

**Kotler  
Keller**

**16**  
**Managing Retailing,  
Wholesaling,  
and Logistics**



# Chapter Questions

- What major types of marketing intermediaries occupy this sector?
- What marketing decisions do these marketing intermediaries make?
- What are the major trends with marketing intermediaries?
- What does the future hold for private label brands?

# Retailing





# Table 16.1 Major Retailer Types

- Specialty store
- Department store
- Supermarket
- Convenience store
- Discount store
- Off-price retailer
- Superstore
- Catalog showroom

# Levels of Retail Service

- Self service
- Self selection
- Limited service
- Full service



# Nonstore Retailing

- Direct selling
- Direct marketing
- Automatic vending
- Buying service





## **Table 16.2 Major Types of Corporate Retail Organizations**

- Corporate chain store
- Voluntary chain
- Retailer cooperative
- Consumer cooperative
- Franchise organization
- Merchandising conglomerate



# Franchising System

- The franchisor owns a trade or service mark and licenses it to franchisees in return for royalty payments
- The franchisee pays for the right to be part of the system
- The franchisor provides its franchisees with a system for doing business





# Changes in the Retail Environment

- New retail forms and combinations
- Competition between store-based and non-store-based retailing
- Growth of giant retailers
- Decline of middle market retailers
- Growing investment in technology
- Global profile of major retailers
- Growth of shopper marketing



# Retailers' Marketing Decisions

- Target market
- Product assortment
- Procurement
- Prices
- Services
- Store atmosphere
- Store activities
- Store experiences
- Communications
- Location

# Retailer Services Mix

- Prepurchase services
- Postpurchase services
- Ancillary services



# Store Atmosphere and Experiences





# Tips for Increasing Sales in Retail Space

- Keep shoppers in the store
- Honor the transition zone
- Don't make them hunt
- Make merchandise available to the reach and touch
- Note that men do not ask questions
- Remember women need space
- Make checkout easy



# Location Decision

- Central business districts
- Regional shopping centers
- Community shopping centers
- Shopping strips
- Location within a larger store



# Private Label Brands

- Private labels are ubiquitous
- Consumer accepts private labels
- Private-label buyers come from all socioeconomic strata
- Private labels are not a recessionary phenomenon
- Consumer loyalty shifts from manufacturers to retailers



# Wholesaling Functions

- Selling and promoting
- Buying and assortment building
- Bulk breaking
- Warehousing
- Transportation
- Financing
- Risk bearing
- Market information
- Management services and counseling





# Major Wholesaler Types

- Merchant
- Full-service
- Limited-service
- Brokers and agents
- Manufacturers
- Specialized



# Supply Chain Management

**Supply chain management** starts before physical distribution and means strategically procuring the right inputs (raw materials, components, and capital equipment); converting them efficiently into finished products; and dispatching them to the final destinations.



# Market Logistics Planning

- Deciding on the company's value proposition to its customers
- Deciding on the best channel design and network strategy
- Developing operational excellence
- Implementing the solution



# What are Integrated Logistics Systems?

An **integrated logistics system (ILS)** includes materials management, material flow systems, and physical distribution, aided by information technology.



# Market Logistics

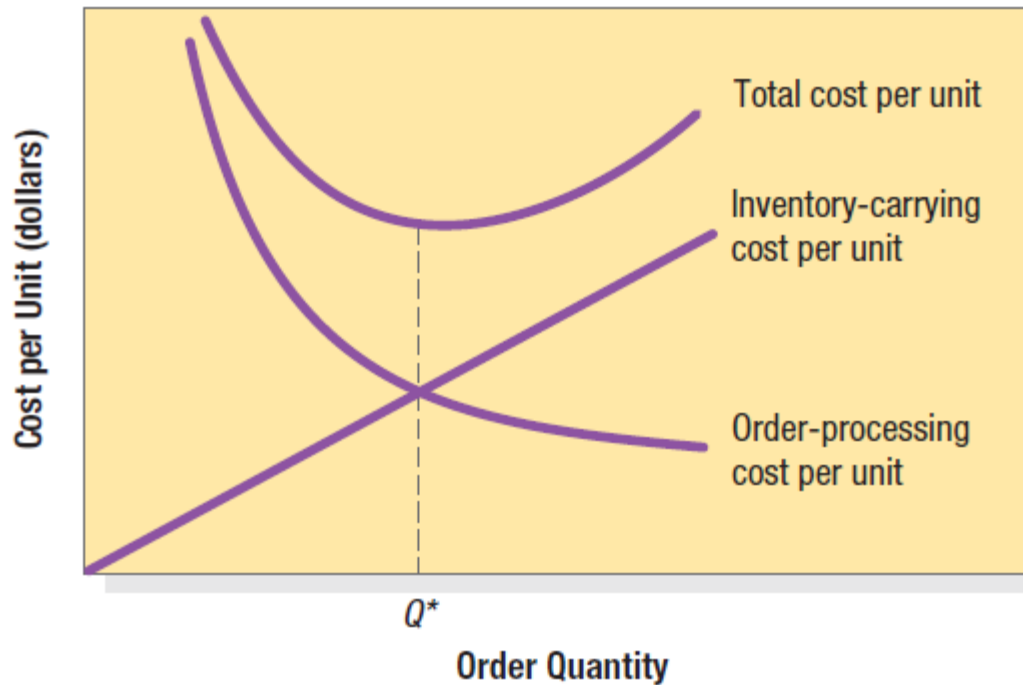
- Sales forecasting
- Distribution scheduling
- Production plans
- Finished-goods inventory decisions
- Packaging
- In-plant warehousing
- Shipping-room processing
- Outbound transportation
- Field warehousing
- Customer delivery and servicing



# Market Logistics Decisions

- How should orders be handled?
- Where should stock be located?
- How much stock should be held?
- How should goods be shipped?

# Figure 16.1 Determining Optimal Order Quantity



# Transportation Factors







# For Review

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