home or workplace
- Business is conducted at arm's length through
- physical channels (e.g., mail, courier service)
- electronic channels (e.g., phone, fax, email, Web site)

Making most of Information Technology

- All services can benefit from IT, but mental stimulus processing and information-processing services have the most to gain.
- Remote delivery of information-based services "anywhere, anytime"
- New service features through websites, email, and internet (e.g., information, reservations)
- More opportunities for self-servi**ce**

Balancing Supply & Demand

- Problems arise because service output can't be stored
- If demand is high and exceeds supply, business may be lost. If demand is low, productive capacity is wasted
- Services that process people & possession face more capacity limitations. Increasing capacity entails huge costs. Managing demand becomes more important.

People becoming part of Product

- When people become part of service, their attitude, behaviour & appearance can enhance it or detract it
- Managers should be concerned about employees' appearance, social skills, technical skills

Three Overlapping Sub-systems

Service Operations (front stage and backstage)

- Where inputs are processed and service elements created.
- Includes facilities, equipment, and personnel

Service Delivery (front stage)

- Where "final assembly" of service elements takes place and service is delivered to customers
- Includes customer interactions with operations and other customers

Service Marketing (front stage)

- Includes service delivery (as above) and all other contacts between service firm and customers

3.6.Managing marketing channels,

Marketing channels: Physical distribution involves planning implementing and controlling the physical flows of materials and final goods from points of origin to points of use to meet customer needs at a profit. The main elements of total physical distribution costs of a product are transportation, warehousing inventory carrying receiving and shipping packaging administration and other processing. Experts believe that substantial savings can be affected in the physical distribution area, which has been described, as "the last frontier for cost economic" and "the economy's dark continent.

Objectives: -

- Hitting the right goods to the right places at the right time for the least cost.
- Maximum customer service implies large inventories, premium transportation &multiple warehouses, all of which arise distribution cost.
- Minimum distribution cost implies cheap transportation, low stocks and few warehouses.

Components of physical distribution:-

- **Order processing** :- Processing deals receiving, recording, filling & assembling of product for dispatch. The possible time required from the data of receipt of an order up to the data of dispatch of goods most be reasonable & as start as possible. Order cycle time must not exceed & days.
- **Inventory management**:- Inventories are reservoirs of goods held in anticipation promptly, inventories are kept to meet market demands promptly, inventory means, money is held temporarily in the form of raw materials component parts supplies in process goods and finished goods, 20% to 30% of the total assets of a firm are locked up-inventory.
- **Location of warehouses**:-*S*torage means holding the stock of goods for a relatively longer period as the goods are not immediately in demand warehouses also provide the following services breaking bulk, dispatch of smaller consignments to retailers, holding the stocks for retailers, regulating the goods
- **Determining material handling system**:- once the layout for the factories design the next task is to develop efficient material handling system to move the material from are stage of production to another stage. Little handling involves moving, packaging, storing, all the materials used by the firm with the development of technology a variety of material handling requirements have been developed to economic the cost reduce the effort of workers improve the safety for men & materials.
- **Selecting of a method of transport system**: - marketers need to take an interest in their company's transportation decisions. The choice of transportation carries affects the pricing of products, delivering performance and condition of the goods when they arrive all of which will affect customer satisfaction. In shipping goods to its ware houses, dealers and customers. The company can choose among 5 transportation models: trail, truck, water, pipeline and air.

Distribution channel functions:

- **Information**: Gathering and distributing marketing research and intelligence information about actor and faces in the marketing environment immediate for planning and aiding exchange.

- **Promotion**: Developing and speeding persuasive communication about an offer.
- **Contact**: Finding and communication with prospective buyers.
- **Negotiation**: Reaching an agreement on price and other terms of the offer so that ownership or possession can be transferred.
- **Physical distribution**: Transporting and storing goods.
- **Matching**: Shaping and fitting the offer to the buyer's needs, including activities such as manufacturing, grading, assembling and packing.
- **Financing**: Acquiring and using funds to cover the cost of the channel work.
- **Risk taking**: Assuming the risks of carrying out the channel work

Factors of distribution channel:

- Nature of market
- Nature of product
- Buying habits of the customer
- Competition
- Financial resources
- Channel cost

Role of Distribution channel: Besides making the product available to the customer, middlemen perform several other roles and functions. Some of these key roles are summarized below.

- **Information:** Middlemen have a role in providing information about the market to the manufacturer. Developments like changes in customer demography, psychograph, media habits and the entry of a new competitor or a new brand and changes in customer preferences are some of the information that all manufacturer's want. Since these middlemen are present in the market place and close to the customer they can provide this information at no additional cost.
- **Price stability:** Maintaining price stability in the market is another function a middlemen performs. Many a time the middlemen absorbs an increase in the price of the products and continues to charge the customer the same old price. This is because of the intra middlemen competition. The middlemen also maintains price stability by keeping his overheads low.
- **Promotion:** Promoting the product/s in his territory is another function that middlemen perform. Many of them design their own sales incentive programmes, aimed at building customer traffic at their outlets.
- **Financing:** Middlemen finance manufacturer's operations by providing the necessary working capital in the form of advance payments for goods and services. The payment is in advance even though credit may be extended by the manufacturer, because it has to be made even before the products are bought, consumed and paid for by the ultimate customer.
- **Title:** Most middlemen take the title to the goods, services and trade in their own name. This helps in diffusing the risks between the manufacturer and middlemen. This also enables middlemen to be in physical possession of the goods, which in turn enables them to meet customer demand at the very moment it arises.

Types of channels :

1. **Producer --> Customer**

The producer sells the goods or provides the service directly to the consumer with no involvement with a middle man such as an intermediary, a wholesaler, a retailer, an agent, or a reseller.

2. **Producer --> Retailer --> Consumer**

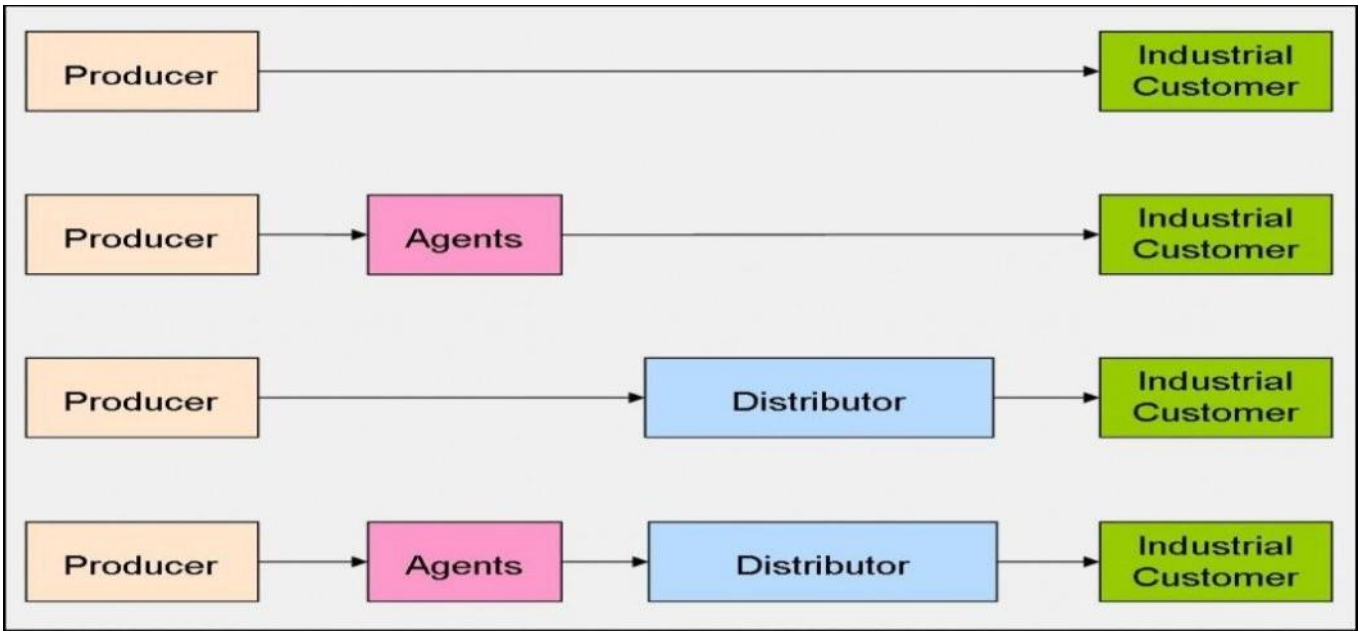
Retailers, like Walmart and Target, buy the product from the manufacturer and sell them directly to the consumer. This channel works best for manufacturers that produce shopping goods like, clothes, shoes, furniture, tableware, and toys. Since consumers need more time with these items before they decide to purchase them, it is in the best interest of the manufacturer to sell them to another user before it gets into the hand of the consumers

3. **Producer --> Wholesaler/Distributor --> Customer**

Wholesalers, like Costco, buy the products from the manufacturer and sell them to the consumer. In this channel, consumers can buy products directly from the wholesaler in bulk. By buying the items in bulk from the wholesaler the prices of the product are reduced. This is because the wholesaler takes away extra costs, such as service costs or sales force costs, that customers usually pay when buying from retail; making the price much cheaper for the consumer.

4. **Producer --> Agent/Broker --> Wholesaler or Retailer --> Customer**

This distribution channel involves more than one intermediary before the product gets into the hands of the consumer. This middleman, known as the agent, assists with the negotiation between the manufacturer and the seller. Agents come into play when the producers need to get their product into the market as quickly as possible.



3.7.Managing direct and on-line marketing.

Introduction: Direct marketing is a type of advertising campaign that seeks to elicit an action (such as an order, a visit to a store or Web site, or a request for further information) from a selected group of consumers in response to a communication from

the marketer. The communication itself may be in any of a variety of formats including postal mail, telemarketing, direct e-mail marketing, and point-of-sale (POS) interactions. Customer response should be measurable: for example, the marketer should be able to determine whether or not a customer offered a discount for online shopping takes advantage of the offer.

- **Forms of direct marketing:**

- Personal selling direct marketing
- Direct-mail direct marketing
- Catalog direct marketing
- Telephone marketing
- Direct-response television marketing
- Kiosk marketing
- Digital direct marketing
- Online marketing