

MCS*4910 – MARKETING CHANNELS
Winter 2013
Department of Marketing and Consumer Studies
BComm Program

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Class Time: Monday, 2:30 pm – 5:20 pm, Macdonald Stewart (MACS) 121

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Course description

This course deals with the elements, design, and management of marketing channels. For our purposes, a marketing channel is viewed as an interorganizational system involved in the task of making products and services available for consumption. The main emphasis of this course is on the initial design of such systems, and the on-going management of relationships between system participants. The course is organized around six modules:

1. The Nature of Marketing Channel Decisions. We will begin the course with an examination of why channels exist and look at the specific nature of channel decisions.
2. Channel Functions and Institutions. The second module provides an overview of the primary channel functions and the institutions that perform them. Particular topics include retailing and wholesaling.
3. Channel Design. The third module considers the initial design of channel systems from the perspective of a supplier or manufacturer. Specifically, we will begin examining market coverage strategies, vertical integration decisions, and alternatives to vertically integrated channels.
4. Managing Channel Relationships. This module focuses on the management of on-going relationships between channel members. Particular topics include selecting and socializing channel members, creating incentives, and monitoring performance.

5. **Special Topics in Channel Strategy.** This module examines a series of specialized topics in distribution channel strategy, including legal constraints, the management of gray markets, and channels for services.
6. **Synthesis.** The course will conclude with the development of an overall framework for channel strategy.

It should be noted that this is not a course in retailing, wholesaling or logistics, and will deal with these topics only as aspects of marketing channels. While retail, wholesale and physical distribution establishments are significant components of marketing channels, we will be concentrating primarily on the relationships among the various firms comprising channel systems. Students wishing to focus on those more specialized topics are encouraged to supplement this course with other relevant courses.

Course objectives

Upon successful completion of the course, the student will be able to:

1. Describe the applications, challenges and the dynamic environment of B2B marketing, including the unique nature of organizational buying behaviour;
2. Identify the companies that come together to bring products and services from their point of origin to their point of consumption;
3. Apply a systematic approach to problem solving and decision making in business marketing organizations through the use of case studies;
4. Appreciate the complexities of marketing channels, the company's routes, i.e. distribution to market, and the components of the value chain as critical elements of a world view business strategy;
5. How to craft and understand channels so they function smoothly in a coordinated manner.

Course material

The course material consists of powerpoints, some cases and course notes. Articles will be added during the semester. No textbook will be required, although the following might be helpful as references (on reserve in the library).

Anne T. Coughlan, Erin Anderson, Louis W. Stern, and Adel I. El-Ansary, *Marketing Channels*, 7th Ed., 2007

Michael Levy and Barton Weitz, *Retailing Management*, 5th Ed.

Courselink

The MCS*4910 Courselink webpage (<http://courselink.uoguelph.ca>) is a key component of this course. Courselink is where course materials and grades are posted. It is also an information center where you can find course reminders and updates. Please note that a D2L or Desire to Learn site for MCS*4910 has been established that is password protected and accessible only to those enrolled in the course

You should download the MCS*4910 powerpoints from Courselink prior to class to assist in your note-taking. You should also check the website before contacting the instructor with questions of a general nature related to this course, and you should check the website regularly for course reminders and updates.

Course evaluation

The grade determination for this course is as follows:

1.	Group Project	50%
	Proposal	10%
	Paper	25%
	Presentation	15%
3.	Final exam	30%
4.	Class participation	20%

Group Project

Significant emphasis in this course is placed on team work. In the first week of class, you will be asked to form groups of 3-4 members. You will work in this group for the term project. Group members must prepare jointly for class presentations and discussions. No changes to group composition will be permitted once the groups have been formed. Students who do not participate adequately in their group are liable to forfeit part or all of the marks allocated to group work.

The term project will involve a marketing channels strategy of one organization. This project involves the development of a marketing channel design strategy and structure for a business, non-profit organization, cultural institution, or government agency. Each group will analyze its existing marketing channel strategy and structure and suggest possible changes and new directions for the firm or organization's future channel strategy and structure. Your channel design should also reflect a strategic emphasis on helping the firm or organization to gain a differential advantage that will contribute to the attainment of a sustainable competitive advantage.

Your channel design project will be written up in a report of approximately 20 pages and each group will make a 30 minute oral presentation of the report with a 10 minute question and answer session to follow. The oral presentation will be done during the last four class meetings. The written report will be due in Week 9.

For this project, to integrate concepts and theories from other marketing courses is essential. In this course, you will learn that marketing channels is not a standalone concept. The ultimate goal of this project is to allow students to fully comprehend the linkage of channels management with other core marketing functions. Details about the term project will be provided by the instructor throughout the semester. Appendices may be appropriate, and are not limited by the page constraint. Late submissions will not be accepted.

Every group is required to submit:

1. A two-page proposal (single-spaced), due in Week 3, in class.
2. The final report must be submitted in Week 9 at 2:30pm, in class. Late reports will NOT be accepted.

Tips for the term project:

1. Begin early
2. Set group goals
3. Get all group members involved
4. Assign a workload for each member
5. Develop an integrated report
6. Critically analyze and interpret factual information

Presentations are scheduled during the classes of Weeks 9 to 12. All students are required to attend the presentation sessions.

Final Exam

The final examination will consist of a case analysis similar to the ones we have analyzed throughout the course. It is designed to test how well you can apply the knowledge and skills learned in the course. The same criteria used to assess the written case assignment will be used to judge your test performance. Thus, the best way to prepare for the exam is to conscientiously study each of the cases throughout the term, read the assigned readings, and attend the classes. The final examination may also include questions based on discussions we had in class during lectures.

Class participation

Students taking this course for credit must attend the first class. It is strongly recommended that students attend every class session. In particular, the case method requires you to be an active participant in resolving a marketing problem. Missing more than three class sessions is strongly discouraged and may lead to a grade adjustment. Students are required to send me an email 24 hours before the class each time they miss class. In case of emergencies, the absence form can be submitted after the student has missed a class but no later than two days after that.

Contributions in class should adhere to the following standards:

1. **Relevance:** How is your comment/question related to the current discussion?
2. **Accuracy:** Do you use terms and concepts in ways that are consistent with definitions provided in readings and lectures? **Analysis:** Can you explain the reasoning behind your comment using careful analysis?
3. **Integration:** Does your comment/question move the discussion forward by building on previous contributions with new insights?
4. **Individuality:** Does your comment/question contribute a new perspective to the discussion, or does it simply repeat what others have already said?
5. **Application:** Does your comment/question apply the theory, analytical frameworks and other tools to real-world situations?

Discussions will be conducted in an open atmosphere with free form of expression. The professor will be primarily a facilitator for discussion. For this reason, it is imperative that all reading assignments should be read thoroughly. It is equally important that students will be willing to listen to others as well as contribute significantly to the discussion.

Some of you may not be familiar with the case teaching method. To benefit from the case method, you must be intimately familiar with the facts of each case. I also recommend that you follow these simple steps:

1. When reading a case, you should try to identify the underlying marketing problems (not just the symptoms described in the case). While doing this, you should think about how these problems apply to your industry and company. Do not attempt to find out what happened to the company, as this would greatly reduce what you will learn from the case.
2. You should then generate alternative marketing actions (incl. their pros and cons) and make a decision about what should be done before you come to class. As is often the situation in actual practice, cases may not have all the data you would like. Nevertheless, it is critical that you develop a reasoned plan of attack on the basis of the data available. The arguments behind your recommendation are more important than your decision itself.
3. Finally, you should be prepared to discuss your analysis and decisions with other course participants in a constructive manner. Repeating case facts or personal experience is not enough. Building on other people's comments is as important as coming up with answers.

What is important is that you know what you would have done in that specific marketing situation, and why, and that you begin to construct your own framework for approaching more general marketing problems.

Schedule

Week	Date	Topic	Case	Deliverables
<i>Week 1</i>	January 7	Course introduction, Marketing Channels: Structure and Functions	DHL Supply Chain	<i>Read Chapter 1</i>
<i>Week 2</i>	January 14	Segmentation for Marketing Channel Design	JSW Shoppe	<i>Read Chapter 2</i>
<i>Week 3</i>	January 21	Supply-Side Channel Analysis: Channel Flows and Efficiency Analysis	Deere and Company	<i>Read Chapter 3, Submission of proposals</i>
<i>Week 4</i>	January 28	Supply-Side Channel Analysis: Channel Structure and Intensity	Canadian Pharmaceutical Distribution Network	<i>Read Chapter 4</i>
<i>Week 5</i>	February 4	Channel Power	Datavast Inc.	<i>Read Chapter 6</i>
<i>Week 6</i>	February 11	Managing Conflict to Increase Channel Coordination	Lego Group	<i>Read Chapter 8</i>
<i>Week 7</i>	February 25	Strategic Alliances in Distribution	North West Company	<i>Read Chapter 9</i>
<i>Week 8</i>	March 4	Vertical Integration in Distribution	Whirlpool Corporation	<i>Read Chapter 10 & 14</i>
<i>Week 9</i>	March 11	Presentation schedule		<i>Group project presentations</i>
<i>Week 10</i>	March 18	Presentation schedule		<i>Group project presentations</i>
<i>Week 11</i>	March 25	Presentation schedule		<i>Group project presentations</i>
<i>Week 12</i>	April 1	Presentation schedule		<i>Group project presentations</i>
<i>Final Exam</i>				

Evaluation of Group Projects (25% of final grade)

GENERAL POINTS

(/45)

1. Is the title informative and appropriate?
2. Is the paper presented in a professional format?
3. Is the significance of the topic in marketing channels apparent?
4. Is the topic developed logically and clearly?
5. Is the paper an "original synthesis"?
6. Are the illustrations clear, instructive, and properly cited, if not original?
7. Is the primary literature in marketing reviewed adequately in relation to available sources?
8. Are any important references missed?
9. **Did students use original graphics/figures to enhance the quality of the report?**

CONTENT

(/10)

1. Use of appropriate sources, including course readings
2. Relevance to course themes
3. **Did students use original graphics/figures to enhance the quality of the report?**

ARGUMENT

(/20)

1. Do you present a coherent and reasonable argument?
2. Is it consistent with, and supported by, your evidence?
3. Is it logically consistent?
4. Does it take into account major counter arguments?
5. **Did students use original graphics/figures to enhance the quality of the report?**

ORGANIZATION

(/10)

1. Clear introduction, setting out the central topic(s) or question(s), and how you will proceed to address them
2. Systematic exposition of ideas, not straying from the topic, and leading to a conclusion
3. **Did students use original graphics/figures to enhance the quality of the report?**

STYLE

(/15)

1. Grammar, literacy
2. Intelligibility of expression
3. Acknowledgement of sources, consistent footnote and bibliography style

(/100)

Evaluation for Group Presentations (15% of final grade)

PRESENTATION AND PROFESSIONALISM

Using a scale of 1 to 5 (1= poor 5= excellent)

Students were clear and concise in their speech	1	2	3	4	5
Students were dressed professionally	1	2	3	4	5
Students presented the information at an appropriate level for the project	1	2	3	4	5
Students were well prepared and confident	1	2	3	4	5
Students demonstrated a good knowledge of the subject matter.	1	2	3	4	5
Visual aids were effective and used correctly	1	2	3	4	5

CONTENT AND ARGUMENT

Using a scale of 1 to 6 (1= poor 6= excellent)

Students presented coherent and reasonable arguments	1	2	3	4	5	6
Students used relevant sources for their arguments	1	2	3	4	5	6
Students answered questions with rigor	1	2	3	4	5	6
Students presented a systematic exposition of ideas, not straying from the topic, and leading to a conclusion	1	2	3	4	5	6
Students were consistent with their arguments.	1	2	3	4	5	6

TOTAL: /60

Format to be used for the Channel Design Group Term Project

Stage #1

Recognize Need for Channel Design Decision

Analyze existing channel strategy and structure of the business or organization you choose and make a case for why changes need to be made. This can include additional channels, deletions, and/or modifications to existing channel structure of the firm or organization in question. If the firm or organization you choose is a new start-up, discuss what types of channels might be needed to make the start-up's products or services available to potential customers.

Stage #2

Set and Coordinate Distribution Objectives

What are you trying to accomplish by changing channel strategy and structure? How will such change contribute to creating a differential advantage? Will your distribution objectives conflict with existing distribution objectives and/or overall corporate and organization objectives?

Stage #3

Specify the Distribution Tasks Needed to Meet Objectives

What kinds of new or extended distribution capabilities will need to be developed in-house or "farmed-out" to implement the new channel strategy and meet the objectives?

State #4

Develop Alternative Channel Structures

Describe some different possible scenarios for channel structures that could conceivably be used to implement your channel strategy. Note: This is the point in this exercise to be especially creative about what might work. In step #6, you will get a chance to critically appraise feasibility during the choice process. But it is better to have more ideas rather than less to choose from.

Stage #5

Evaluate the Relevant Variables

You probably will have considered many of the relevant variables that might affect your channel strategy during the course of your analysis and discussion in the previous four stages. But this is the stage where you more systematically go through a checklist of variables to make sure you have not missed anything. The basic categories of variables you should review at this point are:

1. Market (customer) variables
2. Product (or services) variables
3. Company (organizational) variables

4. Intermediary (middleman) variables
5. Environmental (exogenous) variables
6. Behavioral (relationship) variables

Stage #6

Choose the “Best” Marketing Channel

Here is where you actually make a choice about what marketing channel strategy and structure you think will work most effectively and efficiently to achieve your distribution objectives. You may, of course, decide to use several different channels to achieve the distribution objectives (multi-channel strategy). How you make this choice is up to you. You can use pure judgment and group consensus or some kind of decision model such as the weighed factor score approach discussed in the textbook.

Stage #7

Select the Channel Members

If the particular channel strategy and structure you choose calls for the use of independent middlemen (as most marketing channels will), discuss the criteria you will use to select appropriate channel members and how you will entice them to participate in the channel.

Eligible organizations for this project (all are Guelph-based):

Guelph’s Bracelet of Hope

Metalumen

Planet Bean

Sutton Auto Collision

Elliott Coach Lines

Cutten Fields

University of Guelph Hospitality Services

Guelph General Hospital

The Carpet Store

Pinetree Pet Care Centre

Ben-Met Steel & Metal Recycling

Guelph Mercury

Monte’s Place

Guelph Lakes Golf and Country Club

Finlay Electric

Guelph Cleaners & Alterations

Simply Wonderful

Pierre Poutine Restaurant

Policies and Regulations

All students are expected to abide by the University's academic regulations in the completion of their academic work, as set out in the graduate calendar:

<http://www.uoguelph.ca/registrar/calendars/graduate/current/>

Academic Integrity

The University of Guelph is committed to upholding the highest standards of academic integrity and directs all members of the University community – faculty, staff and students – to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring. The University of Guelph takes a serious view of academic misconduct and it is your responsibility as a student to be aware of and to abide by the University's policy. Included in the definition of academic misconduct are such activities as cheating on examinations, plagiarism, misrepresentation, and submitting the same material in two different courses without written permission. To better understand your responsibilities, please read the Graduate Calendar.

Students should be aware that faculty have the right to use software to aid in the detection of plagiarism or copying and to examine students orally on submitted work. For students found guilty of academic misconduct, serious penalties, up to and including suspension or expulsion from the University can be imposed.

Academic Consideration

Students who find themselves unable to meet course requirements by the deadline or criteria expected because of medical, psychological or compassionate circumstances beyond their control, should review the regulations on Academic Consideration in the Graduate Calendar.

Religious Holidays

Should a student need to miss scheduled tests, mid-term examinations, final examinations, or requirements to attend classes and participate in laboratories for religious reasons, please advise the instructor within two weeks of the distribution of this course outline so that alternate arrangements can be made.

Code of Conduct – The Top Ten

As a student in the Department of Marketing and Consumer Studies in the College of Management and Economics at the University of Guelph, you are a member of a scholarly community committed to improving the effectiveness of people and organizations, and the societies in which they reside, through groundbreaking and engaging scholarship and pedagogy. We seek to promote a comprehensive, critical and strategic understanding of organizations, including the complex interrelationship between leadership, systems (financial and human) and the broader social and political context. And, we prepare graduates for leadership roles in which organizational objectives, self-awareness, social responsibility and sustainability are primary considerations.

In keeping with this commitment, we expect all of our students (indeed – all members of our community) to act in a professional and respectful manner to fellow students, staff and faculty, as well as to members of the broader university and local community. This expectation is very much in keeping with your preparation for a professional career.

The following conduct is expected of all of our students:

1. Come to class prepared to learn and actively participate (having completed assigned readings, learning activities etc.).
2. Approach your academic work with integrity (avoid all forms of academic misconduct).
3. Arrive on time and stay for the entire class. If you happen to be late, enter the classroom as quietly as possible. At the end of class, apologize to the faculty member for the interruption. If you have to leave class early, alert the faculty member in advance.
4. If you know in advance that you are going to miss a class, send an email to the faculty member letting him/her know that you will be absent, with a brief explanation.
5. While in class, refrain from using any written material (e.g., newspaper) or technology (e.g., the Internet, computer games, cell phone) that is not relevant to the learning activities of that class. Turn off your cell phone at the start of each class.
6. Listen attentively and respectfully to the points of view of your peers and the faculty member. Don't talk while others have the floor.
7. Raise your hand when you wish to contribute and wait to be called upon. Challenge others appropriately, drawing on reason and research rather than unsubstantiated opinion, anecdote and/or emotion. Keep an open mind and be prepared to have your point of view challenged.
8. When sending emails to faculty, apply principles of business writing; use a professional and respectful style (use a formal salutation, check for spelling and grammatical errors, and avoid slang and colloquial short forms).
9. When making a presentation, wear business dress.
10. Provide thoughtful feedback at the completion of all courses (we are committed to continuous improvement but need your input to help us decide what to focus on).

University Grading Scheme

This course follows the University grading scheme outlined in the University Calendar:

A+	90-100%	Excellent: An outstanding performance in which the student demonstrates a superior grasp of the subject matter, and an ability to go beyond the given material in a critical and constructive manner. The student demonstrates a high degree of creative and/or logical thinking, a superior ability to organize, to analyze, and to integrate ideas, and a thorough familiarity with the appropriate literature and techniques.
A	85-89	
A-	80-84	
B+	77-79	Good: A more than adequate performance in which the student demonstrates a thorough grasp of the subject matter, and an ability to organize and examine the material in a critical and constructive manner. The student demonstrates a good understanding of the relevant issues and a familiarity with the appropriate literature and techniques.
B	73-76	
B-	70-72	
C+	67-69	Acceptable: An adequate performance in which the student demonstrates a generally adequate grasp of the subject matter and a moderate ability to examine the material in a critical and constructive manner. The student displays an adequate understanding of the relevant issues, and a general familiarity with the appropriate literature and techniques.
C	63-66	
C-	60-62	
D+	57-59	Minimally acceptable: A barely adequate performance in which the student demonstrates a familiarity with the subject matter, but whose attempts to examine the material in a critical and constructive manner are only partially successful. The student displays some understanding of the relevant issues, and some familiarity with the appropriate literature and techniques.
D	53-56	
D-	50-52	
F	0-49	Fail: An inadequate performance.