

Good Morning Students,

This lesson is for class 9th for the subject of 'Commercial Studies'. The topic for today is 'Channel of Distribution' which is covered in Chapter 23 titled 'Trade' of your book.

This lesson is being submitted to you on 16.12.2024.

Channel of Distribution:-

A channel of distribution is the path or route along which goods move from producers to ultimate consumers or industrial users. It is the distribution network through which a producer puts his products in the hands of actual users. The channel serves as a connecting link between the producers and consumers. By bridging the gap between the point of production and the point of consumption, a channel creates time, place and possession utilities.

Physical Distribution:-

Physical distribution means a series of interrelated activities involved in the movement, storage, control etc. of materials and finished goods so that they are available at right time and at the right place. Physical distribution is also known as Supply Chain Management.

and Marketing Logistics. Its main elements are:-

1. Warehousing
2. Inventory Control
3. Order Processing
4. Transportation

C and F Agents:-

Carrying and Forwarding agents are the agents appointed by manufacturers to distribute their products among distributors.

C and F agents do not take ownership of the goods. They only facilitate dealings between producer and consumers.

Wholesalers:-

A wholesaler is a trader who purchases goods in large quantities from manufacturers and sells them in small lots to the retailers.

Retailers:-

Retail trade is the final stage in the distribution of goods. Retail trade means buying goods from wholesalers and manufacturers and selling them to the ultimate consumers. A retailer is that trade who purchases from the wholesaler and sells to ultimate consumers.

E-Commerce:-

E-Commerce means carrying out business transactions through internet. E-Commerce means commercial transactions in which an order is placed electronically and goods and services are delivered in tangible or electronic form.

E-commerce is a wide concept including any form of exchange of information through electronic means. It may be between two business firms (B₂B) or between a business and its customer (B₂C) and between business and Government (B₂G).

E-Trade:-

Electronic Trade means buying and selling goods and services online. We often buy goods online from Amazon, Myntra, Snapdeal etc. Companies selling services online are part of e-trade. Makemytrip.com, magrebriks.com, Privago are e-trade firms.

Merits of Online Trade

- (i) Global Market
- (ii) Round the clock Working
- (iii) Customised products
- (iv) Reduced Costs
- (v) Wide Choice
- (vi) Customer Convenience
- (vii) Direct Contacts.

For explanation refer to page 212.

Demerits of Online Trading

1. High Risk
2. Shortage of Talent
3. System and Data Integrity
4. Lack of security
5. Vulnerability to Competition.
6. Operational problems.
7. Unsuitability

for explanation refer to page 213 of your book.

Write the answers of following questions

1. What is meant by a channel of distribution?
2. Define E-commerce.
3. Who are C and F Agents?
4. State any five merits of online trading.

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