Revisionstation

Investigating business in a competitive environment - 2024 paper 3

SECTION H: DISTRIBUTION

Link to syllabus

Distribution methods used by UK clothing retailers:

- 1.3.4 Distribution

Starter

- Think of an item of clothing that you have bought recently. Now draw the key steps involved in getting that product from the manufacturer to you, that represents the distribution journey. You have 10 minutes to do this drawing, make sure it is clear for others to understand.

Definition: Distribution

_____

_____

_____

_____

_____

4 stage distribution channel in the clothing industry

- _____ **The initial stage where clothing is designed and produced by manufacturers or designers**
- _____**Clothing is then sold in bulk to wholesalers or distributors who purchase large quantities and sell to retailers**
- _____**Clothing retailers acquire products from wholesalers and sell them to end consumers through physical stores, online platforms, or a combination of both**
- _____**The final stage involves the end consumer purchasing clothing directly from retailers, completing the distribution channel**

Sample

3 stage distribution channel in the clothing industry

- **Manufacturer/Designer: The clothing is designed and produced by manufacturers or designers who are responsible for creating the** _____

- **Retailer: Retailers, which can include clothing stores, department stores, or online platforms, acquire the clothing from the manufacturer or designer and sell them directly to the end** _____

- **Consumer: Buys the clothes from the** _____

Definition: Direct Marketing

_____

_____

_____

_____

_____

Sample

2 stage distribution channel in the clothing industry

- **Manufacturer/Designer >> Consumer**
- **In a 2 stage channel there are no intermediaries or 'middle men'**
- **Examples include**

_____

_____

_____

Factors that might influence the choice of distribution channel for a clothing company: Target market

Boohoo launches first pop-up store in New York

- **Understanding the _____, preferences, and behaviours of the target market (segment) influences the choice of distribution channels.**
- **For instance, if the target market prefers _____ shopping, e-commerce channels may be the choice that the clothing business makes**
- **Some retailers operate a hybrid of online shops and _____**

Sample

Factors that might influence the choice of distribution channel for a clothing company: Brand image

- **The desired brand image and positioning in the market can dictate the choice of distribution channels**
- **Premium or luxury brands might opt for exclusive boutiques or department stores, while more affordable brands may focus on mass-market retailers**

_____

_____

_____

Factors that might influence the choice of distribution channel for a clothing company: Geography

- **The geographic spread of the target market could influence the distribution strategy of the clothing business**
- **Companies may choose a mix of online and physical stores based on the concentration and distribution of their customer base**

- Matalan has successful UK stores and an online shop can you think of other examples?

1

2

3

Sample

Factors that might influence the choice of distribution channel for a clothing company: Logistics

- **Logistics could influence the distribution strategy of the clothing business**

- **Logistics refers to the management and coordination of the efficient flow of goods, information, and resources from the point of origin to the point of consumption.**
- **It includes various activities, including:**

A

B

C

D

Factors that might influence the choice of distribution channel for a clothing company: Competitive environment

- **Analysing the distribution strategies of competitors can help a clothing company determine the most effective channels**
- **Understanding how similar brands reach their customers provides insights into market norms and expectations**

- Why would this be an advantage?

Sample

Factors that might influence the choice of distribution channel for a clothing company: Technology and e-commerce

- **The emergence of e-commerce and technological advancements may influence the decision to incorporate online sales channels**
- **An increasing trend in online shopping could prompt a clothing company to strengthen its e-commerce presence**

- How could a business strengthen its e-commerce presence?

Factors that might influence the choice of distribution channel for a clothing company: Product

- **The nature of the clothing products, such as their uniqueness, price, and if it is in fashion, can impact the distribution channel**
- **High-end or luxury clothing may benefit from exclusive retail outlets, while basic fast fashion clothing might be more suitable for mass market retailers**

What is fast fashion?

Plenary Quiz

1. **What is the primary purpose of distribution channels in the clothing industry?**

2. **Which type of distribution channel involves selling clothing products through intermediaries such as wholesalers and retailers?**

3. **In the context of the clothing industry, what is the term for a distribution channel that involves selling products directly to consumers without intermediaries?**

4. **What role does logistics play in the distribution channels of the clothing industry?**

Sample