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MODERN PROBLEMS OF VERSIONS OF STRUCTURE OF GOODS DISTRIBUTION CHANNELS

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Abstract

The article highlights the changes in the structure of distribution channels in the context of global changes, the problems in the options for the structure of distribution channels. The author has theoretically implemented the classification signs and classification of goods distribution channels.

Keywords

direct channel, indirect channel, mixed channel, traditional channel, vertical channel, horizontal channel, combined (joint) channel, intensive distribution channel, selective distribution channel, exclusive distribution channel.

INTRODUCTION. At the next moment, in order to overcome the competition, increase the volume of sales of goods, wide coverage of the market, strengthening the position in the market, integration in the distribution system of goods, establishment of effective mutual relations within the distribution systems and their cooperation are taking place. As a result, there are changes in the structural structure of product distribution channels, and new variants of product distribution channels are being formed. Regardless of the options for the structure of distribution channels, they must solve the following problems:

- identifying specific partners who can have a positive effect on moving the goods to the final consumer;
- formation of an optimal system that ensures delivery of goods to the right place and at the right time:
- establishment of trade networks that can ensure the required amount of goods circulation and manage the required amount of goods stock;
 - establishing, maintaining and improving communication with existing and potential consumers;
 - organizing the process of goods movement, transportation and storage;
 - optimization of the process of goods movement and costs related to it.

In general, the number of intermediaries in the "producer-consumer" chain and their functions vary from product to product, region to region, and country to country. Most channel participants only buy and resell goods, while others try to focus more on marketing activities. The experience of European countries testifies to certain trends in the general development and improvement of the distribution channel, including its individual elements. In a nutshell, their meaning is as follows:

The number of intermediate links in the distribution channels is decreasing due to the use of transportation systems for the delivery of goods and the improvement of information transmission, as well as due to the decrease in the role of wholesale trade instead of the increase in the position of producers of goods, who in many cases prove the possibility of performing the functions of a wholesaler (also, the initiators of these routes are retailers possible);

increased control over the formation of price policy in distribution channels, large companies trying

to create their own distribution systems against the aggressive policy of retail trade;

significant changes are taking place in the use of free and working time by the population, which, in turn, will lead to the use of rational and efficient methods of distribution channel sales technology, self-service, microprocessors (especially their programming capabilities), saving consumers' free time, and at the same time convenience and service leading to a re-evaluation of aspects such as the development of supermarkets and shop clubs that enable service delivery.

Based on the above considerations, it can be said that the options for the structure of product distribution channels should be formed taking into account the interests and goals, the priority directions of the enterprise's development.

THE MAIN PART. Theoretical and practical problems related to structural options of distribution channels remain relevant today. The theoretical problems of the options for the structure of product distribution channels are mainly due to the fact that the classification of specific product distribution channels is not presented in the scientific literature. During the proper economic development, the options for the structure of distribution channels are developing, updating and improving. Also, depending on the national characteristics, level of development, regulatory and legal frameworks of each country, there are various differences in the structural options of the distribution channels.

Today, the systematic classification of product distribution channels on the basis of certain characteristics is not fully presented in any literature. This causes similarities, confusion, and ultimately problems between the options of the distribution channels. Therefore, we connected the modern problems of the structural options of the distribution channels with their classification and developed a classification of the structural options of the distribution channels based on local characteristics.

As a result of the analysis of foreign and domestic economic literature, we proposed to classify the options for the structure of distribution channels according to the following 7 signs.

Table 1 Classification of options for the structure of distribution channels

1.c	Classification of options for the structure of distribution channels				
No	Classification symbols	Classification			
1.	According to the form of communication	direct channel;			
	with the final consumer	indirect channel;			
		mixed channel.			
2.	According to the number of intermediate	 channel with a non-tiny step; 			
	link participants	single-stage channel;			
		two-stage channel;			
		three-stage channel;			
		 multistage channel. 			
3.	According to their activities in networks	 consumer goods distribution 			
	and sectors	channels;			
		– industrial goods distribution			
		channels;			
		 service distribution channels; 			
		 distribution channels of agricultural 			
		products;			
		 distribution channels of construction 			
		goods;			
		- distribution channels of strategic			
		(highly liquid) goods;			
		- raw materials and supplies, i.e.			
		supply channels.			
4.	According to the organizational form	traditional channel;			
		vertical channel;			
		horizontal channel;			

		combined (joint) channel.
5.	According to the freedom of his activity	independent channel;channel dependent on the
		manufacturer; – semi-subordinate, cooperative channel.
6.	According to the scope of activity	regional channel;state-level channel;
		interstate channel.
7.	According to the speed of distribution of	
	goods	selective distribution channel;exclusive distribution channel.

Source: author's development based on analysis of economic literature.

According to the form of delivery of goods to the final consumer, there are three types of distribution channels: direct, indirect and mixed channels.

Direct channel - formed as a result of the implementation of consumer distribution activities by the producer. This product distribution channel does not involve intermediaries, all activities related to product distribution are carried out by the manufacturer. Direct channel is also called direct marketing or direct marketing in some scientific literature. Proper marketing is convenient and profitable for both producers and buyers of goods. For example, a customer can purchase goods from the comfort of his home using interactive sales services or by browsing mail order catalogs. On the other hand, the manufacturer can select one consumer or a specific group of them using modern technologies (new multimedia computer databases, modems, faxes, e-mail, etc.) and direct offers of private communication tools according to their wishes.

The effectiveness of proper marketing depends to a large extent on the completeness of the database. It consists of arrays of detailed information about individual buyers in terms of geographic, demographic, economic, psychographic criteria, as well as characteristics of consumer behavior. Such databases provide a basis for establishing relationships with buyers and concluding transactions.

Direct marketing can take the form of personal sales, direct mail, catalog sales, telephone marketing, telemarketing, and interactive purchasing.

To carry out personal sales, companies can use employees of sales departments, sales agents, specialists in individual sales, salesmen.

Direct mailing includes mailing letters, promotional materials, product samples, brochures, and similar materials to the addresses of potential customers. Forms of delivery include facsimile (sending documents over the telephone), electronic (sending data or files directly from one computer to another), and voicemail (receiving and storing voice messages sent to a telephone number).

Catalog merchandising is a form of proper marketing, which is carried out by using catalogs of goods that are sent to customers or sold directly in the store. Telemarketing uses telephone capabilities as a means of selling products directly to customers. In addition to clarifying sales proposals, telemarketing can be successfully used to create a database, conduct surveys, marketing research and evaluate their results. The advantages of telemarketing are obvious: the convenience of the purchase process, the high quality of information about goods and services.

Instant response television marketing is two-pronged. In the first case, it is about placing an advertisement (video clip). With its help, it provides information about the features of the product along with showing the toll-free phone number (you can order the product by calling). In the second case, telestores are used, which work in the order of TV programs and carry out the process of selling goods and services during the operation of the channel.

Interactive marketing is the fastest growing form of direct marketing. It is carried out with the help of modern computer services that provide information services in a fast manner. For this, systems are used that allow establishing two-way electronic communications between the seller and the buyer (commercial instant information services and the Internet).

Many companies use the services of their own sales staff to sell goods, and many companies hire

sales staff from other companies for this. But at the center is always a sales agent - a person who works for a company and performs one or more of the following activities: search and retrieval, information distribution, service, information gathering.

Sales agents have good qualifications, education and personal qualities, they are very attentive to consumers, they treat their requirements with respect and interest, they show maximum interest in solving the problems that arise in consumers and satisfying their needs in a timely manner.

Usually, companies set tasks for sales agents with clearly defined scope of their responsibilities. In most cases, the functions of sales agents are limited to:

distribution of information about the company's goods and services;

searching for and attracting new customers;

implementation of sales and conclusion of transactions;

customer service;

conducting marketing research and compiling reports.

An indirect channel is an activity carried out with the participation of intermediaries in the delivery of goods from the producer to the consumer. Indirect channel activity is related to the service of intermediaries. Intermediaries are independent trade organizations, enterprises and individuals who resell goods to meet market needs and make a profit. They are wholesalers and retailers, brokers, sales agents, commission agents, travel agents, etc. The inexpediency of the involvement of intermediaries mainly consists of opportunities to quickly perceive changes in the market situation, shortening of the terms of delivery of goods, and the development of services.

There are several forms of direct and indirect channels. The forms of the indirect channel differ by the number and type of intermediaries involved, while the forms of the direct channel differ by the ways and means of presenting the goods to the consumer. Forms of direct and indirect distribution channels were studied and classified based on the analysis of economic literature. Table 2 shows the forms of direct and indirect distribution channels based on the classification symbols developed by the author.

Table 2
Forms of direct and indirect distribution channels

Channel types	Classification marks	Classification
Direct channel	According to the sale of goods	personal selling;
	in the enterprise itself	sale by mail;
		sales by phone;
		online sales.
	According to sales outside the	 sale of goods according to catalog;
	enterprise	 selling goods through sales staff;
		 sale of goods through company
		stores;
		 using the services of sales agents.
Indirect	According to the duration	short channel;
channel		long channel.
	According to the type of	wholesalers;
	intermediaries	retailers;
		brokers;
		sales agents;
		commissioners;
		traveling salesmen;
		distributors;
		dealers.

Source. Author development.

CONCLUSION. Product distribution channels are characterized by the number of their length and width. Intermediate links of goods movement (trade intermediaries) appear as steps. In turn, the sum of the

intermediate links forms the length (continuity) of the distribution channel. In this case, the producer of the goods is the initial link of the channel, and consumers are the final link of the channel.

The number and form of intermediaries participating in the distribution channel depends on the type of goods in the network and special methods of marketing. For example, an event that is appropriate for a food company may not be appropriate for, say, an insurance company or a fertilizer company. For this reason, the distribution channels of consumer goods, industrial goods and services differ from each other.

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