Pattern of distribution

Producer, wholesaler, retailer, consumer

Producer, wholesaler, consumer

Producer, RDC, retail branch, consumer

Producer, consumer

Producer, agent, consumer

Producer, sole agent, retailer, consumer

Trends in wholesaling

The trend of wholesaling is decreasing

Manufacturers are finding ways to sell the products to the end consumers directly so that costs could be reduced

Customers buying from the internet buy directly from the manufacturer or the retailer

Wholesaler services to manufacturer

Wholesaler buys in bulk

Provides storage for the products

Normally pays cash to the manufacturer

Informs about the demand of products (market information)

Provides marketing services (packaging and advertising)

Wholesaler services to retailer

Wholesaler provides variety of goods to the retailer

It breaks the bulk

Wholesaler often provides credit to the retailer

Provides transportation service to the retailer

Wholesaler services to consumer

Wholesalers provide the product which is demanded by the consumer

They insure that a safe and useful product is delivered

They inform the manufacturer about the consumer demands

Experts claim that the consumers get a cheaper product because of the services provided by the wholesaler

Intermediaries

Merchants

Agents

Brokers

Role of intermediaries

Merchant trade for themselves Agents trade on the behalf of someone else Brokers bring the buyers and sellers together

