

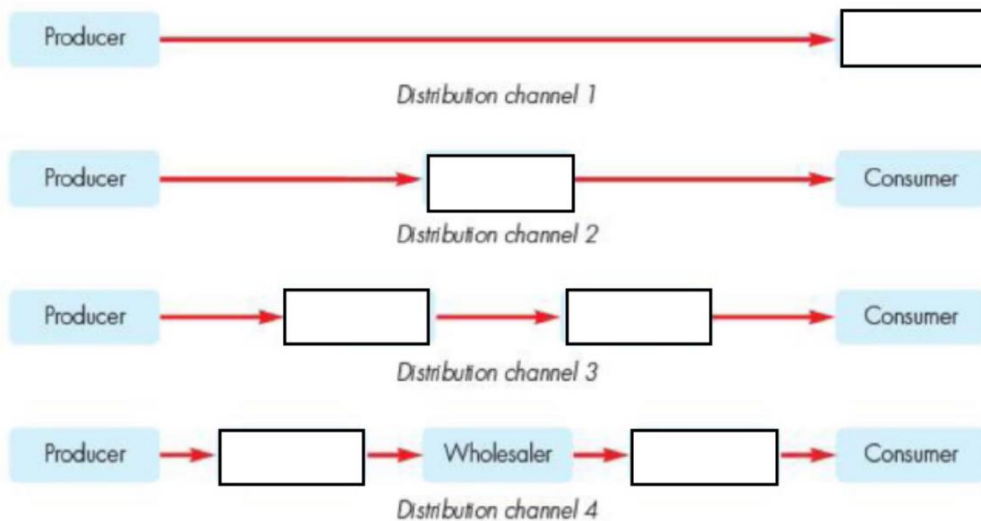
**Marketing mix: Place**

**Starter activity:**

Key terms	definition
Channels of distribution	
Wholesaler	
Middlemen	
Retailer	
Agent	

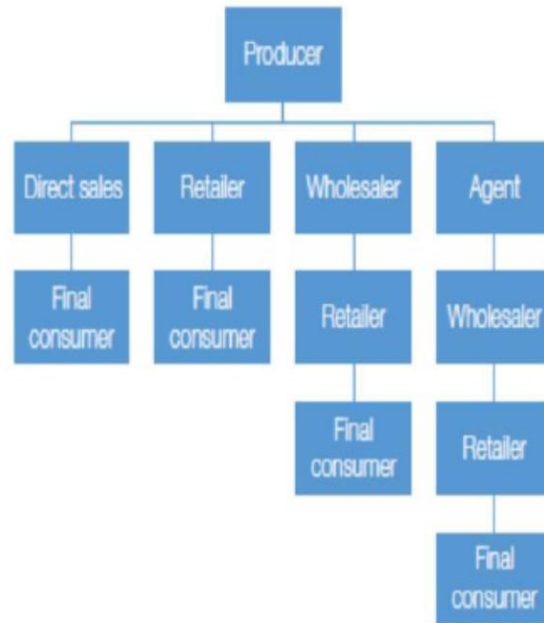
**Development activity:**

Annotate the diagram of the four main distribution channels. For each channel, research one advantage and disadvantage of each method.



Support notes:

### Channels of distribution



**Definitions to learn**  
An agent is an independent person or business that is appointed to deal with the sales and distribution of a product or range of products.

Practice activity:

**ACTIVITY 13.1**

- Good4U Foods plc is a large manufacturer of breakfast cereals in Country Y.
- Compton is a sole trader in Country Y. He owns a poultry farm. His chickens produce an average of 500 eggs per week.
- Sunshine Holidays Ltd. supplies overseas package holidays to consumers in Country Y.

1 One of the above businesses uses only direct selling to get its products to the final consumer.

- a Which business do you think this is likely to be and why?
- b Explain **one** advantage to the owner(s) of this business of using direct selling.
- c If this business grows, do you think direct selling will still be the best channel of distribution for its products?

2 Another of the businesses above uses the longest channel of distribution for its products.

- a Which business is this likely to be and why?
- b Explain **one** advantage and **one** disadvantage to the management of the business of using this channel of distribution.

3 The other business uses **two** different channels of distribution.

- a Identify this business.
- b Outline which **two** channels of distribution you think it uses.
- c Explain the benefits to the business of using more than one channel of distribution.

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