



# Objectives

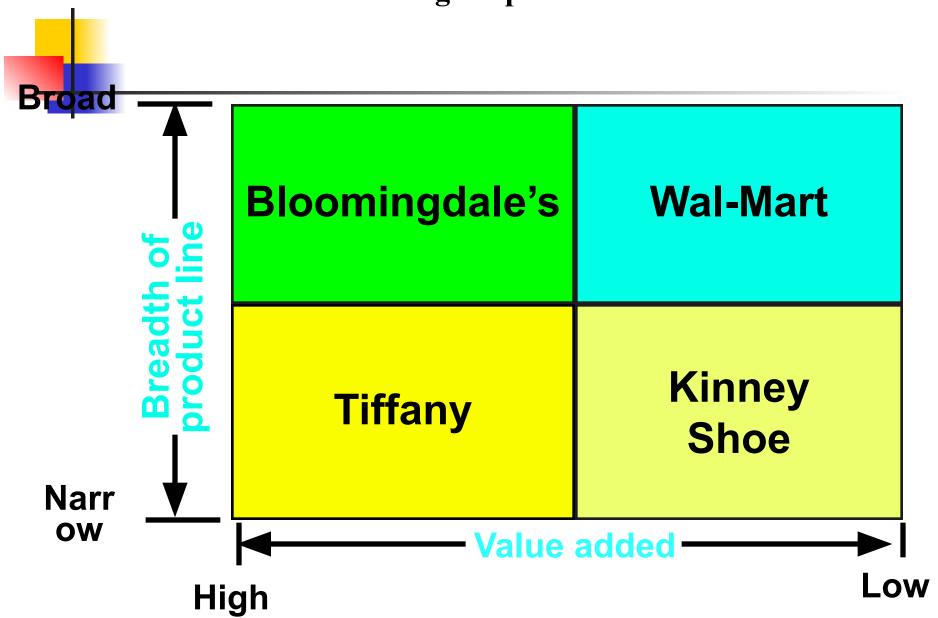
- Retailing
- Wholesaling
- Market Logistics



## 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** 

**Department Stores** 

**Supermarkets** 

**Convenience Stores** 

**Discount Stores** 

**Off-Price Retailer** 

**Superstores** 

**Catalog Showroom** 

**Narrow Product Line, Deep Assortment** 

Wide Variety of Product Lines i.e. Clothing, Home Furnishings, & Household Items

Wide Variety of Food, Laundry, & Household Products

Limited Line of High-Turnover Convenience Goods

**Broad Product Line, Low Margin, High Volume** 

Inexpensive, Overruns, Irregulars, and Leftover Goods

Large Assortment of Routinely Purchased Food & Nonfood Products, Plus Services

**Broad Selection, Fast Turnover, Discount Prices** 

## Types of NonStore Retailing

Direct Selling

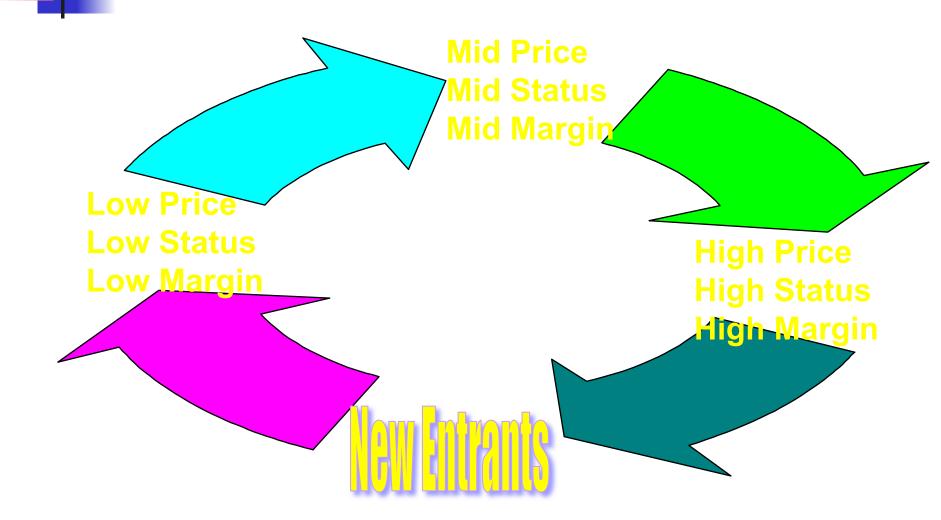
Direct Marketing

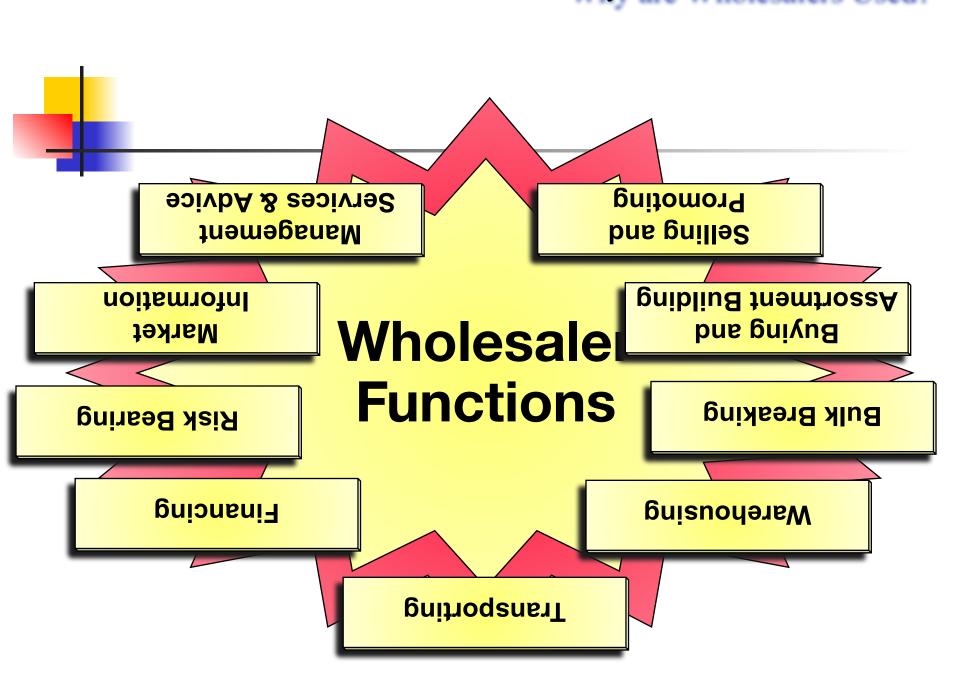
NonStore Retailing
Accounts for More
Than 12% of All
Consumer
Purchases, and is
trending up.

Automatic Vending

Buying Services







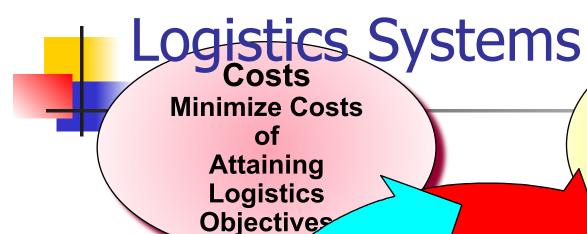
## Goals of the Logistics System

- 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



Order
Processing
Submitted
Processed
Shipped

Transportation
Water, Truck,
Rail, Pipeline & Air

**Logistics Functions** 

Inventory
When to order
How much to
order

**Just-in-time** 

Warehousing
Storage
Distribution

# Transportation Modes

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



Rating Transportation Modes

	Speed (Door-t o- door deliver y time)			DepMedtihility g Sched ules on Time)				CAbilityity to Handle Variou s Produc ts)		Availability Geogra phic 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	9	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.



- Retailing
- Wholesaling
- Market Logistics