

Distribution Channels and Delivery Methods

Understanding Product Flow and
Delivery

Channels of Distribution

- 1. Direct Channels:
 - - Products go directly to the consumer.
 - - Example: E-commerce websites.
- 2. Indirect Channels:
 - - Products are delivered through intermediaries.
 - - Example: Grocery stores.
- 3. Integrated Channels:
 - - Combination of direct and indirect channels

Delivery Methods

- 1. Truck (Road Transport): Flexible, but slower for long distances.
- 2. Train (Rail Transport): Cost-effective for heavy goods but limited access.
- 3. Plane (Air Transport): Fast, but expensive and limited capacity.
- 4. Ship (Water Transport): Cost-effective for bulk goods but slow.
- 5. Internet: Instant for digital goods but limited to digital products.

Comparing Distribution Channels

- 1. Direct:
 - - Advantages: Control, lower costs.
 - - Disadvantages: Limited coverage.
- 2. Indirect:
 - - Advantages: Broad reach.
 - - Disadvantages: Higher costs.
- 3. Integrated:
 - - Advantages: Flexibility, maximum reach.
 - - Disadvantages: Complex management.

Comparing Delivery Methods

- 1. Truck: Flexible, slower for long distances.
- 2. Train: Cost-effective, limited access.
- 3. Plane: Fast, expensive.
- 4. Ship: Cost-effective, but slow.
- 5. Internet: Instant, but limited to digital goods.
- 6. Pipeline: Efficient, costly to set up.

Examples for Discussion

- 1. Small business selling crafts: Best channel? (Direct via e-commerce).
- 2. Car manufacturer shipping overseas: Best delivery method? (Ship).
- 3. Tech company offering software subscriptions: Distribution method? (Internet).