

## 7. Presenting the Company's Distribution Channels Business English Vocabulary. L2

### Key words

- 2 categories : Direct or indirect distribution channels
- 3 levels :
  1. One level channel
  2. Two level channel
  3. Three level Channel
- Distribution intensity.

### Match the types of shop in the box with the definitions (a–h).

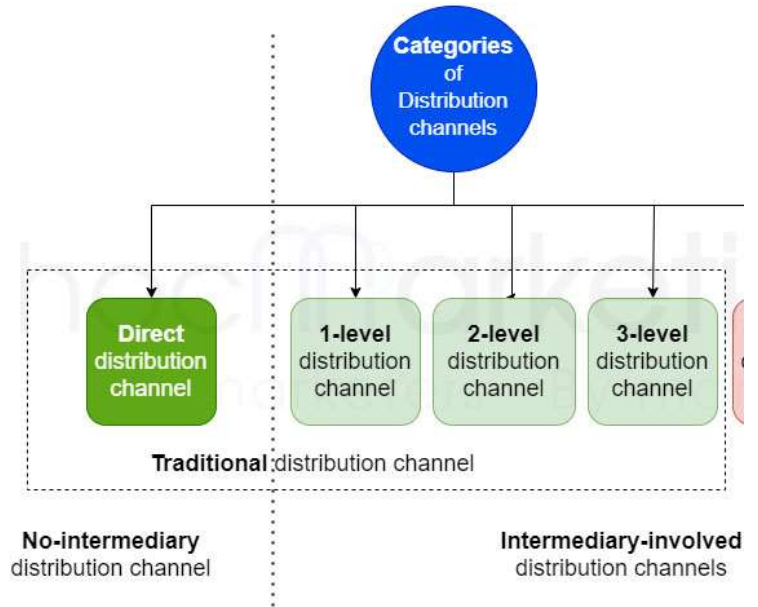
chain stores • convenience stores • franchises • high-street shops • hypermarkets •  
mail-order stores • online stores • ~~outlet stores~~

- a large no-frills stores located outside the town centre outlet stores
- b stores selling thorough the Internet \_\_\_\_\_
- c independently-owned shops licensed to trade under the same name \_\_\_\_\_
- d shops located in the centre of town \_\_\_\_\_
- e shops run by a single company with multiple locations around the country \_\_\_\_\_
- f very large stores that sells groceries, clothes, and many other products \_\_\_\_\_
- g stores selling through a catalogue posted to customers \_\_\_\_\_
- h small, independently-owned stores selling essential products \_\_\_\_\_

## DISTRIBUTION CHANNELS

**Sales channels** are the paths a product takes from the manufacturer to customers. They can be **direct**, meaning your business conducts the sale directly in contact with the customer. Such channels could be your own **brick-and-mortar store**<sup>1</sup>, or your own **online store**.

**Indirect sales channels** involve intermediaries to help you reach more customers than your business alone could. These **distributors** could be **retailers**, **wholesalers** or **online marketplaces** like Amazon. In that case, **your sales team isn't in contact with the end customer**. Middlemen stand in the way between the producer and the end-consumer.



## CATEGORIES OF DISTRIBUTION

Fill out the following profiles :

**Distributors:** A distributor is a wholesaler who sells products on behalf of the producers. They perform market analysis and are constantly searching for new opportunities to achieve peak sales performance. Unlike a wholesaler, they most likely have a stronger affiliation with particular companies. Distributors have a direct responsibility to making sure **products are flying off retail shelves**. They have the option to sell to retailers and other sellers, or directly to consumers and businesses.

**Wholesalers:** A wholesaler **resells goods, often in large quantities for manufacturers**. Wholesalers **purchase in bulk**, typically, which lowers the price, from either distributors or manufacturers. This allows wholesalers to make a profit because they are able to sell the to retailers in smaller packages **that yield higher prices**.

**Retailers:** Retailers are the **outlets where consumers can purchase products**. This is your local grocery store or Walmart down the street. They can sell through storefront locations or through online channels. Retailers purchase products from distributors or wholesalers.

**Brokers and Agents:** They **handle the logistics** of the sales. Agents **handle contracts, marketing, and pulling together specialized shipments**.

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<sup>1</sup> Magasin physique

### 3 Types of Distribution Strategy

Overall there are 3 major distribution strategies

#### 1. Exclusive Distribution

This can be good for niche, luxury or specialty goods. In exclusive distribution, the producer selects only very few intermediaries. Exclusive distribution is often characterized by a deal where the **reseller carries only that producer's products to the exclusion of all others**. This creates high dealer loyalty and considerable sales support.

Example, Luis Vuitton Stores

#### 2. Intensive Distribution

Maximizing outlets to **maximize sales**. This strategy is common for basic supplies, magazines, soft drink beverages, and snack foods. It provides for increased sales volume, wider consumer recognition, and considerable impulse purchasing. Low price, low margin, and small order sizes often result from this strategy.

Example, Coca Cola

#### 3. Selective Distribution

This approach includes carefully choosing multiple channels and partners.

This is more **hybrid approach** and needs to be carefully formulated to make sure that there is optimized distribution of the product/service.

Example, Adidas, Nike

# Sales and marketing

## Meaning

Here are some definitions and examples of vocabulary relating to sales and marketing.

- to advertise** – to encourage people to buy a product or service by writing about it (e.g. in a newspaper or on a website)
- an advertisement** – a notice on the Internet or in a magazine promoting a product or service
- to appeal to** – to be interesting for certain groups of people, such as young people or professional people
- cold-calling** – when salespeople call potential customers without prior arrangement to try and sell their products or services
- a competitor** – a company that makes the same product or provides the same service as you
- a customer** – someone who buys a product or service
- to inquire** – to ask about products or services on sale (also to *enquire*)
- to launch an advertising campaign** – to set a campaign in motion to promote products or services
- to market products** – to put products on the market; to sell
- a potential customer** – a possible new customer, not yet a customer but likely to be one
- to promote goods** – to advertise goods; to make them appealing to potential customers
- promotional materials** – materials such as brochures or websites used to promote and advertise items
- to publicize** – to make public; to advertise
- a sales representative** – a person responsible for selling products or services, who may travel to visit existing and potential customers
- a trade fair** – an exhibition of products or services in a particular field

*Sales rep is the short form for sales representative, and ad or advert is the short form for advertisement.*

## Examples

- Some companies spend a lot of time on cold-calling.*
- When the sales rep went to visit a potential new customer, the customer inquired about delivery times.*
- After many months of planning, the advertising campaign was launched throughout Europe and North America.*
- There were plenty of promotional materials available to take away from the trade fair.*
- One of the key things is to appeal to your target customer base when promoting goods.*

## Spelling

When spelling vocabulary in the field of sales and marketing, remember:

- US English tends to use *-ize* and UK English generally uses *-ise* in many verbs and nouns: *to publicize/publicise, organization/organisation* (although you will often find *-ize* spellings in UK publications that are designed to appeal to an international audience). Note also that *advertise* is usually spelled with *-ise* in the USA as well as in the UK.
- that there are sometimes other spelling changes between US English and UK English: *to inquire/inquiry* (UK), *to enquire/enquiry* (US) (although both forms are found in UK English).
- some irregular verbs have a different spelling in the present tense and the past tense, but not all: *to come up with ideas* (*came up with*), *to take out an advert* (*took out*), *to sell products* (*sold*), *to set up a stand at a trade fair* (*set up*).

- that a final *y* changes to *i* when the plural ending is added: *enquiry* → *enquiries*
- uncountable nouns do not have a plural form: *advertising, publicity, distribution, sales*

## Pronunciation

- Notice the difference in stress patterns between these verb–noun pairs.
  - to advertise* → *advertisement* (UK)
  - to advertise* → *advertisement* (US)
  - to publicise/publicize* → *publicity*
  - to demonstrate* → *demonstration*
- Notice how sounds run together in the following phrases. This often happens when a consonant sound precedes a vowel sound.
  - to set up /tʌ/
  - to take ot /kaʊ/
  - to look into /ki/
  - to follow up /wʌ/

## Collocations

Here are different verbs and nouns that can be used with some key vocabulary (in **bold**) relating to sales and marketing.

- to launch / run **an advertising campaign**
- to agree / accept / negotiate **payment terms**
- to attend / go to / organize **a trade fair**
- to follow up** an enquiry / a cold call / a meeting
- to promote / advertise / publicize / sell / market **products**

## Examples

- We're hoping to run an advertising campaign when R&D have finished testing the new product.*
- Louise negotiated payment terms to within 21 days, which was an improvement of seven days on the existing arrangement.*
- CosyHome plc mainly markets its household products in northern Europe.*

## Word families

The table shows how some nouns, verbs and adjectives in the area of sales and marketing relate to one another.

noun	verb	adjective
ad	to advertise	advertised
advert		
advertisement		
distribution	to distribute	distributable
enquiry/inquiry	to enquire/inquire	
launch	to launch	
payment	to pay	payable
promotion	to promote	promotional
sales	to sell	saleable
publicity	to publicize	publicized, public

## Examples

- We can accept payment by cheque. Please make the cheque payable to SW Distribution Services.*
- The advertised sportswear sold better than we expected. We had put adverts in special sports magazines and in the leisure sections of national newspapers.*
- TransLogic's distribution costs are quite high. However, they do distribute throughout Asia and Australia, which appeals to many customers.*



# Production and processes

## Meaning

Here are some definitions and examples of vocabulary relating to production and processes.

**to deliver** – to supply finished products to the customer

**a delivery** – a consignment or products being delivered

**a factory** – where production takes place

**health and safety procedures** – rules to ensure workers are not injured during production (e.g. the wearing of a hard hat and safety goggles)

**high quality** – good quality; describing products that will be durable and well designed

**to implement a procedure** – to put a process in place

**to install** – to put new machinery in place

**just-in-time (JIT) production** – producing goods just in time for delivery, to avoid warehouse costs

**machinery** – machines and equipment

**to maintain** – to keep machinery in good working order

**maintenance** – the upkeep of machinery through cleaning and repairing

**to meet a deadline** – to keep to a scheduled date

**a procedure** – a way of working; a process

**a process** – a system; a way of working

**to produce** – to manufacture; to make

**a product** – the end result or outcome of producing something; goods

**to purchase** – to buy (e.g. supplies or end products)

**quality assurance (QA)** – a procedure that aims to ensure the high quality of a product by testing and considering throughout production what makes the product good

**to schedule production** – to put a timeframe to what needs to be produced; to set milestone dates/deadlines, etc.

**to have in stock** – to have finished goods in the warehouse ready for delivery

**a supplier** – a person or company who provides materials or services so that production can take place

**to test an initial batch** – to check the first products off the production line; to put them through their paces

**a trial run** – when a sample batch of a new product is released onto the market

**a unit** – the smallest denominator of what is produced, and item

**to update a system** – to bring a system up to date; to modernize it

**a warehouse** – where finished goods are stored before delivery

**to work shifts** – to work set patterns round the clock in a factory to enable production to continue

The word *produce* can also be used as a noun, often to refer to food stuffs. But note that the stress falls on the first syllable when it's a noun.

## Examples

Antonio works shifts at R.P. Electronics. He prefers the day shift, as he can spend time with his children in the evening, but he has to work the night shift every third week.

Maintenance costs have risen over the last few years, and it's becoming increasingly difficult to get replacement parts for the machines.

Even visitors have to follow the health and safety procedures, and safety goggles have to be worn at all times.

We've moved to just-in-time production, which means the warehouse will close, and 35 staff will lose their jobs.

The trial run proved that we had succeeded in producing high-quality goods.

## Spelling

When spelling vocabulary in the field of production and processes, remember:

- that *y* sometimes changes to *i*:
  - verb → noun: *supply* → *supplier*
  - verb forms: *supply* → *supplies/supplied* (BUT *supplying*)
  - plural: *supply* → *supplies*, *delivery* → *deliveries*
- irregular verbs: *meet a deadline* → *met a deadline*, *have in stock* → *had in stock*
- uncountable nouns have no plural: *machinery*, *quality*, *maintenance*

## Pronunciation

When speaking, think about word stress.

- Notice how the stress in these words stays the same for both the verb and the noun form:
  - to **process** → **process**
  - to **schedule** → **schedule**
  - to **purchase** → **purchase**
- However, the stress in these words changes between the verb and noun:
  - to **install** → *an installation*
  - to **maintain** → *maintenance*
  - to **produce** → *a product*, *fresh produce* (BUT *production*)

## Collocations

Here are different verbs and nouns that can be used with some key vocabulary (in **bold**) relating to production and processes.

to place / put in **an order**

to follow / implement **procedures**

to have in stock / store **in the warehouse**

an increase / a decrease in **production costs**

to assure / test **quality**

to do / get feedback on **a trial run**

to keep to / set up **a schedule**

## Examples

HR implemented new procedures for logging time worked on shifts.

How do you test quality on new products?

Exactly how many have we got in stock in the warehouse?

## Word families

The table shows how some nouns and verbs in the area of production and processes relate to one another.

noun	verb
delivery	to deliver
maintenance	to maintain
process, procedure	to process
product, production, (produce)	to produce
purchase, purchasing	to purchase
schedule	to schedule
supply	to supply
update	to update

## Examples

We need to **maintain** our machinery on a regular basis. (verb)  
Production has slowed due to **maintenance** of the conveyor belts. (noun)

I know you work for HG Plastics, but what exactly do you **produce**? (verb)

Our **products** have won awards for innovation. (noun)