Chapter 14
Managing Retailing, Wholesaling, and Logistics

Chapter Questions
• What are the major types of marketing intermediaries?
• What marketing decisions do these marketing intermediaries make?
• What are the major trends in retailing, wholesaling, and logistics?

Types of Retailers
• Specialty store
• Department store
• Supermarket
• Convenience store

Levels of Service
• Self-service, Self-selection, Limited service, Full service

Retail Positioning Strategies:
broad/narrow, high/low
Corporate Retail Organizations
- Corporate chain store (GAP, Williams-Sonoma)
- Voluntary chain (Independent Grocers Association)
- Retailer cooperative (SCE Hardware)
- Consumer cooperative
- Franchise organization
- Merchandising conglomerate (Federated department Stores)

Retailer Marketing Decisions
- Target market
- Product assortment and procurement
- Price
  - High-markup, lower-volume
  - Low-markup, higher-volume
- Services and store atmosphere
- Store activities and experiences
- Communications
- Location

Location Options for Retailers
- General business district
- Regional shopping center
- Community shopping center
- Shopping strip
- Location within a larger store
Private Labels

- Private label brand—one developed by retailers and wholesalers.
- Other names:
  - Reseller brand
  - Store brand
  - House brand
  - Distributor brand
- Why used?
  - More profitable
  - Differentiate the retailer
- Generics—unbranded, plainly packaged, less expensive versions of common products.

Major Wholesaler Types

- Merchant wholesaler
- Full-service wholesaler
- Limited-service wholesaler
- Brokers and agents
- Manufacturers’ and retailers’ branches and offices
- Specialized wholesalers

Functions of Wholesalers

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

- **Supply chain management (SCM)**—starts before physical distribution, covering procurement of inputs, conversion into finished products, and product movement to final destinations.
- **Market logistics**—includes planning the infrastructure to meet demand, then implementing and controlling the physical flow of materials and final goods from points of origin to points of use to meet customer needs at a profit.

**Figure 4.1: Steps in Market Logistics Planning**

- **Step 1**: Decide on the size of the firm, then establish the scope of the product lines.
- **Step 2**: Decide on the demand and method of production targeted at the customers.
- **Step 3**: Evaluate the operations to ensure the profitability of the operations.
- **Step 4**: Implement the solutions with the appropriate allocation of resources and essential control elements.

**Market-Logistics Decisions**

- Order processing
- Warehousing
- Inventory
- Transportation