



SNS B-SPINE

Coimbatore-35
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

23BAT607 – MARKETING MANAGEMENT

I YEAR I SEM

UNIT 5 – MARKETING CHANNELS AND COMMUNICATION MIX

TOPIC 3 – Wholesaling



1. What is Wholesaling and Who is a Wholesaler?

Wholesaling is the process of selling goods or merchandise in large quantities to retailers, other businesses, or institutional buyers, rather than selling directly to end-consumers. Wholesalers act as intermediaries between manufacturers or producers and the retailers or end-users. They play a crucial role in the distribution channel, ensuring efficient product distribution and availability in the market.

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- The logo for SNS B-SPINE, featuring the letters 'SNS' in a small box above a large 'B' with 'SPINE' written to its right, and a yellow and black circular graphic below.
- CHANNELS FUNCTION:
 - Bulk Breaking
 - Warehousing
 - Transportation
 - Financing
 - Marketing Information.



- a. Bulk Breaking:

Wholesalers purchase goods in large quantities from manufacturers and then break them down into smaller units to sell to retailers, who may not need or afford to buy in large volumes.

b. Warehousing:

Wholesalers maintain large warehouses to store inventory, allowing manufacturers to focus on production while ensuring a continuous supply of products to retailers.



C. Transportation:

Wholesalers are responsible for transporting goods from manufacturers to retailers or other businesses, facilitating the smooth flow of products through the distribution channel.



D. Financing:

Wholesalers often provide credit to retailers, allowing them to purchase inventory and pay for it at a later date, which helps in managing cash flow.



D. Market Information:

Wholesalers gather market information, such as consumer preferences, demand trends, and competitor activities, which they share with manufacturers, helping them make informed marketing decisions.



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□ TYPE OF WHOLESALER:

a. Merchant Wholesalers

❖ Full-Service Wholesalers

❖ Limited-Service Wholesalers

b. Brokers and Agents



a) Merchant Wholesalers:

Merchant wholesalers are independent businesses that purchase goods from manufacturers and sell them to retailers, other wholesalers, or industrial customers. They take ownership of the products and bear the risk of inventory. Example (Y-Not clothing)

1. Full-Service Wholesalers:

They offer a wide range of services, including delivery, credit, marketing support, and product information. Examples include Grainger (industrial supplies) and McKesson (pharmaceuticals).



2. Limited-Service Wholesalers:

They may provide fewer services than full-service wholesalers and often specialize in specific product lines or industries. An example is a furniture wholesaler that deals exclusively in furniture products.

b. Brokers and Agents:

Brokers and agents do not take ownership of the products they handle. Instead, they act as intermediaries between buyers and sellers, earning a commission for facilitating the sale. Brokers typically deal with commodities or high-value items, while agents handle long-term contracts, such as real estate deals.



➤ Trends in Wholesaling:

1. E-Commerce and Digital
2. Personalization and Customization
3. Supply Chain Integration
4. Value-Added Services.

a. commerce and Digital Transformation:



Many wholesalers have embraced e-commerce and digital technologies to enhance their sales processes, improve customer experiences, and expand their reach.

b. Personalization and Customization:

Wholesalers are adopting personalized and customized solutions to meet the unique needs of retailers and businesses, enhancing customer satisfaction and loyalty.



c. Supply Chain Integration:



Wholesalers are integrating their supply chains to achieve greater efficiency, reduce lead times, and minimize costs.

D. Value-Added Services:

Wholesalers are offering value-added services such as product bundling, kitting, and private labeling to provide unique offerings to their customers.

