

Marketing Mix Lesson 3: Where Should You Sell?

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SUBJECT(S): Marketing

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

The channel of distribution or the place where the product should be made available is an important and strategic marketing decision. Commonly referred to as Place — one of the four Ps of the Marketing Mix, it signifies and communicates the positioning of the product and its intended target market. This lesson focuses on some of the fundamental concepts related to placing strategies.

≡ NBEA STANDARD(S):

- Marketing, I. Foundations of Marketing
- Marketing, IV. The Marketing Mix

≡ RELATED ARTICLES:

- “Zara’s ‘Fast Fashion’ Business Model”
- “Red Velvet Revolution: The Rise of the Cupcake Entrepreneur”
- “DECA Student Tomas Martinez Talks Cookie Dough and His Life as a CREAM Franchisee”
- “A ‘Sneakerhead’ Shares His Simple Strategy: Buy Low and Sell High”

Common Core Standard(s):

1. CCR Standard for Reading: Read closely to determine what the text says explicitly and make logical inferences from it.
2. CCR Standards for Listening: Prepare for and participate effectively in a range of conversations and collaborations with diverse partners, building on each other's ideas and expressing their own clearly and persuasively. Evaluate a speaker's point of view, reasoning, and use of evidence and rhetoric.
3. CCR Standards for Speaking: Present information, findings and supporting evidence in such a way that listeners can follow the line of reasoning, and the organization, development and style are appropriate to the task, purpose and audience.

Objectives/Purposes: Students will analyze the distribution channels of various products/services. They will also design a distribution channel for a product/service of their choice.

Other Resources/Materials: Internet access

Activity:

1. The teacher begins class by explaining the third P of the marketing mix. *Place or placement refers to where your customer can actually buy your product. From the perspective of the customer, place asks: Where is it convenient for me to buy this article from. Additionally place, like price, signifies a certain value to the customer. For example, if you want to signal exclusivity, you will not want to stock your product at every retail store. Look at Rolls Royce — they have one store for the whole state; it is a very exclusive product.*
2. The teacher now explains the various kinds of channels and distribution models that companies could use.

Kinds of Channels:

- Direct — Producer sells directly to customer.
- Direct/Internet — Producer sells directly to customer, online.
- Direct/catalog — Producer sells directly to customer, through a catalog.
- Wholesaler/distributor — Producer sells to wholesaler, who will sell to a distributor, or to a retailer.
- Value-added reseller (VAR) — VAR will customize the product for the buyer.
- Dealer — Sells on behalf of company, like a franchise.
- Retail — Retailers sell directly to end-users through a store, website or catalog.

Distribution models:

1. Intensive distribution – If the consumer does not get a brand, he/she buys another, so product has to be available everywhere.
2. Selective distribution – ‘Suitable’ resellers stock the product, customers will search reasonably for your product/price.
3. Exclusive distribution – Specially selected resellers (typically only one per geographical area) sell the ‘product’

You could provide examples or ask students to contribute examples for the various kinds of channels and distribution models. Some of the examples my students came up with were the “Hello Kitty store” for exclusive distribution, and grocery items for intensive distribution.

3. The teacher now plays the video included in the article from the Wharton Global Youth Program site. Students are asked to identify the “Place” used in this example, and then to work with a partner to come up with additional placement ideas.

4. Informal class presentations and discussions

Students present their ideas. Some of the ideas that came up were that the Cupcake Lady should move to New York, as this would be a better place to sell from a truck; sell through retail outlets like bakeries so that customers have easier access; collect birthday orders or part orders through Facebook marketing and deliver products (for example, simplymmmm cupcakes is a similar company that only markets through Facebook.)

5. Students are now asked to work on their products (from the previous lesson — this is a module on the marketing mix, so in each lesson, students work out the corresponding P of their marketing mix) to identify possible placements.

They are asked to keep in mind that all the Ps should form an integrated whole. Therefore, depending on the product, and the pricing strategies developed already, what would be the ideal placement for your product and target customer? For example, if you are planning a smoothie bar that is fully organic, would you want to place it next to a popular gym, or in a place that has a significant number of LOHAS (Lifestyles of Health and Sustainability) members, or both?

6. Presentations, Feedback and Wrap-up

Students present their ideas to the class. Others are encouraged to provide constructive feedback so that the ideas are rigorously examined and whetted out.

Tying It All Together: *Place* forms an integral part of any marketing strategy and students begin to engage critically with the knowledge that they already have about product placement. By now, the students will have a fairly sophisticated understanding of basic marketing concepts and will be able to design more detailed plans.

Practice Outside of the Classroom: When you next purchase a product, think of where else the product is available. Why does the company/producer use the particular distribution channel they do?

If possible, it would be great to conduct a *place* tour. This can be within the student locality or can also include some exclusive outlets outside of the student community. This tour can also be a way to analyze the social/affective impact of marketing on the individual. This tour could be charted in class with the students. For example, the teacher asks students where all they shop from, or what kinds of stores exist in the neighborhood. In India, this could bring up “mandis,” street vendors, “bazaars,” “kirana shops,” day-based-markets, hereditary sellers who visit homes, speciality lanes that sell only particular wares (e.g. paratha gali), along with the modern supermarkets and malls.

What Worked and What I Would Do Differently: The teacher should be sensitive to social differences within the student group and encourage students to understand socially mediated class hierarchies.