**8.1: International Channel Design**

**Key Terms:**

Channels of Distribution Marketing Intermediary Short v. Long Channel

Total Cost Concept Just-In-Time Inventory Systems Logistics

Export Management Companies (EMC) Channel Captain Disintermediation

Direct v. Indirect Distribution

**Step #1: Write 5 Manufacturers of Retail Products (Example Kellogg’s) at the top of the table & 5 Retailers at the Bottom of the Paper (Eg: Publix. Walmart, etc…). The suppliers should sell their product(s) to all five retailers.**

Suppliers: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_

Retailers: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_

**Step #2: Draw a line connecting each supplier with each retailer. How many lines did you draw total? \_\_\_\_\_\_\_\_\_\_\_\_\_**

**Step #3: Repeat the same process as step #1.**

Suppliers: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Intermediary (Random Name)**

Retailers: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_

**Step #4: List an intermediary in the middle. Write a line from each supplier & Retailer to the intermediary.**

 **How many total lines? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Based on the diagram above; which system is most efficient? *Explain answer.***

**There are four ways in which distribution channels aid in developing competitive advantages. In your opinion; which is most important & why?**

**Name a company that would be a good channel captain at the producer level (eg: Coca-Cola) and at the retailer level (eg. Walmart). Explain answer.**

**Assignment:**

**Write a children’s story that uses each of the key terms from this section. In your story you need to complete the following to earn full credit.**

* **Create a company that expands a product overseas**
	+ Can be real or Fake
* **Detail the product you are offering**
* **Explain how & where it is distributed**
	+ List intermediaries that you wish to utilize
	+ Explain how long your distribution channel is
	+ Do you use direct or indirect or both
* **Use at least 1 of the 4 methods to gain a competitive advantage**
	+ Just-In-Time Inventory, Lower costs, Speed up Distribution, & Support Expansion into new markets
* **Select one International Channel Design Option**
	+ Establish a new channel of distribution
	+ Work within an existing channel
* **Explain what your company did to minimize Total Costs**
	+ Acknowledge the costs it takes to produce in America and then explain what costs would be or could be minimized by producing your product overseas
* **Utilize the term Disintermediation so that one of your suppliers is punished or removed from your current channel of distribution.**
* **Within your Channel of Distribution have a Channel Captain that has authority.**
	+ Give the captain characteristics that help a child understand its power.
* **Find International Partners to work with. You are a new company this is looking to expand in unfamiliar territory**
	+ Use at least one method of contact to find an international Partner
		- Government commerce departments, trade shows, &/or internet
		- Export Management Company (EMC)
			* Agents or brokers
* **Booklet needs to be formatted as follows:**
	+ All key terms / concepts should be underlined or highlighted in the story
	+ At least 75% of your pages need a picture & color
	+ Story must be written like a book with a fold in the middle
	+ Story must have a cover with your name on it.
* **Neatness & Creativity Count**
	+ Use a computer if you need to. (Landscape view & Two Columns)
* **All terms must be utilized & accurately portrayed**