

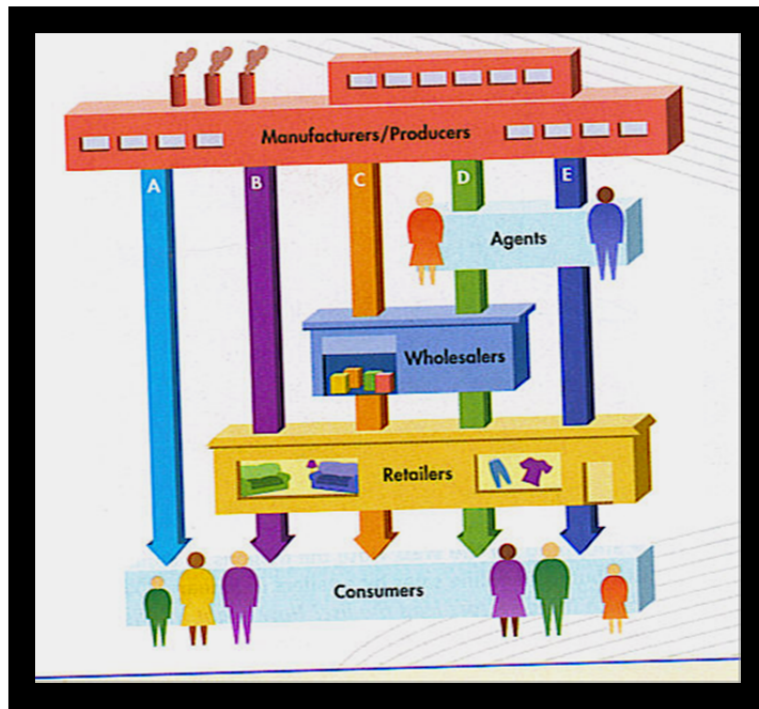
## Ch. 21: Distribution

Name: Ms. Lutz KEY

Directions: Use the chart and pages 443-458 (Chapter 21) in your book to answer the following questions. This is an individual assignment and should be turned in by the end of the hour for full points. Assignments turned in late will result in a penalty of 5 points per day that the assignment is late.

1. What is the difference between a direct channel and an indirect channel of distribution?

A direct channel goes from producer directly to the consumer, while an indirect channel involves the use of an intermediary.



2. Which of the above channels are direct?

A

3. Which of the above channels are indirect?

B, C, D, E

4. What is another word for a "middleman"?

Intermediary

Consumer Products: Use the chart on the previous page and page 450 to answer the following questions.

5. List three of the five ways that a good can go directly from the manufacturer to the consumer.
  - a. selling goods at the production site
  - b. having a sales force call on consumers
  - c. using catalogs or ads to generate sales
  - d. using telemarketing
  - e. using the Internet to make online sales
  
6. Which channel is best for products that date quickly or need servicing?  
B
  
7. A. What is a staple good?  
Items that are always carried in stock and whose styles do not change frequently  
B. What channel is used for most staple goods?  
C
  
8. Why would a manufacturer choose to use channel D?  
Because they want to focus on production and leave selling and distribution to other companies

Industrial Products: Use the chart and information on page 451 to help you answer the following questions:

9. What is an industrial product?  
A product that is purchased for business use.
  
10. Which is the most common distribution channel when selling industrial products?  
Channel A: Direct Distribution
  
11. Which is the least common distribution channel when selling consumer products?  
Channel A: Direct Distribution
  
12. Which channel would be used for small standardized parts and operation supplies needed to run a business?  
B: Producer -> Industrial Distributor -> Industrial User
  
13. Which channel would be used for manufacturers who do not have the time or money to invest in a direct sales force?  
Channel C: Producer -> Agent -> Industrial Distributor -> Industrial User

14. Which channel would be used when a company does not want its own sales force and does not want the intermediary to take title to the goods?

Channel D: Producer -> Agent -> Industrial User

15. What is the difference between an agent and a direct sales force?

Agent: does not take ownership of products and is an outside sales force

Direct Sales Force: works for the company that produces the products

16. Dana Buchman is a women's clothing designer that only sells her products in high end department stores, such as Dillard's and Nordstrom. What distribution strategy does she use?

Selective

17. The GAP sells its clothing only in their company owned retail stores. What distribution strategy is this?

Exclusive (Integrated)

18. Pepsi sells their liter bottles of soda in almost any location that will carry them. They want to provide their customers with convenience in purchasing their products. What distribution strategy does Pepsi use?

Intensive

19. What is the formal term for an online shopping location?

E-Marketplace

20. List two advantages that e-commerce provides in B2B sales (business to business).

One-stop shopping (convenience) and discounts