Channels describe how companies communicate and reach customer segments to deliver

Value proposition. Communication, distribution, and sales channels comprise company’s

Interface with customers (Anderson &Narus, 1990).

Baker (2003) says that channels are customer touch points that play an important role in

the customer experience and they serve several functions.

* Raising awareness among customers about a company’s

products and services

* Helping customers evaluate a company’s value proposition
* Allowing customers to purchase specific products and services
* Delivering a value proposition to customers
* Providing post-purchase customer support

**A distribution channel** is a chain of businesses or intermediaries (warehouses, shipping centers,

retailers, and the internet) through which goods and services pass until they reach the end

Customer (Cui et al., 2019 ). Distribution channels are part of the downstream process,

answering the question “How do I get our product to the consumer?” This is in contrast to the

supply chain, which answers the question “Who are our suppliers?” Other channels are much

more complex,with products sometimes passing from producers to brokers to wholesalers or

retailers,before finally reaching the consumer. Each step of the distribution channel increases

the cost of getting the product to the consumer. This is sometimes referred to as “margin

stacking”. Reducing the steps of a distribution channel is a common way for businesses to

reduce expenses.

**Components of a Distribution Channel**

* Producer: Producer combine labor and capital to create goods and services for consumers.
* Agent: Agent commonly act on behalf of the producer to accept payments and transfer the

title of the goods and services as it moves through distribution.

* Wholesaler: A person or company that sells large quantities of goods, often at low prices, to

retailers.

* Retailer: A person or business that sells goods to the public in small quantities for

immediate use or consumption.

* End consumer: A person who buys a product or service.

**Types of Distribution Channels**

**Direct**

A direct channel allows the consumer to make purchases from the manufacture. This direct, or

short channel, may mean lower costs for consumers because they are buying directly from the

manufacturer. In such a case, the company keeps all aspects of delivery in-house (instead of

using vendors) and is solely responsible for ensuring that customers receive their purchases

successfully (Grewal et al., 2009).

Direct channel requires more work and can be more expensive to set up. In fact, they may

require significant capital investment. Warehouses, logistics systems, trucks, and delivery staff

must be put into place. However, once that’s done, the direct channel is likely to be shorter,

less involved and less costly than an indirect channel.

By managing all aspects of the distribution channel, manufacturers retain more control over

how goods are delivered. They can cut out inefficiencies, add new services and set prices.

**Indirect Distribution**

An indirect distribution channel involves intermediaries that perform a company’s distribution

functions. Indirect distribution frees the manufacturerfrom certainstartup cost and

responsibilities that can cut into the time it needs to spend on running the business (Grewal et

al., 2009).

Plus,with the right vendor relationships, an indirect distribution channel can be much simpler to

manage than a direct distribution channel. It can give a company welcome support and

distribution expertise that the company may not have.

However, indirect distribution can also add new layers of cost and bureaucracy which can

increase costs to the consumer, slow down delivery, and take control out of the manufacturers hands.

**Key Differences**

As mentioned, a direct distribution channel moves a company’s products directly to consumers

from the company. An indirect channel outsources the distribution of those products to

different intermediaries that are responsible for delivery.

**A communication channel** is the mean, medium, manner or method through which a message

is sent to its intended receiver (Wagner& Johnson, 2018). The basic channels are written (hard

copy print or digital formats), oral or spoken, and electronic and multimedia. Within those

channels, business communications can be formal, informal, or unofficial. Finally,

communications can be rich or lean.

Channel richness refers to the amount and immediacy of information that can be transmitted.

Face-to-face communication is very high in richness because it allows information to be

transmitted with immediate feedback. For instance, a tweet is very low in richness because

twitter allows only 280 characters to be transmitted with no feedback.

On the other hand, face-to-face communication is limited to one person communicating with a

few other people in close proximity. In comparison, a tweet can reach thousands of followers around the world.

**Oral communications**- Oral channels depend on the spoken word. They are the richest

mediums and include face-to-face, in-person presentations, mobile phones conferences, group

presentations, telephone, speeches, and lectures (Rosenbloom, 2013). These channels deliver

low-distortion messages because body language and voice intonation also provide meaning for

the receiver. They allow for immediate feedback of the communication to the sender.

They are also the most labor-intensive channels in terms of the number of people involved in

the transaction. Oral channels are generally used in organizations when there is a high

likelihood of the message creating anxiety, confusion, or an emotional response in the

audience.

Oral communications are also useful when the organization wants to introduce a key official or

change a long-established policy, followed up with a written detailed explanation. Senior

managers with high credibility usually deliver complex or disturbing messages.

**Written Communications** include e-mails, texts, memos, letters, documents, reports,

newsletters, spreadsheets, etc. (Even though e-mails are electronic, they are basically digital

versions of written memos.) They are among the leaner business communications. With

written communications, the writer must provide enough contexts so the words can be

interpreted easily (Kotler & Keller, 2012). The receiver should inquire about ambiguity and ask

for clarification if needed. An e-mail sender cannot take receipt for granted.

**Electronic (multimedia) Communications** Television broadcasts, web-based communications

such as social media,interactive blogs, public and intranet company web pages, Facebook, and

Twitter belong in this growing category of communication channels.

Electronic communications allow messages to be sent instantaneously and globally. People can

talk face-to-face across enormous distances.

**Price Channel**, which is a trading range between support and resistance levels that a security’s

price has oscillated within for a specific period of time.

The term price channel refers to a signal that appears on a chart when a security price becomes

bounded between two parallel lines (Sengupta&Krapfel, 2012). The price channel may be

termed horizontal, ascending depending on the direction of the trend. Price channels are often

used by trades who practice the art of technical analysis to gauge the momentum and direction

of a security’s price action and to identify trading channels.

A price channel occurs when a security’s price oscillates between two parallel lines that are

horizontal, ascending, or descending.

The channel is formed when a security’s price is buffeted by supply and demand.

Price channel are quite useful in identifying breakouts, which is when a security’s price breaches either the upper or lower channel trendline.

Maximize your gains when the security follows a delineated price channel path by using long

and short positions.

Traders are always on the lookout for chart patterns that can aid them in their trading

decisions. This is especially true for individuals who are disciples of technical analysis. Once a

securitys price action carves out a set of highs and lows that follow a discernible pattern and

can be connected by two parallel lines, a price channel has been formed.

Price channels are quite useful in identifying breakouts, which is when a securitys price

breaches either the upper or lower channel trendline. Traders can also trade within the

channel.

This means selling the security when the price approaches the channels upper trendline and buying when it tests the channel’s lower trendline.

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