Channels of Distribution

1. What is a channel of distribution?
2. What are intermediaries?
3. List the 3 types of intermediaries & define each.
4. Describe the difference between a direct and indirect channel of distribution.

*.*

1. A producer produces a product and distributes it directly through retailers. They sell it to the retailers for $40. If the retailers marked up the product 60% what would be the price consumers would pay for the product?
2. What is Multiple Distribution?
3. What are the three different Distribution Intensity? (Explain Each)
4. Determine the final consumer price for each if you had the following channel of distributions and markups:

Producer Cost Wholesale Markup Retail Markup Retail Price

a. $20.00 50% 50% \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

b. $150.00 80% 85% \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

c. $1.25 60% 55% \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_