

Title	Demonstrate knowledge of distribution channels		
Level	5	Credits	5

Purpose	<p>This unit standard is for people who seek to provide effective links between products and end-users.</p> <p>People credited with this unit standard are able to discuss the role and types of distribution channels, and assess distribution channel options.</p>
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Classification	Marketing > Generic Marketing
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Available grade	Achieved
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Guidance Information

- 1 Performance of outcomes of this unit standard will require adherence to the New Zealand Marketing Association Codes of Ethics, or an equivalent code: <http://www.marketing.org.nz/>.
- 2 **Assessment guidance**
 Assessment for outcome 3 of this standard can be based on an evaluation of distribution objectives and channels for a product the candidate's organisation has marketed, or on a case study of distribution objectives and channels used by a New Zealand enterprise or an international enterprise with operations in New Zealand. If based on a product the candidate's organisation has marketed, commercial sensitivities must be respected and permissions sought. If based on a case study, the candidate must have access to a sufficient body of academic and/or business literature on the product to conduct the evaluation.
- 3 **Definitions**
Distribution channels are an arrangement of interdependent organisations involved in the process of making a product available for use or consumption by consumers or businesses.
Products encompass goods and services, and ideas.
- 4 **References**
 Kotler, P. & Armstrong, G. *Principles of Marketing*. Prentice Hall: Various international editions.
 Lamb, C.W., Hair, J.F., McDaniel, C., Summers, J., & Gardiner M. (2009) *MKTG*, (1st Asia Pacific Ed.). Cengage Learning: Australia.
- 5 Legislation relevant to this unit standard includes but is not limited to the:
 Commerce Act 1986
 Consumer Guarantees Act 1993

Fair Trading Act 1986
Privacy Act 1993
Sale of Goods Act 1908
Unsolicited Electronic Messages Act 2007.

Outcomes and performance criteria

Outcome 1

Discuss the role of distribution channels.

Performance criteria

- 1.1 The role of distribution channels is discussed in terms of linking products with end-users.

Outcome 2

Discuss types of distribution channels.

Performance criteria

- 2.1 Direct and indirect channels are differentiated in terms of intermediary levels.

- 2.2 Reverse channels are discussed in terms of functionality.

Range recycling components, product recalls, provision of services, product and service evaluations.

- 2.3 Channel intermediaries are discussed in terms of changing channel organisation.

Range intermediaries include – middleman, agent, broker, wholesaler, retailer, distributor, dealer, reseller, franchisee, e-distribution.

- 2.4 Marketing channels are discussed in terms of integration and functionality.

Range conventional, horizontal, hybrid, vertical – corporate, contractual, administered.

Outcome 3

Assess distribution channel options.

Range a minimum of one product and two target markets.

Performance criteria

- 3.1 Distribution options are evaluated, and systems are decided for specific products and target markets.

- 3.2 Distribution costs are assessed in relation to distribution objectives.
- Range distribution objectives include but are not limited to – minimisation of costs, maximisation of customer satisfaction, total cost concept, delivery lead time.
- 3.3 Provisions for monitoring the achievement of distribution objectives are developed for distribution channels.
- 3.4 Distribution channel options are assessed for their impact on customer satisfaction.
- Range intensive, selective, exclusive.
- 3.5 Channels are assessed for potential sources of channel conflict.
- Range may include but is not limited to – bypassing channels, over saturating markets, complex channel links, inadequate channel support, inconsistent channel management.

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 November 2010	31 December 2016
Rollover and Revision	2	16 April 2015	31 December 2022
Review	3	12 December 2019	31 December 2022

Consent and Moderation Requirements (CMR) reference	0113
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.