



Erasmus+

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1. Template

Topic Brand Equity Lesson 4

Channel Strategy

Introduction

In this lesson we will learn:

- The definition of marketing channels
- What is included in channel strategy

Objectives

1. Learn about channel design
2. Learn about Online strategies
3. Learn about Direct channels
4. Learn about Indirect channels

Marketing channels are defined as “sets of interdependent organizations involved in the process of making a product or service available for use or consumption” (Keller, 2013). Channel strategy includes the design and management of wholesalers, distributors, brokers, and retailers (Keller, 2013).

Channel Design

Channels are divided into direct and indirect. It is direct when it is sold through personal contacts of the company to potential buyers by phone, e-mail, etc (Keller, 2013). Indirect channels sell through third party intermediaries such as agents, brokers, resellers, distributors, dealers, etc (Keller, 2013). The best strategies are those that combine multiple approaches to create integrated shopping experiences.

1. **Indirect channels** can operate through a variety of intermediaries, but retailers are the most common. They are the most visible and are in direct contact with customers, so they have the greatest impact on creating brand equity (Keller, 2013). Customers rate retail based on the range of goods, prices and quality of service. Also, retailers seek to create brand equity by establishing awareness and strong, favorable and unique associations (Keller, 2013). At the same time, retailers can have a profound influence on the equity of the brands they sell, especially in terms of the brand-related services they can support or help create (Keller, 2013). Also, the value of the

brand can be related to the retailer, for example: “This is a good store, it sells only quality products.”

2. Direct channels

To take control of the buying process and build customer relationships, companies create their own sales stores (Keller, 2013). The advantages are that the companies themselves can create the conditions they want in their stores, to ensure the required quality of sales and create relationships with customers. The disadvantages are that companies lack the skills, resources or knowledge of sales that retailers have. Conflicts between companies and retailers can also occur.

3. Online Strategies

It is understandable to companies how important it is for consumers to be able to buy products in stores and online. Integrated sales channels allow customers to decide when, where, what and how to buy. It is popular to order by phone or online, and take over the product in the store. Also, users want the ability to return the delivered product.



Source: Pixabay

Conclusions

When you consider all communication channels, it is very important to harmonize them.