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# **PATTERNS OF DISTRIBUTION**

# Patterns of Distribution

- It represents the level of international/ national availability selected for a particular product by the marketer.
- The level of intensity chosen will depend upon factor such as the production capacity, the size of the target market, pricing and promotion policies and
- The amount of product service required by the end-user.

# 3 Major Forms

- Intensive Distribution System
- Selective Distribution System
- Exclusive Distribution System

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## EXHIBIT 2 Distribution Intensity Model

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Trading Area



Exclusive  
distribution



Selective  
distribution



Intensive  
distribution

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# Types of Distribution



# Intensive Distribution System

- Aims to provide saturation coverage of the market by using all available outlets.
- For many products, total sales are directly linked to the number of outlets used
- Usually required where customers have a range of acceptable brands to choose from
- Eg: soft drink firms distribute their brands through multiple outlets to ensure their easy availability to the customer.( hotels, restaurants, tea shops, grocery, paan shops etc).

# Selective Distribution

- Involves a producer using a limited number of outlets in a geographical area to sell products.
- The producer can choose the most appropriate or best-performing outlets and focus effort (e.g., training) on them.
- When consumers are prepared to “shop around”, they have a preference for a particular brand or price and will search out the outlets that supply.
- Focus the selling effort on a few outlets rather than dissipating it over countless marginal ones.
- More control, less cost, better relations.
- Eg: Accessories, Watches, Mobiles, Electronics.

# Exclusive Distribution

- Extreme form in which only one wholesaler, retailer or distributor is used in a specific geographical area.
- Just one or two major outlets in the market, who exclusively deal in it and not all competing brands.
- Brands that seek a high prestigious image.
- Granting exclusive rights, the manufacturer hopes to have control over the intermediaries price, promotion, credit inventory and service policies.
- Luxury brands- Gucci, Lamborghini, Ferrari, Chanel, Niche markets

	<b>Exclusive Distribution</b>	<b>Selective Distribution</b>	<b>Intensive Distribution</b>
<b>Suitability of channel</b>	Shopping goods, Speciality goods, Products requiring installation	Speciality goods, Spares, Accessories	Convenience goods, Supplies, Small tools, Lubricants
<b>Number of middlemen</b>	One	Few	Many
<b>Examples</b>	Cars, Designer garments, Designer jewellery, Watches	TV, Auto parts, Computers	Soap, Tooth paste, Washing powder
<b>Advantages to customers</b>	Assured quality, Personalised service, Exclusiveness of brand, Better need fulfillment	Prestigious products	Conveniences of purchase, Wide availability, Easy access.

**Diag. : 7.3.1 Intensity of Distribution and Suitability**

# Video links on patterns

- [https://www.youtube.com/watch?v=HGtoB0o\\_PsY](https://www.youtube.com/watch?v=HGtoB0o_PsY)
- <https://www.youtube.com/watch?v=wWuGL5dkoS8>
- [https://www.youtube.com/watch?v=AreyYx\\_JX5M](https://www.youtube.com/watch?v=AreyYx_JX5M)