

MBA- I semester, Paper- Marketing Management, MB 105, TOPIC- Characteristics of Distribution channel.

Channel of distribution can be simple or complex. There can be direct selling to the consumers (zero level channel) or through wholesalers & retailers. The marketer has to decide which type of channel he has to select for effective distribution and efficiency.

Characteristics/Salient Features of Marketing Channel The features & characteristics of marketing channels, trade channels or market intermediaries are as follows:

1. Distribution channel constitutes a contractual organisation. Contractual organisation refers to those firms or parties who are involved in negotiatory functions as a product or service moves from the producer to its ultimate user. Negotiatory function consists of buying, selling and transferring title of products to its consumers.
2. The firm has certain distribution objectives or goals in mind. The marketing channel exists as a means for reaching their goals In other words, the structure and management of the marketing channel depends on and varies with the nature and form of the firm's distribution objectives. As these objectives change, the firm attempts to change its distribution channel.
3. A distribution channel has an independent existence. A distribution channel is external to the firm.
4. Management of the distribution channels involves the use of inter-organisational management.
5. Distribution channels are operated by the marketing organisation i.e.; the firm operates the independent organisations in the channel.