

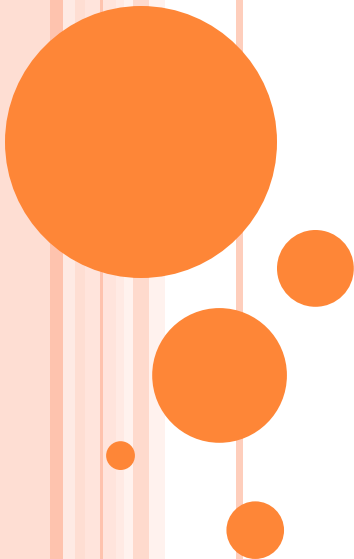
BBA-402

Marketing Management

The Marketing Concept

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Marketing Channel

Successful value creation needs successful value delivery. Holistic marketers are increasingly taking a value network view of their business. Instead of limiting their focus to their immediate suppliers, distributors, and customers, they are examining the whole supply chain that links raw materials, components, and manufactured goods and shows how they move toward the final consumers.



✓Most producers do not sell their goods directly to final users. Between producers and final users stands one or more marketing channels, a host of marketing intermediaries performing a variety of functions.

✓Marketing channels decisions are among the most critical decisions facing management. The company's chosen channels profoundly affects all other marketing decisions.

✓Companies use intermediaries when they lack the financial resources to carry out direct marketing, when direct marketing is not feasible, and when they can earn more by doing so. The most important functions performed by intermediaries are information, promotion, negotiation, ordering, financing, risk taking, physical procession, payment etc.



Manufacturers have many alternatives for reaching a market. They can sell direct or use one-two-, or three-level channels, deciding which types of channel to use calls for analyzing customer needs, establishing channels objectives and identifying and evaluating the major alternatives, including the types and numbers of intermediaries involved in the channels.

Effective channel management calls for selecting intermediaries and training and motivating them. The goal is to build a long-term partnership that will be profitable for all channel members.

Marketing channels are characterized by continuous and sometimes dramatic change.

