

## Distribution Activity 1-Part 1

Objective: Analyze place element of the marketing mix by performing the role of a channel member of distribution.

Spartan Shirt Manufacturing—Has all inventory  
Prices Team Jersey 62.00  
XXL & XXXL \$5.10

Wholesaler Buys 10 of each size

Agent sells 3 each small, large, XL, and XXXL  
Whelan's Embroidering and Graphics  
Agent places order with Wholesaler

Whelan's Customer order: Shirt has three intersecting circles (Olympics)  
orders 3 each small, large, XL, and XXXL  
\$1 per shirt for printing plus cost of shirt plus 30% markup  
You print before delivery

Whelan's Customer 2 order for Dick's Sporting Place: Same  
3 XXL and 3 XL with intersecting Circle design

Wal-Mart Retailer Order: 5 S, 5 M, 5 L (each shirt represents 5,000)  
From Spartan Shirt Manufacturing  
As a volume buyer, you get a 10% discount on the manufacturer's cost.

Dick's Sporting Place

Whelan's customer

Name \_\_\_\_\_ Hour \_\_\_\_\_ Date \_\_\_\_\_

## Distribution Activity 1—Part 1 Worksheet

Channel Member \_\_\_\_\_

1. Complete your information in the blanks below.
2. Choose one person to report your decisions and calculations to the class.
3. As each channel member reports their costs and prices record the answers in the table below.  
Include your channel in the first row on the chart.

Your Cost Each \_\_\_\_\_ Your Retail Price Each \_\_\_\_\_ (Multiply cost x 1.3)

Total Cost \_\_\_\_\_ Total Sales Revenue \_\_\_\_\_

Commission 10% \_\_\_\_\_ Not Applicable (circle if this applies to you)

Circle correct answer for your channel member

Do you take title to the merchandise? Yes No

Wholesaler    manufacturer    retailer    consumer    agent    industrial user

Channel	Quantity	Price Each with Markup of 30%	Total Sales	Total Profit

Explain why the prices change each time the product is moved to another channel.