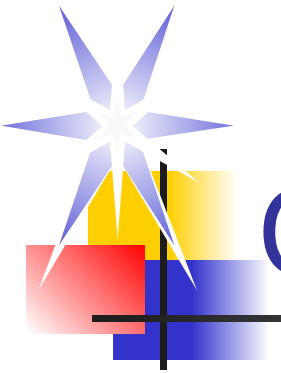




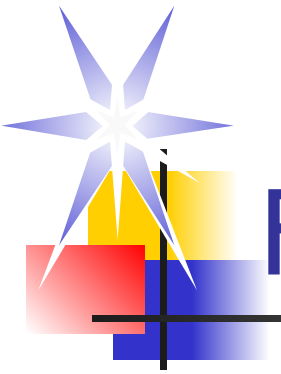
# Managing Retailing, Wholesale and Freight Logistics



# Objectives

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- Retailing
- Wholesaling
- Market Logistics

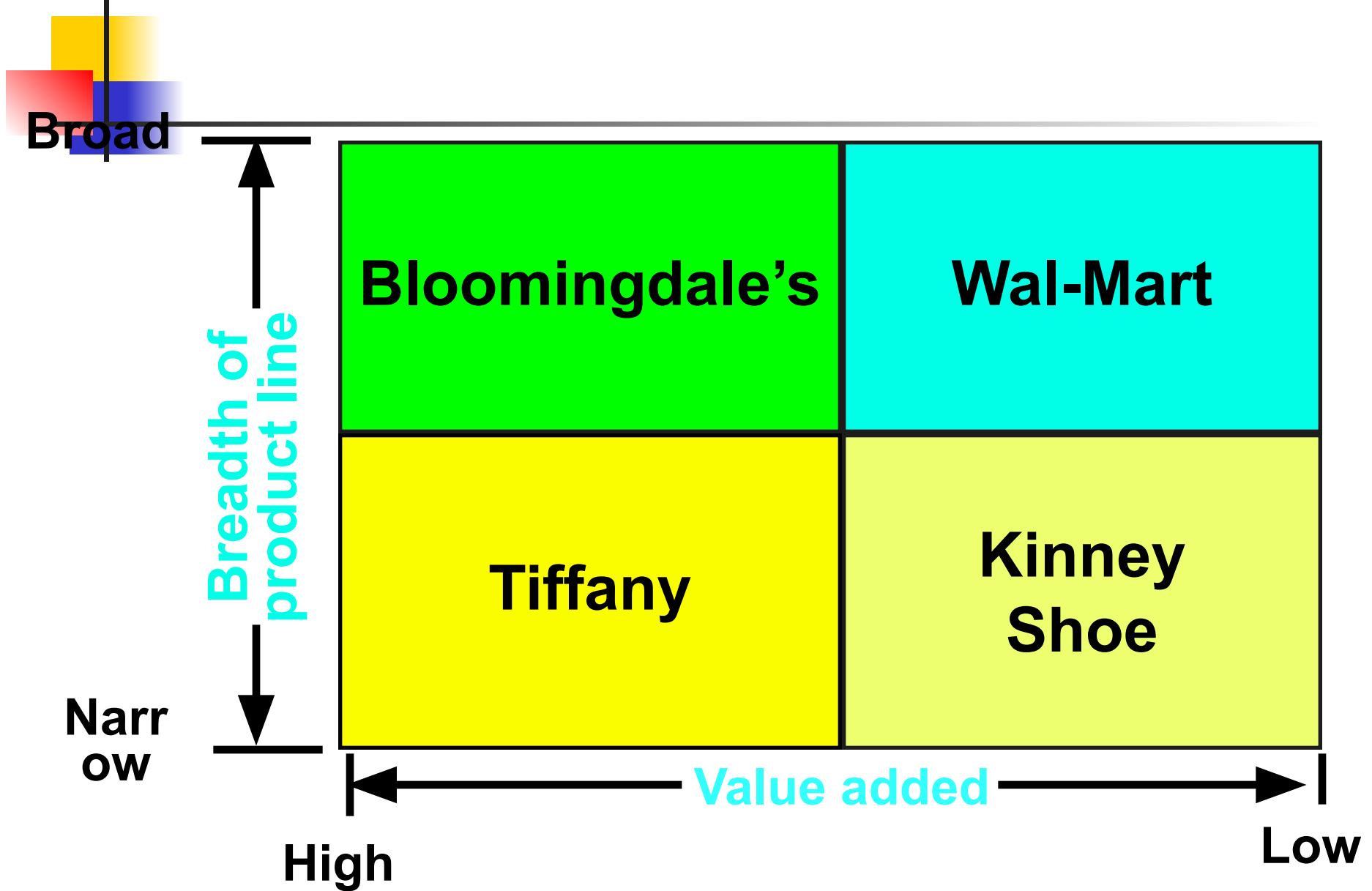


# Four Levels of Retail Service

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

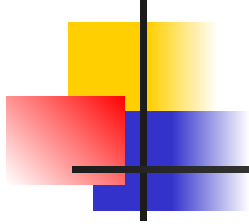
# Retail Positioning Map



# 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**

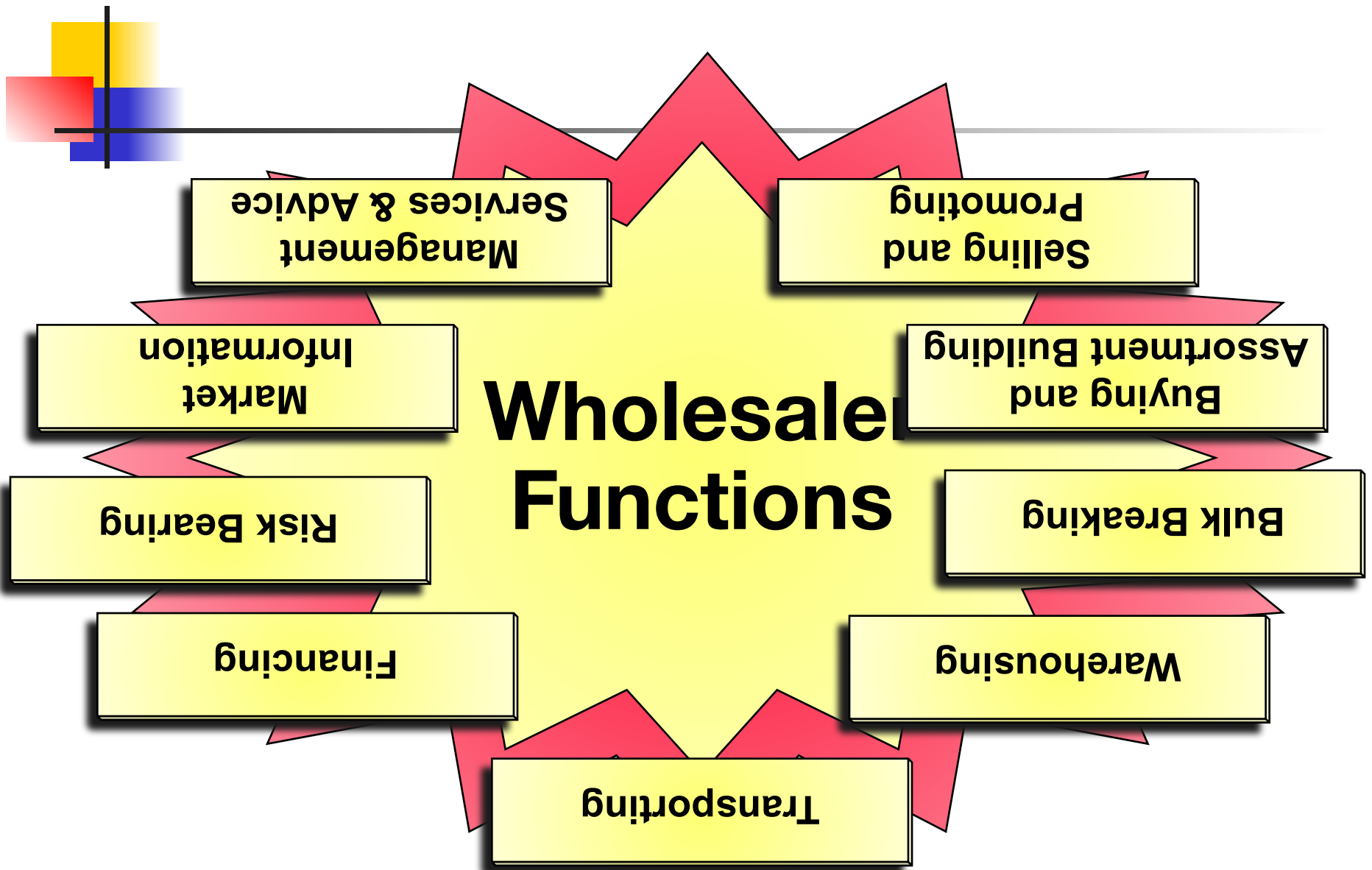
**Automatic Vending**

**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

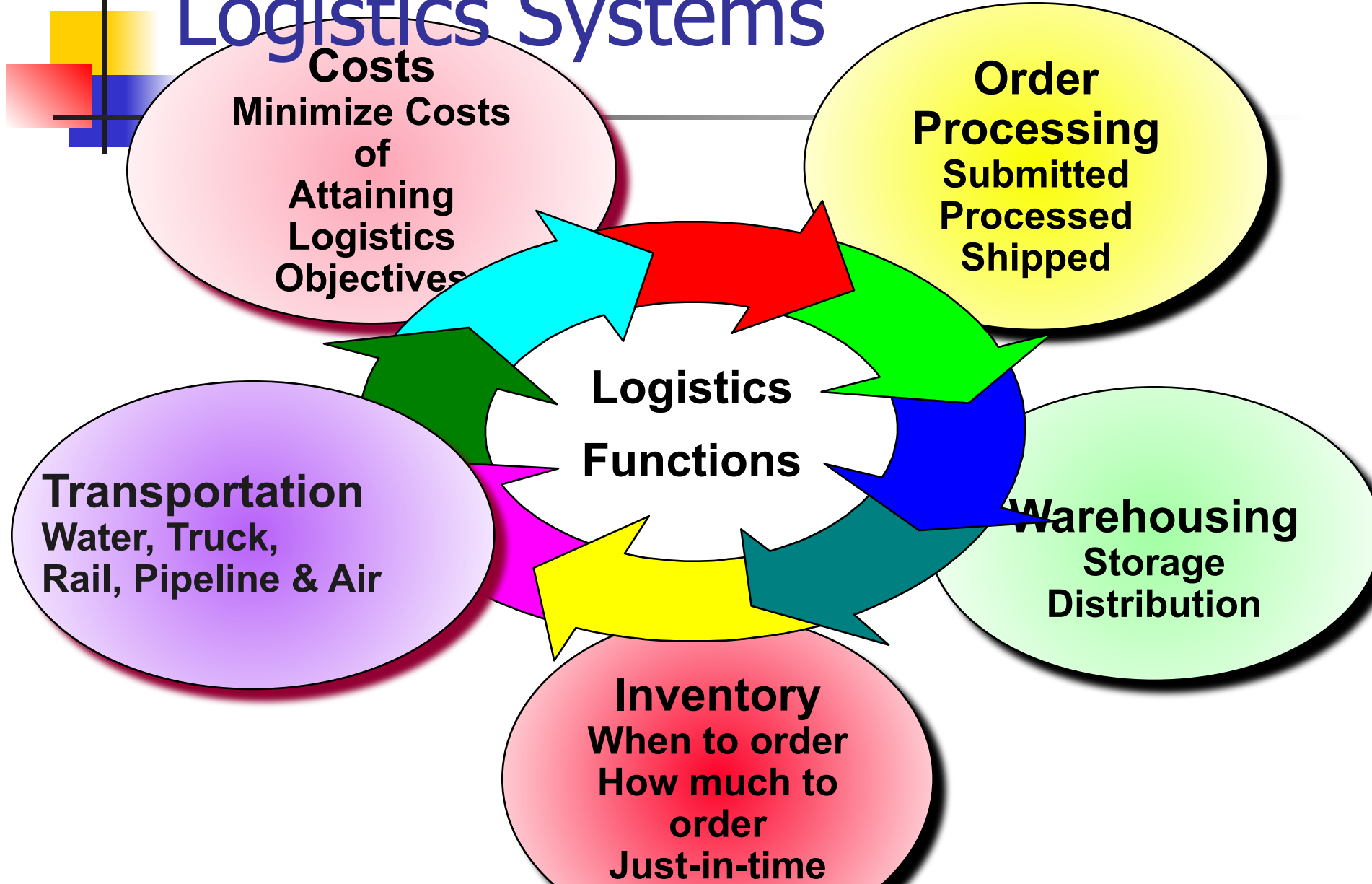
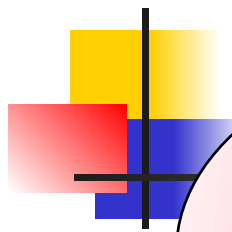
**Order  
Processing**  
Submitted  
Processed  
Shipped

**Logistics  
Functions**

**Transportation**  
Water, Truck,  
Rail, Pipeline & Air

**Warehousing**  
Storage  
Distribution

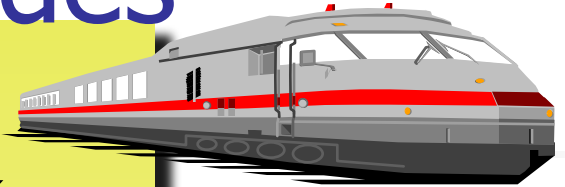
**Inventory**  
When to order  
How much to  
order  
Just-in-time



# Transportation Modes

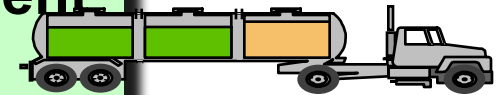
## *Rail*

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



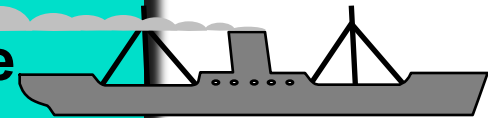
## *Truck*

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



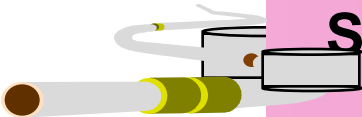
## *Water*

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



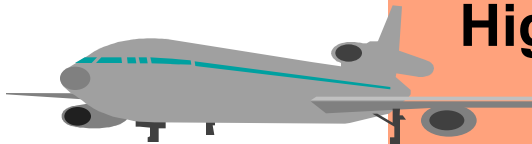
## *Pipeline*

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

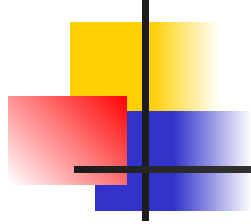




## ***Checklist for Choosing Transportation Modes***

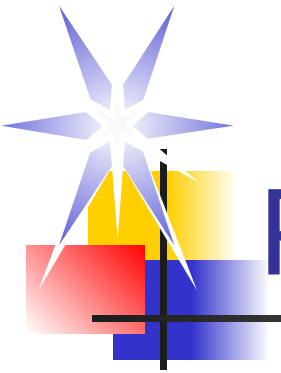
- 1. Speed.***
- 2. Dependability.***
- 3. Capability.***
- 4. Availability.***
- 5. Cost.***

# Rating Transportation Modes



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

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



# Review

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- Retailing
- Wholesaling
- Market Logistics