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# Components of Physical Dist. Process

For Internal Circulation and Academic  
Purpose Only


# Programme Educational Objectives

- *Our program will create graduates who:*
  - *1. Will be recognized as a creative and an enterprising team leader.*
  - *2. Will be a flexible, adaptable and an ethical individual.*
  - *3. Will have a holistic approach to problem solving in the dynamic business environment.*

# Sales and Distribution Management

## Course Outcomes

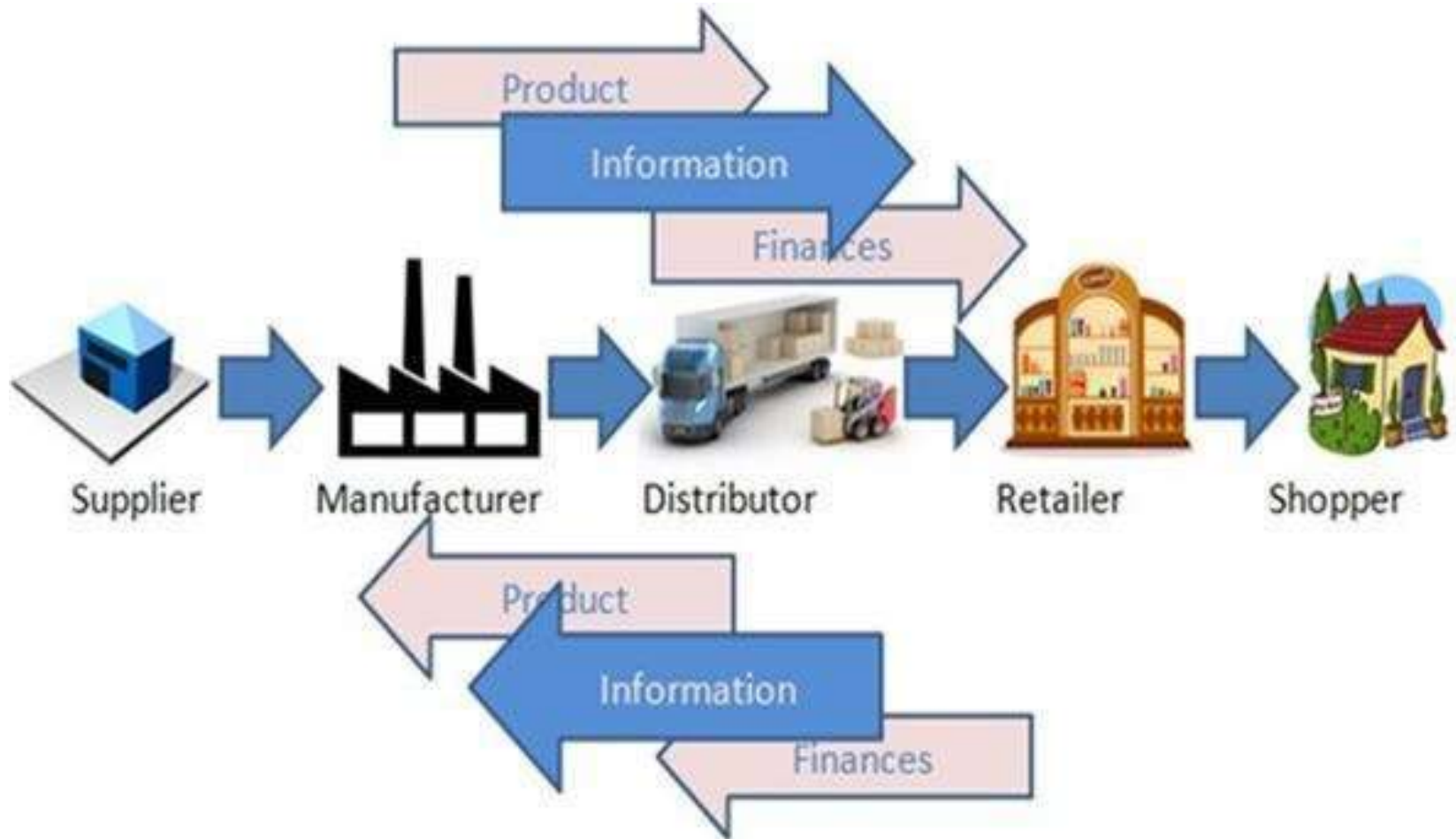
- CO1- Given a situation of Festival, student manager will be able to identify appropriate Sales Forecasting method to be adopted by a company.
- CO2- Given a situation of opening a new outlet, student manager will be able to draft a sales plan.
- CO3- Given a situation of Selling products / services, student manager should be able to explain Personal Selling Process.

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- **CO4-Given a criteria of newly launched company, student manager should be able to design an effective Sales Compensation Plan for Sales Executive.**
  - **CO5-Given a criteria of distribution channel of a company, student manager should be able to outline different levels of Marketing channel used by the company.**
  - **CO6-Given a situation, student manager should be able to explain the process of Reverse Logistics.**

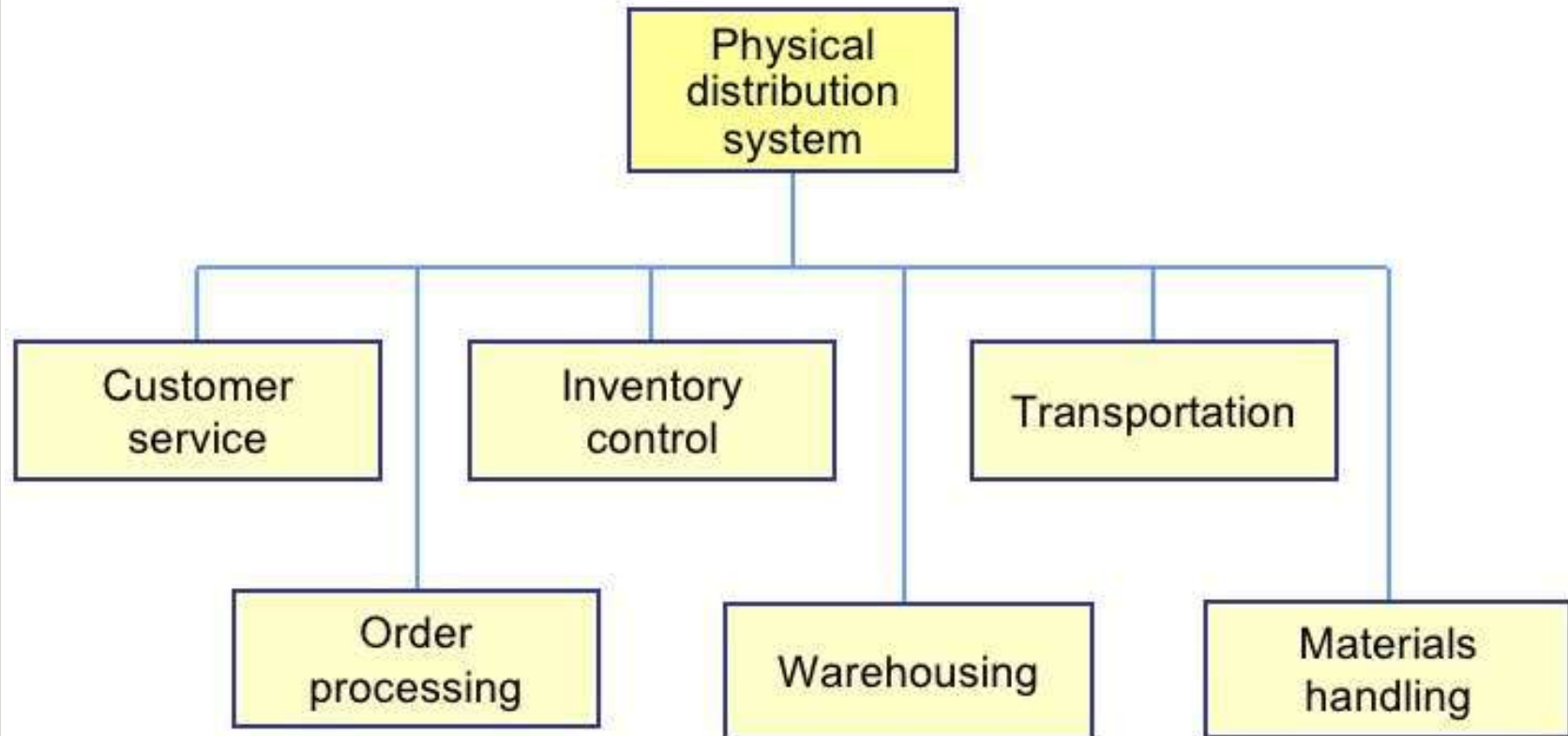
# Participants in Physical Distribution System

- Supplier
- Manufacturer
- Intermediaries - Wholesalers, Retailers
- Agents – Selling, Manufacturing, C & F etc.

# Participants in Physical Distribution System



# Components of Physical Distribution



# Components of Physical Distribution

- **Customer Service:** The main function of Customer Service personnel is to set a standard for customer satisfaction that must be ensured while delivering a product to the consumers and then ensuring that this standard is maintained. For example - **Mattresses**
- **Order Processing:** Order processing is a very crucial function to the firm as it deals with taking orders from the customers efficiently and its efficiency is directly concerned with customer satisfaction.

If order processing is done efficiently, other costs in the supply chain like transportation and logistics costs, inventory carrying costs, etc. can be minimized.



# Components of Physical Distribution

- **Inventory Control:** plays a major role in the distribution function of a firm. Costs include inventory carrying costs, depreciation and fall in the demand for products, etc. Different types of inventory control systems are first in first out (FIFO), flow through systems, etc.
- **Transportation and Logistics:** It deals with the procurement of the raw materials from the suppliers and final delivery of the finished products to the end consumers. The mode of transport used may depend on the type of product (whether is it fragile or not) and also on the urgency of the order for the consumer.
- **Packaging:** It is concerned with the type of packaging used for the product depending on the type of product and degree of protection required for the product.



- **Warehousing:**

In today's context, production is made in expectation of demand. Therefore, products are to be stored or preserved safely for the future demand. And also, all the production is not sold directly.

Warehousing plays an important role for balancing demand and supply. For example, most of the agricultural products are produced seasonally, but have demand throughout the year.



- **Materials Handling:**

Materials handling implies the movement of goods inside the retail organization, warehouses and retail stores/outlets. In case of chain stores, the raw materials, finished goods etc move from a common warehouse to various store locations.

In modern storage facilities, material handling is through equipments meant for moving/transferring goods. These handling equipments also vary with method of loading and modes of transport used like railways, water ways, airways etc.