



Marketing Channel Analyst

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Abstract

This article discusses the analysis of the marketing channels involved in the process of making a product or service ready for use or consumption. This article aims to know and understand the meaning of the marketing channel, know the function of the marketing channel, know the levels that exist in the marketing channel and know how to make decisions in the marketing channel.

Introduction

The marketing channel is one of the important elements in marketing (Dumitriu & Popescu, 2020). A company needs to carry out a marketing function because marketing is a process in which a company supplies or offers its products to the market (Reichelt et al., 2021). And marketing can be defined as a marketing activity that seeks to facilitate and facilitate the delivery of goods and services to consumers so that their use is in accordance with what is needed (type, quantity, price, place, and when needed) (French et al., 2020). Marketing channels for goods are channels used by producers to distribute said goods from producers to consumers or industrial users (Rosenbloom, 2012).

The marketing process is a marketing activity that is able to create added value to products through marketing functions that can realize the utility or use of the form, place, time, ownership, and smooth flow of physical and non-physical marketing channels (Diyanova SN et al., 2019). In implementing marketing activities, the company must be faced with an intermediary or what is commonly called a Middleman (Rahmayati, 2021). In marketing the company must have the right strategies so that its product offerings to the market run smoothly and in accordance with what the company expects (Piercy, 2016).

Marketing channel

A marketing channel is a series of interdependent organizations that are involved in the process of making a product or service ready for use or consumption (Baloch & Rashid, 2022). According to (Palmatier et al., 2016) marketing channel is a series of interdependent organizations involved in the process of making a product or service ready for use or consumption. Meanwhile, according to marketing channel is a channel used by producers to distribute these goods from producers to consumers or industrial users (Canavan et al., 2007). From the above understanding, it can be concluded that the marketing channel is a series of interdependent organizations in the process of distributing goods from producers to consumers (Xia et al., 2018).

Types of Marketing channels

The types of marketing channels can be classified as follows; (1) Direct distribution channel, this channel is the simplest and lowest distribution channel, namely the distribution channel from producers to consumers without using intermediaries (Miliano et al., 2018). Here the producers can sell their goods by mail or go directly to the consumer's house, this channel can also be termed a zero-stage channel; (2) Distribution channels that use one intermediary, namely involving producers and retailers (Butu et al., 2020). Here, large retailers buy goods directly to producers, then sell them directly to consumers (Leone et al., 2020). This channel is usually called a one-stage channel (one stage channel); (3) A distribution channel that uses two groups of wholesalers and retailers, this distribution channel is a channel that is widely used by producers (Ghimatgar et al., 2019).

Here the producer only serves sales in large quantities to wholesalers, does not sell to retailers, purchases by retailers are served by wholesalers and purchases by consumers are only served by retailers (Prashar et al., 2020). Such a distribution channel is also called a two-stage distribution channel (two stage channel); (4) Distribution channels using three intermediary traders (Arslan et al., 2021). In this case the producer chooses an agent as an intermediary to distribute their goods to large traders who then sell them to small shops. Distribution channels like this are also known as three stage distribution channels (three stage channel) (Bergemann et al., 2020).

Main Functions of Marketing Channels

The main functions of the marketing channel are: (1) Gathering information about current and potential customers, competitors and actors and other forces in the marketing environment; (2) Develop and disseminate persuasive communication to stimulate purchases; (3) Reaching final agreement on prices and other terms so that the transfer of ownership can be carried out; (4) Place orders with manufacturing companies; (5) Obtaining funds to finance supplies at various levels of marketing channels; (6) Bear the risks associated with the implementation of the marketing channel functions; (7) Manage the continuity of storage and movement of physical products from raw materials to final customers; (8) Arranging the settlement of buyer bills through banks and other financial institutions. (9) Supervising the actual transfer of ownership from an organization or person to another organization or person (Ashfaq et al., 2019).

Marketing Channel Levels

Several consumer goods marketing channels of different lengths such as zero-level channel (direct marketing channel), consisting of a manufacturing company selling directly to end customers, a single-tier channel, containing one sales intermediary such as a retailer as well as a two-tier channel, containing three intermediaries, for example in the meat packaging industry, a wholesaler sells to a wholesaler who will sell it to several small retailers. ; (1) Exclusive distribution includes a very limited number of intermediaries who handle company goods or services (Dost et al., 2019).

Usually this strategy includes exclusive agreements, which do not allow the seller to sell rival brands; (2) Selective distribution includes the use of more than a few intermediaries but also less than all intermediaries who sell a particular product (Birch, 2020). This strategy is used by both established companies and startups trying to find distributors; (3) Intensive distribution of producers placing as many goods and services as possible in stores. This strategy is usually used for products that are easy to find, such as gasoline, snacks, candy, etc. ; (4) Channel Management Decisions After a company chooses an alternative channel, each intermediary

must be selected, motivated and evaluated. Channel settings must also be modified from time to time; (5) Selecting channel members i.e. the ability of producers to differ in terms of attracting qualified intermediaries in the chosen marketing channel (Chesbrough & Tucci, 2020). Some producers have no problem finding intermediaries; (6) Motivating Intermediary Marketing Channel Members must be constantly motivated to do their best. The conditions that get them to join the channel provide some motivation, but it must be supplemented by training, supervision and encouragement. Encouraging channel members to achieve peak performance must start with understanding their needs and wants (Samaha, 2011).

Producers have several types of co-operative power, namely coercive power used by producers who threaten to withdraw resources or terminate the relationship if the intermediary fails to cooperate (Wrong, 2017). Reward power occurs when producers offer extra benefits to intermediaries to carry out certain activities or functions. Legitimate power is used when the producer requests an action as stated in the contract (Lee et al., 2017). Expert power can be applied if the producer has special knowledge that the intermediary values. Referent power arises when the producer is so respected that the intermediary feels identified with him.

Things companies should do in managing channel conflicts

The company will integrate channels by means of the company making multi-channel marketing (Multichannel Marketing), which means that the company uses two or more marketing channels to reach one or more customer segments. Effective channel conflict management is the most appropriate use of targets, that is, channel members reach agreement on the underlying common goal, whether it is survival, market share, high quality, or customer satisfaction (Reshetnikova et al., 2019).

Exchanges people between two or more channel levels. By means of co-optation, which is an effort from one organization to get the support of other organizational leaders by including them on the advisory board, board of directors and the like. Encourage joint membership in and between trade associations. With diplomacy, each party sends a person or group of people to meet with the opposing party to resolve conflicts. Mediation, which means choosing a neutral third party with expertise that can reconcile the interests of the two parties (Franck, 2009). Arbitration, where two parties agree to present their problems to one or more arbitrators and accept the arbitrator's decision.

Conclusion

A marketing channel is a series of interdependent organizations that are involved in the process of making a product or service ready for use or consumption. The marketing channel is a series of interdependent organizations involved in the process of making a product or service ready for use or consumption. The marketing channel is a channel used by producers to distribute these goods from producers to consumers or industrial users.

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