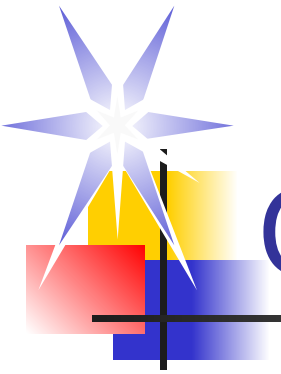


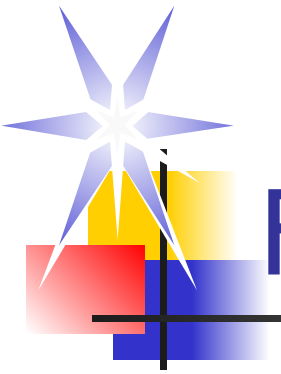


Managing Retailing, Wholesale and Freight Logistics



Objectives

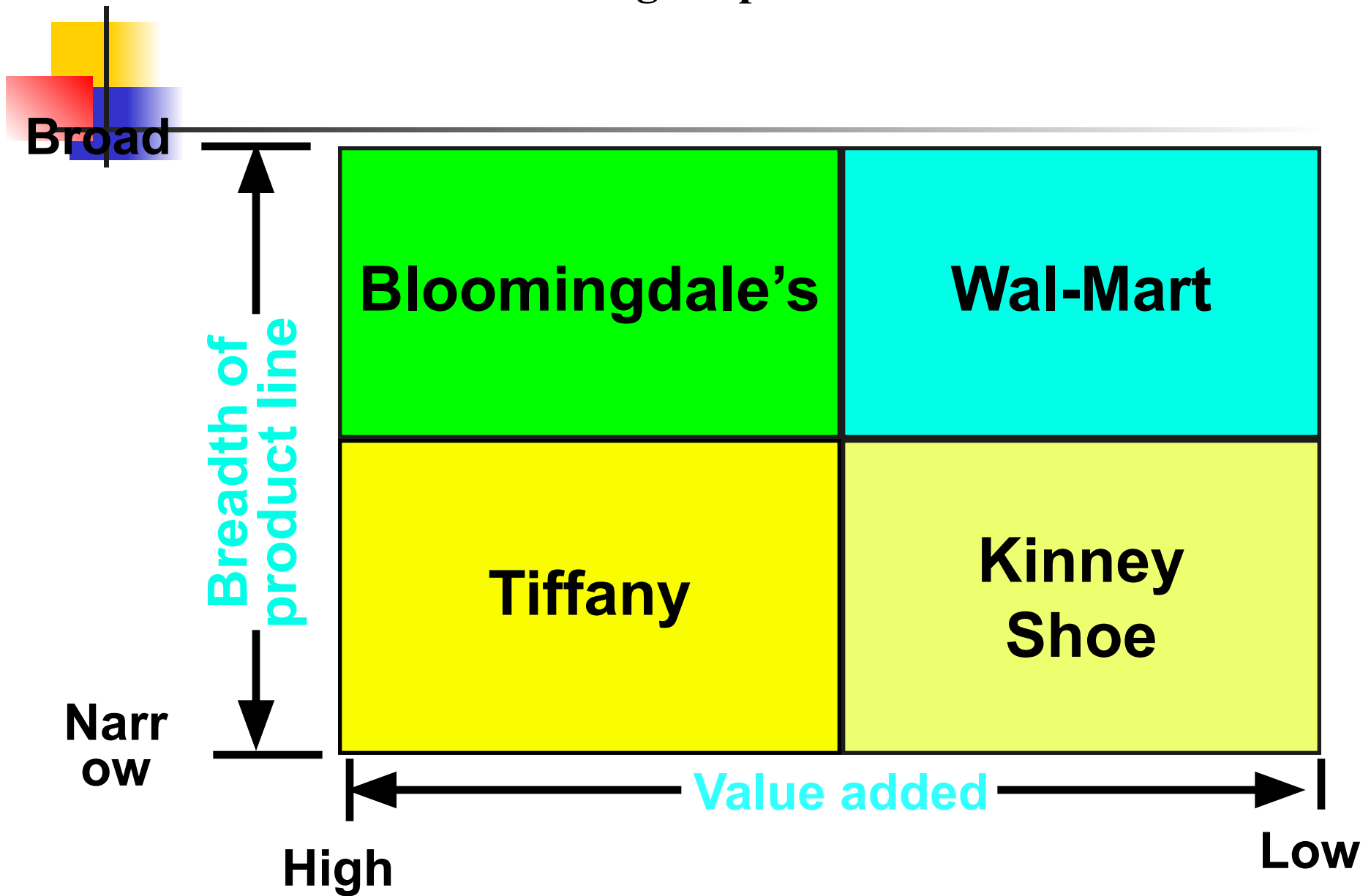
- Retailing
- Wholesaling
- Market Logistics



Four Levels of Retail Service

- Self-service
- Self-selection
- Limited-service
- Full-service

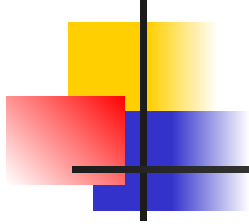
Retail Positioning Map



Classification Of Retailer Types

Store Type	Length and Breadth of Product Assortment
Specialty Stores	Narrow Product Line, Deep Assortment
Department Stores	Wide Variety of Product Lines i.e. Clothing, Home Furnishings, & Household Items
Supermarkets	Wide Variety of Food, Laundry, & Household Products
Convenience Stores	Limited Line of High-Turnover Convenience Goods
Discount Stores	Broad Product Line, Low Margin, High Volume
Off-Price Retailer	Inexpensive, Overruns, Irregulars, and Leftover Goods
Superstores	Large Assortment of Routinely Purchased Food & Nonfood Products, Plus Services
Catalog Showroom	Broad Selection, Fast Turnover, Discount Prices

Types of NonStore Retailing



Direct Selling

Direct Marketing

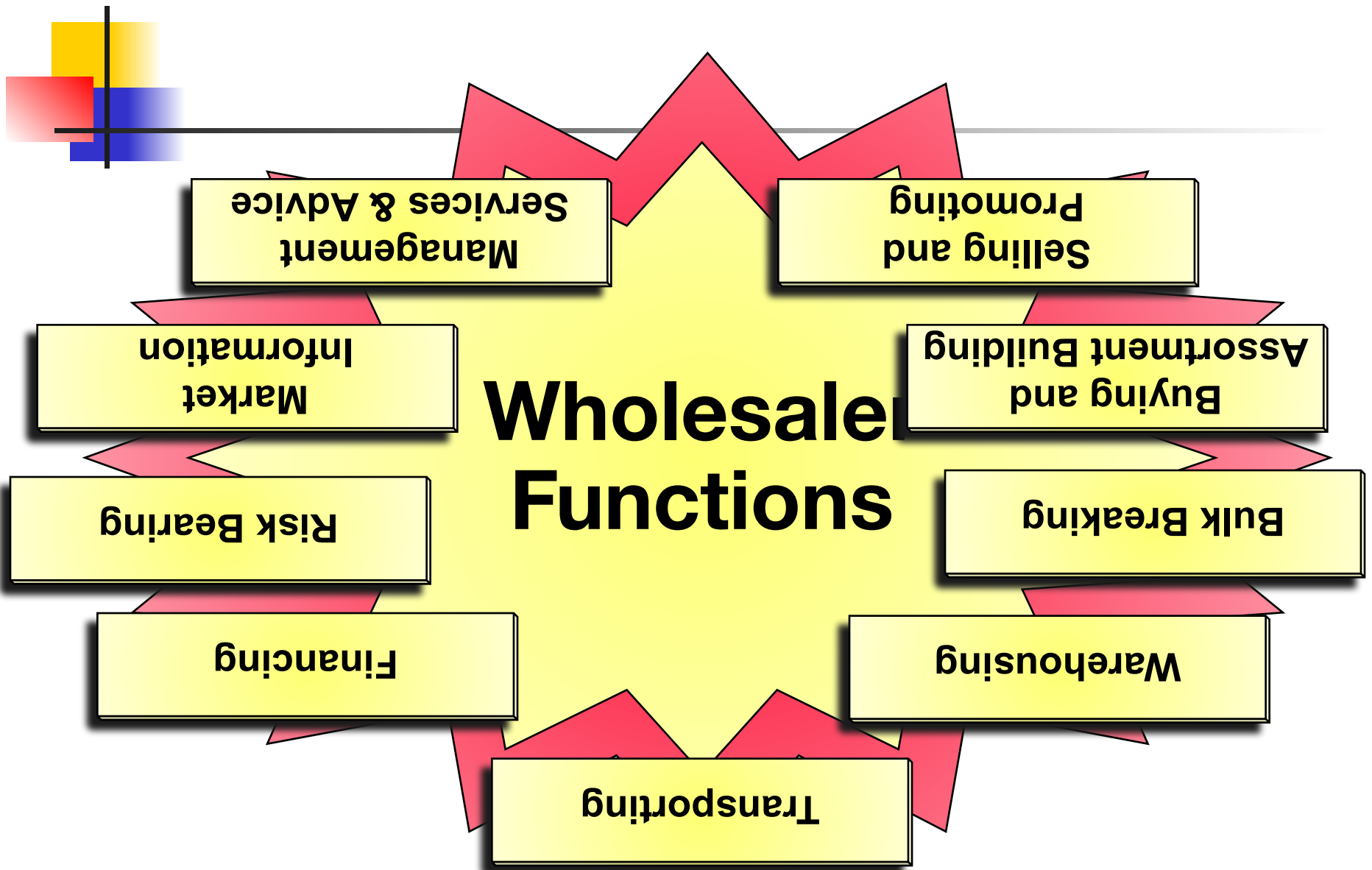
Automatic Vending

Buying Services

**NonStore Retailing
Accounts for More
Than 12% of All
Consumer
Purchases, and is
trending up.**

Wheel of Retailing





Goals of the Logistics System

- **Provide a Targeted Level of Customer Service at the Least Cost.**
- **Maximize Profits, Not Sales.**



**Higher Distribution Costs/
Higher Customer Service Levels**

**Lower Distribution Costs/
Lower Customer Service Levels**

Logistics Systems

Costs
Minimize Costs
of
Attaining
Logistics
Objectives

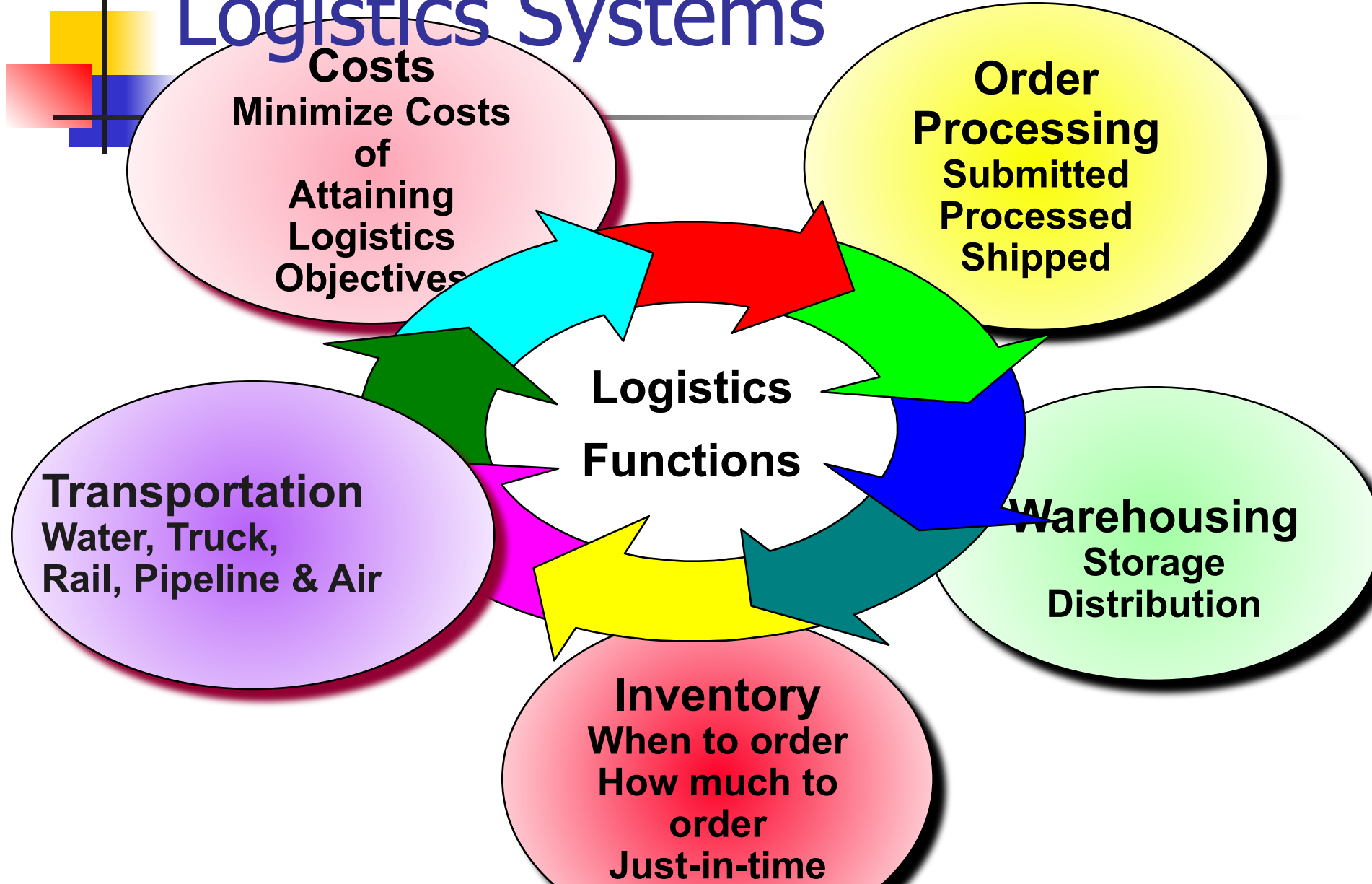
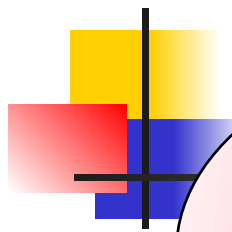
**Order
Processing**
Submitted
Processed
Shipped

**Logistics
Functions**

Transportation
Water, Truck,
Rail, Pipeline & Air

Warehousing
Storage
Distribution

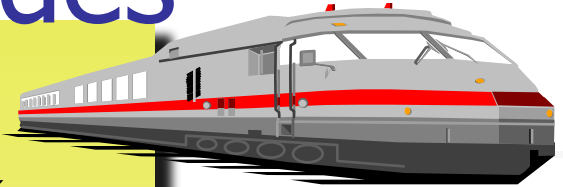
Inventory
When to order
How much to
order
Just-in-time



Transportation Modes

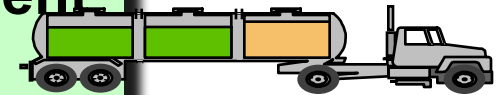
Rail

Nation's largest carrier, cost-effective for shipping bulk products, piggyback



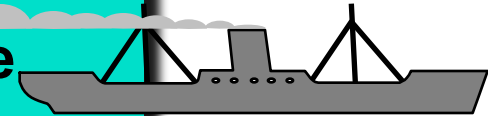
Truck

Flexible in routing & time schedules, efficient for short-hauls of high value goods



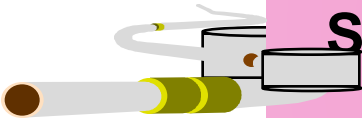
Water

Low cost for shipping bulky, low-value goods, slowest form



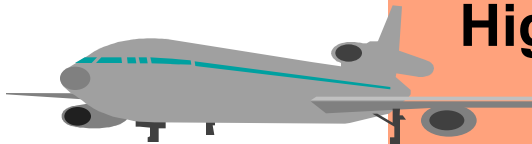
Pipeline

Ship petroleum, natural gas, and chemicals from sources to markets



Air

High cost, ideal when speed is needed or to ship high-value, low-bulk items

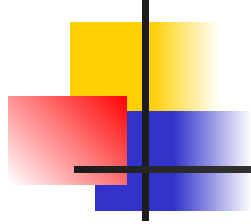




Checklist for Choosing Transportation Modes

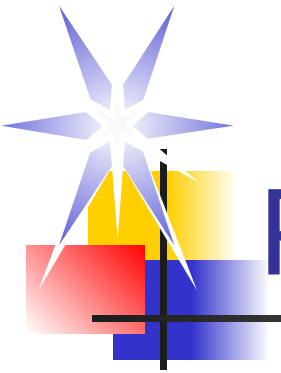
- ✓ 1. Speed.***
- ✓ 2. Dependability.***
- ✓ 3. Capability.***
- ✓ 4. Availability.***
- ✓ 5. Cost.***

Rating Transportation Modes



		Speed (Door-to-door delivery time)	Dependability (Meeting Schedules on Time)	Capability (Ability to Handle Various Products)	Availability (No. of Geographic Points Served)	Cost (Per Ton-Mile)
Rail	3	4	2	2	3	
Water		4	5	1	4	1
Truck		2	2	3	1	4
Pipeline		5	1	5	5	2
Air	1	3	4	3	5	

Source: See Carl M. Guelzo; *Introduction to Logistics Management* Englewood Cliffs, NJ: Prentice Hall, 1986), p. 46.



Review

- Retailing
- Wholesaling
- Market Logistics