

Unit Guide

Channel Management & Logistics

MMK-3-306

Department of Marketing and Strategy

Faculty of Business, Computing & Information Management

Semester Two

2006/2007

Become what you want to be.

1.0 ACADEMIC CALENDAR 2006/2007

18 Sept 06	Enrolment/Induction Etc	Academic Year begins Monday 18 September 2006
25 Sept 06	1	Semester 1 begins Monday 25 September 2006
2 Oct 06	2	-
9 Oct 06	3	
16 Oct 06	4	
23 Oct 06	5	
30 Nov 06	6	
6 Nov 06	7	
13 Nov 06	8	
20 Nov 06	9	
27 Nov 06	10	
4 Dec 06	11	
11 Dec 06	12	Autumn Term ends Friday 15 December 2006
18 Dec 06	Christmas	
25 Dec 06	Christmas	
1 Jan 07	Christmas	
8 Jan 07	13	Spring Term begins Monday 8 January 2007
15 Jan 07	Exams	
22 Jan 07	Exams	Semester 1 ends Friday 26 January 2007
29 Jan 07	1	Semester 2 begins Monday 29 January 2007
5 Feb 07	2	
12 Feb 07	3	
19 Feb 07	4	
26 Feb 07	5	
5 Mar 07 12 Mar 07	6	
12 Mar 07	7 8	
26 Mar 07	9	Spring Term ends Friday 30 March 2007
2 Apr 07	Easter Break	Spring romi onder hady of Maron 2007
9 Apr 07	Easter Break	
16 Apr 07	Easter Break	
23 Apr 07	10	Summer Term begins Monday 23 April 2007
30 Apr 07	11	- Cammor Young Sagma Manady 25 7 pm 2551
7 May 07	12	
14 May 07	13	
21 May 07	Exams	
28 May 07	Recess Week	
4 Jun 07	Exams	Semester 2 ends Friday 8 June 2007
11 Jun 07		
18 Jun 07		
25 Jun 07	Subject Area Exam Boards	
2 Jul 07	Award & Progression Boards	Summer Term ends Friday 6 July 2007
9 Jul 07		
16 Jul 07		
23 Jul 07		
30 Jul 07		
6 Aug 07		
13 Aug 07		\dashv
20 Aug 07	Re-sit Examinations	
27 Aug 07	Re-sit Exam Boards	Monday 27 August is Bank Holiday
10 Sept 07	AND DET ACCOUNTS A CONTROL	Academic Year 2006-2007 ends Friday 14 Sept 2007
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1.0 SYLLABUS HEADING/BASIC DATA

1.1 Unit Title Channel Management and Logistics

1.2 Reference Number MMK-3-306

1.3 Level Three
1.4 Number of Credits One (1)
1.5 Semester Two

1.6 Subject Area Marketing

1.7 Student Study Hours 150

1.8 Assessment Methods

Element of Assessment

Weighting

- Coursework (teamwork)

40%

Based on a case study with:

- Classroom presentation 40%

- Written report 60%

- One-3 hour examination

based on an unseen case study 60%

1.8 Unit Co-ordinator : Dr L. Boukersi

London Road Building, Room # 316

Tel: 020 7815 7773,

E-mail: boukerl@sbu.ac.uk

1.9 Parent Course : BA (Hons) Marketing

This unit is offered as an elective on the BAM &

BABS/BA

2.0 Unit Introduction

This unit builds upon the student's level of knowledge and skill in marketing field. It covers specifically the two dimensions of the complex and dynamic subject of channel management; that is, Distribution and Logistics.

Few organisational functions have as significant an impact on marketing of a product as channels of distribution and logistics. It is "Channel Management and Logistics" that is responsible for controlling the entire product flow channel from raw material source to points of final consumption

This unit is aimed at undergraduate students planning to deepen their knowledge in the channels dimension of the marketing mix concept and / or practising marketing professional who are already involved in supply chain management operations.

3.0 Aims

The aim of this unit is to develop a profound understanding that distribution and logistics add values to products and services. Nowadays, these values are essential to customer satisfaction and sales. It seeks to increase the depth of knowledge and skill in order to understand he complexity involved in co-ordinating the mix of activities that characterise the supply chain management. Such a mix includes all the operations involved in Channel Management (distribution configuration, types of intermediaries, channel conflicts etc.) and logistic management (ordering, moving, handling and storing materials, parts, semi-finished and finished inventory from suppliers through the firm to the final customers/end-users). In this unit, the subject of "Channel Management and Logistics" is viewed from a management perspective. Each chapter introduces the concepts and theories in a format that is useful for management decision-making. Fundamental principles and concepts of channel management and logistics are covered in light of how they interrelate with other functions of the firm.

4.0 LEARNING OUTCOMES

On successful completion of this unit, students should be able to:

- 1- Demonstrate a detailed knowledge of the major distribution channels and logistics models and theories in order to evaluate the importance of these to the overall corporate marketing strategy.
- 2- Critically review and discuss emerging issues that represent significant challenges at the same time opportunities for logistics and distribution channels through the use of a wide range of techniques appropriate to the subject.
- 3- Identify and analyse the various distribution and logistical activities involved in the supply chain and develop the right combination/integration of these activities both domestically and globally.
- 4- Develop an analytical and integrative framework, which reflects this importance of distribution channels and logistics to generate and /or add value to overall customer satisfaction.

5.0 KEY AND COGNITIVE SKILLS

This unit will contribute to the development of a wide range of skills such as:

- 1- Constructive and effective communication. During classroom discussions the student is encourage to be both a speaker and a listener, and develop the ability to transmit clear and precise messages through classroom presentations, written reports and final examination.
- 2- Rational problem solving. This is developed by means of case study analysis. This will equip students with the necessary tools to solve problems both rationally and creatively. Tackling case study exercises will help students distinguish between ideal and practical solutions. This, in its turns, stimulates the development of critical analysis and applicability (apply theory to practice) skills.

- 3- Numeracy. In the course of their case study analysis, students will need/use all sort of numerical calculations such cost/profit ratios, percentages, association coefficients and other statistics to support their analysis.
- 4- *Time management*. This will enable students to structure their time by means of diaries and planners; to prioritise their tasks; and to determine what is important and what is urgent. This is reflected in the organisation of team meetings to complete coursework assignments (classroom presentations, written reports), also in the way students budget their time during the final examination.
- 5- Effective teamwork and interactive/group skills. Students can interact with and within group in view to defining outcomes specifying roles, negotiating and solving problems. This can be achieved through seminar activities.

6.0 TEACHING &LEARNING PATTERN

The teaching programme requires the following class contact time per week over a 12-week period:

- One two-hour lecture
- One one-hour-student led seminar.
- Guest speakers are also invited, when possible, to elaborate on topical issues related to the subject matter.

In addition, to enhance their chance of successfully completing the assessment components, students are advised to dedicate at least 5 hours of private studies per week.

WEEKLY TEACHING AND LEARNING PROGRAMME

Week #1 Introduction to Channel Management & Logistics

- Definition of Marketing Channel
- Contributions of Intermediaries
- Channel Management strategies
- Marketing channels Vs Logistics Management
- Logistics defined
- Supply chain management
- Flows in Marketing Channels

Recommended reading

Stern, Louis W. (2006), Marketing Channels, 7th ed. Chapter 1

Vogt. J.J: Oiennar W.J& deWit PWC (2002), Business Logistics Management:

Theory & Practice, Chapter 1

Robenbloom, Bert (2004), Marketing Channels, 7th edition Chapter 1,

Berman, Barry (1996), Marketing Channels, Chapter 1

Ballou, H Ronald (1999), Business Logistics Management, Chapter # 1& 2

Johnson, James C. (1999), Contemporary Logistics Chapter # 1

Christopher, M. (1998), Logistics & Supply Chain Management: Strategies for reducing cost & improving services Chapter # 1

Week # 2 The Marketing Participants

- Classification of Channel Participants
- Types Wholesalers
- Effects of merchant wholesalers on the marketing channel
- Major Trends Facing Wholesaling
- Types of Retailers
- Special Characteristics of Retailing

Recommended reading

Stern, Louis W. (2006), Marketing Channels, 7th ed. Chapter 2, 3, 11, 12 Vogt, J.J; Oiennar W.J& deWit PWC (2002), Business Logistics Management: Theory & Practice, Chapter 3 Bergman, Barry (1996), Marketing Channels, Chapter # 1& 2 Johnson, James C. (1999), Contemporary Logistics Chapter # 2 Rosenbloom, Bert (20004), Marketing Channels, 7th edition Chapter 2

Week #3 Marketing Channels: Strategies & Management

- Channel Relationships
- Motivation of Channel members
- Factors influencing Channel design decisions
- Channel Design, Selection & Power

Recommended reading

Stern, Louis W. (2006), Marketing Channels, 7th ed. Chapter 6, 7, 8 Bergman, Barry (1996), Marketing Channels, Chapter # 11, 13 Rosenbloom, Bert (2004), Marketing Channels, 7th edition Chapter 6, 7, 8

Week # 4 Marketing Mix Issues In Channel Management

- Product issues in channel management
- Pricing issues in channel management
- Promotional issues in channel management
- Marketing research & information systems in channels

Recommended reading

Bergman, Barry (1996), Marketing Channels, Chapter # 7, 8, 9, 10 Rosenbloom, Bert (2004), Marketing Channels, 7th edition Chapter 10, 11, 12

Week # 5 Channel Power, Conflicts & Co-operation

- Channel Power defined
- Bases of Power
- Sources of Manufacturer, Wholesaler & Retailer Power
- Channel Conflicts

- Conflict Management and Resolution
- Channel Co-operation

Recommended reading

Stern, Louis W. (2006), Marketing Channels, 7th ed. Chapter 6& 7 Coughlan, A.T et al (1996), Marketing Channels, 6th ed., Chapter # 8 Bergman, Barry (1996), Marketing Channels, Chapter # 13 Rosenbloom, Bert (2004), Marketing Channels, 7th edition Chapter 4

Week # 6 Customer Service & Order Processing

- Dimensions of Logistics
- Customer Service
- Elements of Customer Service
- Order Cycle Time (OCT)
- Managing the lead time
- Cost Vs. Service

Recommended reading

Ronald H. Ballou (1999), Business Logistics Management, Chapter # 3
Harrison,, A. & Van Hoek, R. (2002), Logistics Management & Strategy, Chapter 5
Johnson, James C. (1999), Contemporary Logistics Chapter # 4
Stern, Louis W. (2001), Marketing Channels, 6th ed. Chapter 4
Christopher, M. (1998), Logistics & Supply Chain Management: Strategies for reducing cost & improving services Chapter # 2

Week # 7 Transportation Decisions

- Importance of transportation
- Dimensions of transportation
- Transportation Modes
- Mode selection, vehicle routing & scheduling
- Shipment & freight consolidation

Recommended reading

Vogt, J.J; Oiennar W.J& deWit PWC (2002), Business Logistics Management: Theory & Practice, Chapter 11
Ronald H. Ballou (1999), Business Logistics Management, Chapter # 6& 7
Johnson, James C. (1999), Contemporary Logistics Chapter # 6 & 7

Week # 8 Inventory Management

- Benefits & Drawbacks of Inventory
- Types of Inventory
- Inventory Objectives and Economic Order Quantity
- Fixed-order interval System (FOIS)
- Just-in-time (JIT) inventory
- Trade-off between transportation & inventory costs

Recommended Reading

Vogt, J.J. Oiennar W.J& deWit PWC (2002), Business Logistics

Management: Theory & Practice, Chapter 6 & 9

Harrison,, A. & Van Hoek, R. (2002), Logistics Management & Strategy, Chapter 6

Ronald H. Ballou (1999), Business Logistics Management, Chapter # 8, 10

Johnson, James C. (1999), Contemporary Logistics Chapter # 9

Schonsleben, P. (2000); Integral Logistics Management: Planning & Control of

comprehensive business processes Chapter # 5

Christopher, M. (1998), Logistics & Supply Chain Management: Strategies for reducing cost & improving services Chapter #7

Week # 9 Location Decisions

- Factors influencing location
- Location Theories
- Model for determining single-location
- Multi-facility location

Recommended Reading

Ronald H. Ballou (1999), Business Logistics Management, Chapter # 13 & 14 Johnson, James C. (1999), Contemporary Logistics Chapter # 8 & 10 Bergman, Barry (1996), Marketing Channels, Chapter # 6

Week # 10 International Logistics

- International Physical Distribution
- International Freight Forwarder
- Modularisation & Postponement
- Logistics Service firms
- Third Party Logistics (3PL)
- International Sourcing

Recommended Reading

Vogt, J.J; Oiennar W.J& deWit PWC (2002), Business Logistics

Management: Theory & Practice, Chapter 13

Harrison,, A. & Van Hoek, R. (2002), Logistics Management & Strategy, Chapter 4

Johnson, James C. (1999), Contemporary Logistics Chapter # 11

Christopher, M. (1998), Logistics & Supply Chain Management: Strategies for reducing cost & improving services Chapter # 5

Bergman, Barry (1996), Marketing Channels, Chapter # 14

Dornier, P. Pierre et al (1998), Global operations & Logistics, Chapter # 4, 6, 7

Week # 11 Electronic Marketing Channels (EMC) & Electronic Data Interchange (EDI)

- Electronic Marketing Channels defined
- Disintermediation versus reintermediation
- Information Flow Versus the Product Flow
- Intermediaries Development & Trends in E.M.Cs

- Electronic Data Interchange (EDI)
- Benefits and problems of EDI

Recommended Reading

Vogt, J.J; Oiennar W.J& deWit PWC (2002), Business Logistics

Management: Theory & Practice, Chapter 15

Harrison,, A. & Van Hoek, R. (2002), Logistics Management & Strategy, Chapter 10

Rosenbloom, Bert (1999), Marketing Channels, 6th edition Chapter 15

Johnson, James C. (1999), Contemporary Logistics Chapter # 15

Stern, Louis W. (2001), Marketing Channels, 6th ed. Chapter 9

Dornier, P. Pierre et al (1998), Global operations & Logistics, Chapter # 10

7.0 ASSESSMENT METHOD

The overall assessment is based on 2 components:

Component #1 Coursework (case study)

40%

- Classroom presentation

40%

- Written report

60%

Component # 2

Final Examination

60%

The overall pass mark for this unit is 40% with the minimum pass mark of 30% in any one component.

7.1 Component # 1: Coursework

(1) Group case study

Seminar activities are student-led and case study-orientated. Each seminar group will be divided in to five teams of 2/3 members each, depending on group size.

Over the semester, each team will be allocated a case study, which has to be tackled, first, by means of classroom presentation and, second, by submitting a written report.

To complete its coursework assignment, each team has to undertake two tasks one of which is carried out in the classroom – or classroom preparation- another is performed on a private basis.

a) Classroom Preparation:

To allow all students to be familiar with the case content, these are first divided into as many small groups as there are students in the team to whom the case is allocated as coursework assignment. Second, student will be given enough time to read through the case and then each of these small groups will focus on and discuss one question of the case. The purpose is to assist their fellow students, who are due to present the case in the following week, through a brainstorming process. Such a process is intended to create the groundwork on which the team, making the final

presentation, to build on in their subsequent meetings out of the classroom. During the classroom preparation session, seminar leaders should ensure that discussions are undertaken in earnest within each small group. Their role is also to coordinate and provide guidance to make sure that all discussions follow the right direction.

b) Private preparation

To build on the classroom preparation, each team should continue the case study preparation on a private basis. This may take the following procedure:

- (1) All team members should meet to decide on how to schedule their meetings.
- (2) Each team member should individually:
 - a- Read through the case several time, if necessary, and highlight salient Issues:
 - b- Conduct a detail SWOT analysis of the case at hand;
 - c- Identify alternative actions to adjust to threats and weaknesses and capitalise on strengths and opportunities
 - d- Evaluate each alternative by listing the pros and the cons
 - e- Recommend the best possible action plan(s).
- (3) Based on the schedule specified in Item (1), all team members should meet to discuss the case in details. Together, they should formulate and evaluate all possible solutions, prepare the presentation, identify visual aids to be used, and decide on the format of delivery. Each member should be well prepared to tackle questions to be addressed by their peers in the classroom.
- (4) After the class presentation, the team should reflect on what have been learned through the presentation-discussion session and think on how to improve the written report.

To make seminar activities worthwhile and interactive, students are encouraged to vigorously express their views, opinions and objections through constructive participation. Hence, those students, who are not presenting, are strongly advised to further prepare the case study in order to be able to challenge the presenters. Seminar leaders are expected to provide guidance and co-ordination and ensure that the whole exercise is carried out in a professional and appropriate way

For the case study assessment, members of each team will be awarded the same mark provided that team members contribute equally to completing the assignment. If a student is reported for not making proper contribution, s/he would be assessed separately on different assignment (see appendix # 1 for assessment criteria)

7.2 FINAL EXAMINATION

At the end of the semester, student will take a three-hour examination, which consists of 2 sections. **Section # 1** is based on 3 discussion questions from which students have to choose only one and Section # 2 is based on an unseen case study with two compulsory questions.

8.0 READING LIST

Core Reading:

- Stern, Louis W. (2006), Marketing Channels, 7th ed. Prentice Hall
- Friedman, L. G. & Furey R. T. (2005), The Channel Advantage, Butterworth-Heinemeann
- Rosenbloom, Bert (2004), *Marketing Channels: A Management View*, 7th edition The Dresden Press.
- Harrison,, A. & Van Hoek, R. (2002), Logistics Management & Strategy, Prentice Hall
- Vogt, J.J; Oiennar W.J& deWit PWC (2002), <u>Business Logistics Management:</u> Theory & Practice, Oxford University Press
- Bergman, Barry (1996), Marketing Channels, John Wiley & Sons Inc.
- Ronald H. Ballou (1999), Business Logistics Management, 4th Ed. Printice-hall International
- Jonhson, James C. (1999), *Contemporary Logistics*, Prentice Hall

Background Reading:

- Christopher, M. & Peck H. (2003), <u>Marketing Logistics</u>, 2nd edition Elsevier Butterworth-Heinemann
- Schonsleben, P. (2000); <u>Integral Logistics Management</u>: Planning & Control of comprehensive business processes; St. Lucie Press
- Dornier, Philippe-Pierre et al (1998); Global Operations & Logistics, JohnWil & Sons
- Wood, D.F. et al (1995), International Logistics, Chapman & Hall
- Ackerman, K.B. (1997), Practical Handbook of Warehousing, 4th Edition, Chapman & Hall.
- Christopher, M. (1998), <u>Logistics & Supply Chain Management</u>: Strategies for reducing cost & improving services, Chapman

Optional Reading:

- Gattorna, J. (1994), *Handbook of Logistics & Distribution Management*, 4th Edition, Gower, 1994
- Attwood, P & Attwood, N. (1992) Logistics of a Distribution System, Gower
- Corby, ILT (1998); Trends and Strategies in European Logistics

Journals

- International Journal of Physical Distribution & Logistics Management (former title: International Journal of Physical Distribution and Materials Management) -Via Emerald or Ingenta
- Journal of Business Logistics Via ABI Inform
- Transportation Journal Via the SBU Full Monty
- Supply Chain Management
- Logistics and Transportation Focus
- Distribution, the Magazine of Logistics Management

Web sites

www.dmg.co.uk/distribution/ www.ascet.com www.manufacturing.net/magaz www.i2fans www.logistics.about.com/industry/logistics

APPENDIX # 1: Seminar Organisation Form

Lectures	Seminar	Seminar Activities	Presentation	Reports	
	Teams		Dates	Submission Date	Marks
1		No seminar in the first week			
2	Tutor	Seminar Organisation	06/02/07		
3		Case Study # 1 Sweet Harmony	13/02/07	Classroom Preparation	
4	Team # 4	Case Study # 1 Presentation	20/02/07	27/02/07	
5		Case study # 2 French Hypermarket	27/02/07	Classroom Preparation	
6	Team # 5	Case study # 2 Presentation	06/03/07	13/03/07	
		Case study #3 Sudsy Soap, Inc.	13/03/07	Classroom Preparation	
7	Team # 3	Case study #3 Presentation	20/03/07	27/03/07	
8		Case study # 4 Coleman Co.	27/03/07	Classroom Preparation	
	Easter	Break	Easter	Break	
9	Team # 2	Case study # 4 Presentation	24/04/07	01/05/07	
10		Case Study # 5 FedEx	01/05/07	Classroom Preparation	
11 Revision	Team # 1	Case Study # 5 Presentation	08/05/07	17/06/07	
12 Revision		REVISION			

Appendix # 2: ACADEMIC PROTOCOL

Framework structures for the assignments will be discussed and guidance given about referencing requirements. The University also publishes a 'Study Skills Guide' offering advice in this area and is particularly helpful to those returning to formal study after a break. Copies will be made available.

Please note that one copy of each assignment needs to be submitted. All written work must be your own original effort with all sources clearly attributed and referenced. All assignments must be word-processed and spell checked.

Deadlines for the production of assessed work must be adhered to. Only in the most urgent and unforeseen circumstances will we consider granting an extension, and in such a case documentary evidence will be required to support your case. [Please note that pressure of work or software failure is not normally acceptable justifications.]

Our commitment in return is to provide sufficient feedback on assignments to enable you to improve where desirable and build on strengths, within two teaching weeks from the date of hand-in.

Course Feedback

Feedback will be given on both the in-course assignments both formal and informal. Students will be given a copy of the completed marking schemes. Additionally, students will be given the opportunity to obtain verbal feedback from the Unit Co-ordinators.

Coursework Guidelines

Please bear in mind the following points:

- Discuss any problems you may have in completing coursework with the Unit Co-ordinator as soon as possible
- Make sure you know when the deadline for submission is
- Get the agreement of the Unit Co-ordinator if an extension of the hand-in date is required
- Hand in the coursework (with an appropriate and completed 'submission form') to the Faculty Office (Roo n #105) on the ground floor of the London Road Building by the submission date. Copies of all forms are available from the Faculty Office.

Unless you have obtained the agreement of the Unit Co-ordinator to the late submission of your assignment, coursework submitted:

- ullet Up to two weeks after the deadline date would receive a maximum pass mark of 40%
- More than two weeks after the deadline date and it would automatically fail

Appendix # 3: Coursework/Case study Assessment Criteria:

Coursework Assessment criteria	Total Mark (%)	Actual Mark (%)	Comments
Oral Presentation: - Team work organisation & coherence (coordination, flow & structure)	05		
- Clarity in delivery (Pace, eye-contact &voice)	05		
- Timing & quality of visual aids/Graphics	05		
- Analytical competence and conviction in tackling questions	15		
- Awareness of theoretical concepts	10		
Total	40 %		
Written Reports: - Presentation of Answers (logical reasoning and structuring of answers)	10		
- General quality and depth of analysis in solving questions (analytical competence & strength of arguments)	25		
- Use of relevant theory to support analysis	10		
- Appropriateness of recommendations	15		
- Writing skills (style, lucid writing, attention to details, correct spelling and grammar)	10		
Total	60 %		
OVERALL TOTAL	100 %		

APPENDIX # 4 Seminar Teams

TEAM # 2	TEAM # 3
_	_
-	-
-	-
TEAM # 5	TEAM # 6
Comin	
- Sonia	
-	-
_	_
	-

Appendix # 5 Case Studies (see separate pack)

Case Study #: 1 Sweet Harmony in Distribution Channel

Case Study #: 2 French Hypermarkets and their Smaller Suppliers.

Case Study #: 3 Sudsy Soap, Inc.

Case Study #: 4 Coleman Company: Implementing JIT inventory

Case Study #: 5 Fedex: 40 years of Growth, Innovation and Global Expansion