

MBA- I semester, Paper- Marketing Management, MB 105, TOPIC - Importance (Functions) Of Distribution Members (Middlemen).

Importance (Functions) Of Distribution Members (Middlemen)

Distribution decisions have a broad impact on the marketing program used by a firm because middlemen can provide a wide variety of marketing functions. Middlemen perform a number of important functions in the distribution of products. The specialised efforts of distribution channel members generate following three kinds of utility for the consumer.

(a) Place Utility

(b) Possession or ownership utility

(c) Time Utility

(a) Place Utility They facilitates transportation of the product from the manufacturer's place to a convenient location, actions which is easily accessible to the buyer, and thus creates place utility.

(b) Possession or Ownership Utility: The middlemen purchase the products from the manufacturer and ultimately exchange them for money with consumers who, after buying them, gain their possession and title. Thus, ownership utility is created at the time of transfer of title from the channel members to the consumers.

(c) Time Utility: Marketing channels create time utility when they make products available for sale at a time when the consumer wants to purchase them. For this purpose, they store the products with them.

In general, the functions of channel of distribution.

1. Match assortments and quantities of goods desired by customers with those available from the channel members.
2. Promote the products they carry through catalogues, trade shows, and advertising.
3. Conduct research on markets to locate and determine the requirements of potential customers.
4. Finance the producer indirectly by reducing inventory.
5. Standardise and grade when required specially in case of agricultural products.

6. Assume risks associated with owning, storing, selling, financing, transporting and servicing of products.
7. Physically distribute the product through storing and transporting it.
8. Service products and provide advice on their use as required.