

DISTRIBUTION CHANNEL MANAGEMENT

Course Syllabus

1. General Information

Course name: Distribution channel management

Course code: MAR

Number of credits: 2

Faculty: Marketing

Instructors:

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2. Objectives

The course is structured to provide students background knowledge and process steps for under-standing, designing, and implementing high-performing channel strategies.

3. Abstract

This course will provide student knowledge and basic skills to understand channel strategies. designing retailing, wholesaling, franchising & emerging channel structures and strategies and managing channel.

4. Teaching and learning methods

Lectures: 24h

In class discussion & practice: 6h

5. Prerequisites

Principles of marketing

6. Learning Outcomes

On completion of this course, students will be able to:

1. Understand the nature of channel strategies
2. Understand how to design channel strategies
3. Define the retailing structures and strategies
4. Define the wholesaling structures and strategies
5. Define the franchising & emerging channel structures and strategies

6. Understand and practice activities related to channel management.

7. Assessment Criteria

Learning outcomes <i>On successful completion of this unit a student will:</i>	Assessment criteria for pass <i>The student can:</i>
LO1 1. Understand the nature of channel Strategies	<ul style="list-style-type: none"> - Define a marketing channel - Explain why manufactures choose to use intermediaries - Define the marketing functions that constitute the work of the channel - Identify the members of marketing channels and the functions in which they specialize. - Outline the elements of a framework for marketing channel design and implementation.
LO2 Understand how to design channel strategies	<ul style="list-style-type: none"> - describe the overview of marketing research process and various steps. - understand the central role played by end-users and their demands in the design of marketing channels. - Describe the relationship between service output demands and solutions to overall channel design problems. - Define the generic channel functions that characterize costly and value-added channel activities. - Recognize how channel function performance leads to appropriate allocations of channel profits among channel members, using the equity princeple. - Locate channel function analysis within an overall channel audit process. - Frame vertical integration decisions according to whether owning the channel, or some of its functions, improves long-term returns on investment. - Detail the impact of volatile environments on returns from forward integration. - Identify the sources of performance ambifuity and their relations to returns from forward or backward integration in distribution. - Define selectivity, as the negotiated and often reciprocal limitations on the number of trading parners in a market area. - Outline ways to maintain intensive coverage while limiting its destructive effects in the channel. - Describe the special challenges of multiple formats and dual distribution.
LO3 Define the Retailing	<ul style="list-style-type: none"> - Describe the types of retail structures that exits worldwide.

Learning outcomes <i>On successful completion of this unit a student will:</i>	Assessment criteria for pass <i>The student can:</i>
Structures and Strategies	<ul style="list-style-type: none"> - Explain how a retail positioning strategy flows from both cost-side and demand-side factors. - Define the retailer's positioning strategy as a set of service outputs delivered to the market, which helps differentiate a retailer from its competitors, even if the products sold are identical. - Outline the power and coordination issues facing retailers and their suppliers, as well as how suppliers respond to retailer's use of power to influence channel behavior. - Recognize the increasing globalization of retailing and how it affects not just the retailers that sell outside their national borders but also their suppliers and local competitors.
LO4 Define the Wholesaling Structures and Strategies	<ul style="list-style-type: none"> - Distinguish between three broad categories of institutions that constitute the wholesaling sector. - Define how an independent wholesaler-distributor adds value and explain why this sector is growing. - Detail the mechanisms by which channel members join federation or alliances that offer exceptional services while cutting costs. - Identify the major distinctions between a wholesaler voluntary group and a dealer cooperative, and relate this distinction to the value they provide members. - Explain why consolidation is common in wholesaling, and explain a manufacturer's possible responses to a consolidation wave. - Describe how wholesaling is being altered by electronic commerce. - Compare sales agents with wholesaler-distributors in the ways that matter to a manufacturer. - Explain why the future for wholesaler-distributor is optimistic.
LO5 Define the Franchising & Emerging Channel Structures and Strategies	<ul style="list-style-type: none"> - Define franchising and distinguish business format franchising from authorized franchise systems. - Explain why a firm with a business model opts for franchising rather than expanding by setting up its own branches run by employee managers. - Describe the essential elements of a franchise contract and why contracts are so important when franchising. - Describe the three most significant trends influencing marketing channels' structure and strategy. - Understand what drives the shift from products to services,

Learning outcomes <i>On successful completion of this unit a student will:</i>	Assessment criteria for pass <i>The student can:</i>
	for both suppliers and channel members. - Recognize the drivers of increased e-commerce for both suppliers and downstream channel members and explain the effect of increased online sales on channel strategies.
LO6 Understand and practice activities related to channel management	- Describe the relation between power and dependence and when dependence exists. - Explain how to use power as a tool to manage conflict and increase cooperation. - Distinguish between six communication strategies for converting power into influence and their effects on the channel. - Describe the negative effects of high conflict on channel performance but also identify circumstances in which conflict is neutral or even positive. - Understand the institutionalized mechanisms that managers can use to reduce conflict. - Define and describe the hallmarks of committed relationships in marketing channels. - Differentiate the five phases of a close marketing channel relationship. - Describe the array of channel policies available for channel management. - Define supply chain management and identify its boundaries. - Relate a brand's characteristics to the need for its supply chain to be market responsive versus physically efficient.

8. Outlines

Chapter 1. Understanding Channel Strategies

1.1. Marketing Channel Strategies

1.2. Marketing Channels Perform

1.3. Channel Strategy Framework

Chapter 2. Designing Channel Strategies

2.1. End-User Analysis: Segmenting and Targeting

2.2. Channel Analysis: Auditing Marketing Channels

2.3. Make-or-Buy Channel Analysis

2.4. Designing Channel Structures and Strategies

Chapter 3. Retailing Structures and Strategies

3.1. Retail Structures

3.2. Retail Positioning Strategies

3.3. Multichannel Retail Strategies

3.4. The Increasing Power of Major Retailers

Chapter 4. Wholesaling Structures and Strategies

4.1. Wholesaling Structures

4.2. Wholesaling Strategies

4.3. Trends in Wholesaling

Chapter 5. Franchising & Emerging Channel Structures and Strategies

5.1. Franchising Structures

5.2. Franchising Strategies

5.3. Trends in Franchising

5.4. Trends Influencing Marketing Channels

5.5. Channel Strategies for Services

5.6. Managing Channel Power

Chapter 6. Managing Channel

6.1. Managing Channel Power

6.2. Managing Channel Conflict

6.3. Managing Channel Relationships

6.4. Managing Channel Policies and Legalities

6.5. Managing Channel Logistics

9. Required Textbooks

[1] Robert W.Palmatier, Louis W.Stern, Adel I.El-Ansary (2015), *Marketing Channel Strategy* , 8th edition, Pearson.

10. Suggested Textbooks

[2] Julian Dent, Michael White (2018), *Sales and Marketing Channels: How to Build and Manage Distribution Strategy* 3rd Edition.

[3] Coughlan, A. (2013), *Marketing Channels*, PEARSON; 7th edition

11. Schedule

Slot	Main contents	Specific contents and activities	Student's tasks before and after class
1	Chapter 1. Understanding Channel Strategies	<ul style="list-style-type: none"> Course Introduction: outline and schedule, assessment overview, course materials and guide on assignments, assessment criteria The Importance of Marketing Channel Strategies What Is a Marketing Channel Strategy? Who Participates in Marketing Channels? Why Do Marketing Channels Exist <p><u>Activity</u></p> <p>- Discuss the Marketing Channels</p>	<p>Before class:</p> <ul style="list-style-type: none"> Reading the course's syllabus Reading [1], Part 1, chapter 1, pp. 1-13
2	Chapter 1. Understanding Channel Strategies (cont.)	<ul style="list-style-type: none"> End-User Analysis: Segmentation and Targeting Channel Analysis: Auditing Marketing Channels Make-or-Buy Channel Analysis Designing Channel Structures and Strategies Benchmarking Traditional and Emerging Channel Systems Implementing Channel Strategies <p><u>Activity</u></p> <p>- Discuss the Segmentation and Targeting</p>	<p>Before class:</p> <ul style="list-style-type: none"> Reading [1], Part 1, chapter 1, pp. 1-33
3	Chapter 2. Designing Channel Strategies	<ul style="list-style-type: none"> Understanding the Importance of Segmentation End-User Segmentation Criteria: Service Outputs Channel Audit Criteria: Channel Functions Auditing Channels Using the Efficiency Template Auditing Channels Using Gap Analysis 	<p>Before class:</p> <ul style="list-style-type: none"> Reading [1], Part 2, chapter 2,3 , pp. 34-94
4	Chapter 2. Designing Channel Strategies (Cont.)	<ul style="list-style-type: none"> Trade-Offs of Vertical Integration Make-or-Buy Channel Options: The Buying Perspective Make-or-Buy Channel Options: The Making Perspective Channel Intensity Decisions Channel Type Decisions Dual Distribution Decisions 	<p>Before class:</p> <ul style="list-style-type: none"> Reading [1], Part 2, chapter 4,5 pp. 95-162

Slot	Main contents	Specific contents and activities	Student's tasks before and after class
		<ul style="list-style-type: none"> Closing Channel Gaps <u>Activity</u> <ul style="list-style-type: none"> - Discussing the Designing Channel 	
5	Chapter 3. Retailing Structures and Strategies	<ul style="list-style-type: none"> Retail Structures Cost-Side Positioning Strategies Demand-Side Positioning Strategies Taxonomy of Retail Positioning Strategies <u>Activity</u> <ul style="list-style-type: none"> - Discussing the Positioning Strategies 	Before class: <ul style="list-style-type: none"> Reading [1], Part 3, chapter 6, pp. 163-184
6	Chapter 3. Retailing Structures and Strategies (cont.)	<ul style="list-style-type: none"> Internet Retail Channel Direct Selling Channel Hybrid Retail Channels Adapting to the Increasing Power of Major Retailers Effects of Forward Buying Effects of Slotting Allowances Effects of Failure Fees Effects of Private Branding Effects of Globalization of Retailing <u>Activity</u> <ul style="list-style-type: none"> - Discussing the Internet Retail Channel 	Before class: <ul style="list-style-type: none"> Reading [1], Part 3, chapter 6, pp. 185-205
7	Chapter 4. Wholesaling Structures and Strategies	<ul style="list-style-type: none"> Wholesaling Structures Wholesaling Strategies Trends in Wholesaling <u>Activity</u> <ul style="list-style-type: none"> - Discussing the Trends in Wholesaling 	Before class: <ul style="list-style-type: none"> Reading [1], Part 3, chapter 7, pp. 206-231
8	Chapter 5. Franchising & Emerging Channel Structures and Strategies	<ul style="list-style-type: none"> Franchising Structures Franchising Strategies Trends in Franchising Group Assignment Coaching Review of contents of group assignment Answer students' questions on group assignment <u>Activity</u> <ul style="list-style-type: none"> - Discussing the Trends in Franchising 	Before class: <ul style="list-style-type: none"> Reading [1], Part 3, chapter 8, pp. 232-263

Slot	Main contents	Specific contents and activities	Student's tasks before and after class
9	Middle exam Group Assignment Coaching	<ul style="list-style-type: none"> • Middle exam • Answer students' questions related to the group assignment 	After class: <ul style="list-style-type: none"> • Formulating the students' groups for the group assignment • Reading the requirements of the group assignment
10	Chapter 5. Franchising & Emerging Channel Structures and Strategies (cont.)	<ul style="list-style-type: none"> • Trends Influencing Marketing Channels • Channel Strategies for Services <u>Activity</u> <ul style="list-style-type: none"> - Discussing the Trends Influencing Marketing Channels - Answer students' questions related to the group assignment 	Before class: <ul style="list-style-type: none"> • Reading [1], Part 3, chapter 9, pp. 264-289 After class: <ul style="list-style-type: none"> • Group prepare project
11	Chapter 6. Managing Channel	<ul style="list-style-type: none"> • Managing Channel Power <ul style="list-style-type: none"> + The Nature of Power + The Five Sources of Channel Power + Dependence as the Mirror Image of Power + Power-Based Influence Strategies • Managing Channel Conflict <ul style="list-style-type: none"> + The Nature of Channel Conflict + Consequences of Conflict + Major Sources of Conflict in Channels + Minimizing the (Negative) Effects of Channel Conflict + Conflict Resolution Strategies <u>Activity</u> <ul style="list-style-type: none"> - Discussing the Managing Channel Power and Conflict - Answer students' questions related to the group assignment 	Before class: <ul style="list-style-type: none"> • Reading [1], Part 4, chapter 10,11, pp. 290-350 After class: <ul style="list-style-type: none"> • Group prepare project (cont.)
12	Chapter 6. Managing Channel (cont.)	<ul style="list-style-type: none"> • Managing Channel Relationships • Managing Channel Policies and Legalities • Managing Channel Logistics <u>Activity</u> <ul style="list-style-type: none"> - Discussing other considerations in collecting quantitative data 	Before class: <ul style="list-style-type: none"> • Reading [1], Part 4, chapter 12,13,14, pp. 251-431 After class: <ul style="list-style-type: none"> • Group prepare project (cont.)

Slot	Main contents	Specific contents and activities	Student's tasks before and after class
		- Answer students' questions related to the group assignment	
13	Oral presentations of group assignment	<ul style="list-style-type: none"> • Oral presentation of project by groups of students • Q&A on each project • Each oral presentation must not be longer than 10 minutes 	Before class: <ul style="list-style-type: none"> • Submitting project report • Preparing and submitting slides for oral presentation
14	Feedback on the group Assignment	<ul style="list-style-type: none"> • Give comments on the group assignment 	
15	General review and discussion	<ul style="list-style-type: none"> • Give a general review of the course's contents and discussion 	

12. Grading Policy

	Assignment	Importance
1	Class participation/In class activities	10%
2	Midterm exam (individual)	10%
3	Group assignment	30%
4	Final exam (individual)	50%

Class participation/ In class activities

Punctual and regular attendance is a minimum expectation for this course. In class students are encourage to speak and discuss. The students must not be absent more than 20% of total scheduled learning slots.

Midterm exam

In the 9th slot, students will take the midterm exam in about 60 minutes.

Group Assignment

This assignment encourages students to apply knowledge and develop skills in distribution channel management activities, and in order to become familiar with the reality of distribution channel management activities.

A group of 4-5 members is formed on a voluntary basis. Each group will choose or be assigned to scenario of a real firm. Following tasks need to be completed:

Task 1: Describe current distribution channel management activities of the firm

Task 2: Evaluate strengths and weaknesses of the identified distribution channel

management activities.

Task 3: Analyze the causes of weaknesses

Task 4: Give recommendations on what could be done to improve the distribution channel management activities of the firm.

As a result of the group project, each group must deliver a assignment report and present it. The oral presentation of each group about 10- 15 minutes.

Final exam

The final exam consists of from three to four essay questions that might be related to any topic in the course.