

## CFAM3.4.1

### Develop a distribution strategy for products/services



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#### Overview

This unit is about developing a strategy for making an organisation's products/services available to the end-user/consumer, based upon an analysis of customer service needs, distribution channel objectives, constraints and alternatives. It includes evaluating available channels of distribution and identifying those appropriate to achieving marketing objectives.

For the purposes of this unit, 'organisation' can mean a self-contained entity such as a private sector company, a charity or a local authority, or a significant operating unit, with a relative degree of autonomy, within a larger organisation.

This unit is recommended for senior and middle marketing managers. Such marketers might be employed directly by the organisation, or work for an agency/consultancy.

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#### Performance criteria

*You must be able to:*

- P1 analyse target customer requirements from a channel of distribution
- P2 determine and prioritise the organisation's objectives for its channel(s) of distribution, and any constraints impacting upon the choice of channel
- P3 identify the distribution options available to the organisation, in line with its marketing strategy and objectives
- P4 identify the nature of any intermediaries that may be required, and their respective responsibilities within a distribution strategy
- P5 assess potential distribution channels, evaluating their relative strengths and weaknesses towards making the organisation's products/services available to its targeted end-users
- P6 make assessments which take into account the likely return on investment, the level of control required by the organisation, and requirements for flexibility in allowing the organisation to address changing market conditions
- P7 undertake a cost/benefit analysis, and an associated risk assessment, of the preferred option(s) towards a distribution strategy
- P8 develop, justify and agree a marketing distribution strategy which is in line with relevant marketing objectives and strategy, which sets out clearly the preferred option(s)

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#### Knowledge and understanding

*You need to know and understand:*

##### **General knowledge and understanding**

- K1 the role of distribution and its importance in fulfilling an organisation's overall marketing objectives
- K2 the importance of long and medium term planning to the success of particular products/services
- K3 the principles of strategic management and business planning
- K4 the factors to be considered and areas to be addressed in a distribution strategy
- K5 how to identify potential risks in relation to the achievements of objectives
- K6 how to develop strategic objectives
- K7 the principal types of distribution channel and their relative strengths and weaknesses
- K8 the types of intermediaries involved in distribution and their potential roles
- K9 how to assess the implications of different distribution channels for target customers

*You need to know and understand:*

##### **Industry/sector specific knowledge and understanding**

- K10 the distribution channels available within the industry/sector, and future factors that might affect this availability
- K11 legal, regulatory and ethical requirements affecting the marketing and distribution of products/services within the organisation's sector

*You need to know and understand:*

##### **Context specific knowledge and understanding**

- K12 the organisation's marketing strategy relevant to the products/services under consideration
- K13 the organisation's target markets, and trends likely to impact upon these
- K14 the distribution channel alternatives available to the organisation and the key issues to be considered in assessing these
- K15 the organisation's actual and potential customer base for the products/services, and their requirements relating to distribution, including their service needs
- K16 the organisation's actual and potential competitors, and the key features of their distribution strategies
- K17 colleagues and other key stakeholders, and their needs and expectations
- K18 processes for consultation within the organisation

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#### Additional Information

##### Behaviours

1. You show clear understanding of different customer segments and their needs
2. You communicate the distribution strategy clearly and accurately to colleagues and relevant stakeholders, agreeing it with all relevant parties
3. You balance agendas and build consensus amongst the parties involved
4. You take personal responsibility for making things happen
5. You find practical ways to overcome barriers
6. You show sensitivity to the needs and interests of all parties involved, and manage these effectively

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