

## PLACE

### Task 13: Complete the missing words

Place, also known as \_\_\_\_\_, refers to the component of the marketing mix that deals with getting the right products to the customer in the most convenient and most cost-effective way. Firms do this through means of \_\_\_\_\_, of distribution, such as wholesalers, sales agents and retailers.

\_\_\_\_\_ are people or organizations that act on behalf of sellers and buyers. \_\_\_\_\_, for example, are the buyers of products from a manufacturer and sell on these products in smaller units to \_\_\_\_\_. This is an example of a \_\_\_\_\_-level channel between producer, wholesaler, retailer and consumers.

\_\_\_\_\_ refers to the use of telephone calls to clients to sell products directly to potential customers. This distribution method has proved to be popular with insurance and banking firms. The advantage of using this approach is that it reduces the need for sales people to make personal visits, thereby saving travel time and money.

### Task 14: True or false?

		True/False
a.	Distribution is one of the four main elements of any marketing mix.	
b.	E-commerce (business via the Internet) is a form of distribution channel.	
c.	A shorter distribution channel ensures the manufacturer has more control over the marketing of its products.	
d.	Manufacturers use intermediaries because they cannot sell directly to consumers.	
e.	Cost-cutting is an important element of place in the marketing mix.	
f.	There are only two parties involved in a two-channel chain of distribution.	
g.	Intermediation will tend to raise the marketing costs to a business.	
h.	A limitation of using wholesalers is that the producer takes a risk in passing on the responsibility of marketing its products.	

### Task 15: Explain ...

- a. two advantages and two disadvantages to customers of using the internet to order fruits and vegetables from a local supermarket.

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b. the type of pricing strategy that wholesalers are most likely to use.

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c. why a long chain of distribution is not suitable for distributing perishable products.

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### Task 16: Vocabulary quiz – Place

Identify the key terms from the clues given. *Hint:* the answers are in alphabetical order.

Key term	Definition
	Also called brokers, these intermediaries are negotiators who help to sell a vendor's products, such as real estate agents selling commercial land.
	The means (methods) by which a product gets from the manufacturer to the consumer, such as through retail outlets or distributors.
	Also known as multiple retail stores, these retailers have numerous outlets in different locations, thus benefit from brand recognition.
	Also known as placement, this is the process of getting the right products to customers at the right time and place.
	This involves sending promotional material, such as catalogues, via the postal system to entice customers to buy a firm's products.
	Agents or firms that act as a middle person in the chain of distribution between the producer and consumers of a product.
	Specialist storage machines that stock a small range of products. These can be easily placed in almost any location.

### Task 17: Multiple choice – Place

1. Traditional channels of distribution do not include
  - A. Retailers
  - B. Wholesalers
  - C. Warehouses
  - D. Agents

2. Placement in the marketing mix does not refer to
  - A. Retailers
  - B. Wholesalers
  - C. Distributors
  - D. The location of business
  
3. Which of the following distribution channels is most suitable for luxury products such as designer clothing?
  - A. Online websites
  - B. Specialist retail outlets
  - C. Supermarkets
  - D. One-level distribution channels
  
4. The channel of distribution used to sell products to an end user is known as a
  - A. Retailer
  - B. Wholesaler
  - C. Distributor
  - D. Purchaser
  
5. Features of a wholesaler do not include
  - A. They have the ability to benefit from economies of scale
  - B. They purchase in large quantities and sell in smaller quantities
  - C. They charge commission for their services
  - D. They are suppliers to retailers
  
6. Which of the following is not an example of agents?
  - A. Travel insurance brokers
  - B. Cashiers at a supermarket
  - C. Financial advisors
  - D. Residential real estate negotiators
  
7. Consumer durables such as fridges, cookers and microwave ovens are usually distributed using
  - A. Direct marketing
  - B. Retailers
  - C. Agents
  - D. Hypermarkets

8. Wholesalers buy products from manufacturers in large quantities and sell these onto retailers in smaller units. This service is known as
- A. Economies of scale
  - B. Breaking bulk
  - C. Distribution
  - D. Direct selling
9. Businesses that offer online payment methods via their internet website are using which form of placement?
- A. Direct
  - B. Indirect
  - C. Specialist retail
  - D. Vending
10. Which of the following relates to the use of direct marketing?
- A. Reduces the need for an intermediary
  - B. Costs of distribution are high due to the need for specialist labour
  - C. Customers tend to read most direct marketing mail
  - D. High response rates
11. Which channel of distribution trades directly with household customers?
- A. Vendors
  - B. Wholesalers
  - C. Distributors
  - D. Retailers
12. Which statement does not apply to retailers?
- A. They are an intermediary in the chain of distribution
  - B. They rely on the expertise of distributors and agents
  - C. They deal directly with the end-user
  - D. They are focused on consumer markets
13. An advantage of using vending machines as a distribution method is that
- A. They rely on the expertise of distributors and agents
  - B. It is dependent on machinery working effectively
  - C. Sales people are not required to sell the product
  - D. The storage capacity is low

14. Which distribution channel is least likely to be used by a producer of expensive products?
- A. Agents
  - B. E-commerce
  - C. Retailers
  - D. Wholesaler
15. Wholesaling is popular in the industry for which product?
- A. Motor vehicles
  - B. Wedding cakes
  - C. Newspapers and magazines
  - D. Garden furniture