Chapter 6. Distribution

6.1 INTRODUCTION

It is safe to say that all firms have been affected by the advent of this new distribution channel, no matter the industry or competitive circumstances. Some direct marketing firms have naturally evolved from using mail orders or telephone sales using the Internet. Hotel Crystal Palace in Meerut originally focused on generating revenue via counter or mail orders and now dominates the Internet market space, via registering at Indiamart.com (www.indiamart.com/hotelcrystalpalace/), for rooms & suite of the business & executive. Currently around 5% of Crystal Palace’s business is conducted over the Internet. Similarly, future group’s company Pantaloons was a traditional direct marketer that joined the Internet revolution at futuregroup.com. It now sells more clothing online than any other company, generating approximately 6% of its total business on the Web.

The Internet has also affected traditional firms that have only reluctantly developed an online presence. The strategies of offline retailers such as Pantaloons have been defensive. Their huge investment in traditional business models and their offline success have made them reluctant to embrace the Internet.

The Internet has also driven the creation of new business models. Firms such as baazee.com originated on the Internet and compete strongly within their respective categories. These new competitors often have created or redefined entire industries. Many pure play competitors have sprung up because it is far less costly to achieve national or even international coverage on the Internet than with traditional distribution systems. The internet is now populated with thousands of small business that never would have survived in the offline world. Further, the Internet has reduced marketing costs related to customer identification, access, and interaction. The Internet enables a firm
to automatically capture information about users who arrive at its site, and to encourage the user to interact further with the site.

Overall, the Internet is a direct substitute for the distribution system of both online and offline firms. Many types of financial services, for example, are information and communication based. Making a payment, transferring money to another account, or checking a balance can all be done over the Internet. Online banks such as www.icicibank.com offer a full range of banking services and compete head to head with traditional banks. Similarly, buying an airline ticket or booking hotel rooms are transactions that can be handled online. The Internet also can substitute for physical distribution systems in, for example, computer-software firms, library systems, or health care companies.

The purpose of this chapter is to examine the role of distribution in Internet marketing. For the purpose the discussion on the individualization and interactivity (the 2Is) have revolutionized distribution channel or not, the objective of channel intermediaries, the distribution levers, designing distribution channels and their compatibility with the four key stages of customer relationship have been conducted.

6.2 THE 2IS REVOLUTIONIZED DISTRIBUTION CHANNELS

The 2Is (Individualization and Interactivity) have had a monumental effect on distribution channels. At a very basic level, the Internet is a substitute for other forms of communication between channel intermediaries. Instead of visiting, phoning, or sending a letter to customers or suppliers, firms can now contact them via e-mail. The Internet is much more than a new communication channel. The interactivity and individualization of the Internet have changed distribution relationships in a variety of ways. Consider the following points:
The Internet Has Thoroughly Changed Buyer-Seller Relationships

The Internet facilitates real time communication between channel members. As a result, companies can create much closer links with both their suppliers and their customers. The links formed by the Internet have resulted in complex, dynamic, and real-time relationship that lower inventory costs and improve market responsiveness. The Internet enables firms to individualize multiple customer and supplier relationships on a real-time basis. Interactions can be tailored to interests of customers and suppliers, rather than forcing the firm to interpret their desires and then design systems to serve them.

The Internet Has Changed The Customer Shopping Experience

Customers have complete control over the nature, timing, and depth of interactions. Customer access and service are no 24/7. Customers can log off or terminate a transaction at any time without breaking any of the social norms that govern polite interactions. (As a comparison, imagine deciding not to purchase an item after bringing it to a checkout counter and giving the sales clerk a credit card.) The Internet enhances the shopping experience by making it easier to find product information, make comparisons, and order products. Further, customers do not have to travel to one or more stores, consider the various alternatives, find a salesperson, and stand in line to checkout, and so on. The Internet increases customer convenience and reduces the time spent on shopping. One of the most important issues facing Internet firms is the integration of all the activities involved in servicing customers across multiple distribution channels.

The Internet Has Increased The Power Of Consumers

Searching for information is less expensive, in terms of both time and money, on the Internet. A basic search engine can give customers immediate access to third-party websites, chat rooms, and electronic bulletin boards that
provide independent product ratings. Consumers can not only easily compare prices and secure product information, but they can also locate objective information sources. Increased access to this information creates more knowledgeable and capable consumers and helps insulate them for market pressures. Moreover, consumers avoid face to face sales pressure. Shopping at home or at the office rather than in a store might enable some consumers to avoid the impulse to buy.

Overall, the challenge to both traditional and pure play firms is to recognize and adapt to the effects of the 2Is on distribution systems. Buyer-seller relationships have been irrevocably changed, the shopping experience has been transformed, and customers have more power than ever before. Online marketing success requires firms to understand and take advantage of the Internet as a channel of distribution. The effects of the 2Is on distribution channels are summarized in diagram 6.1

**Diagram 6.1**

**The 2Is and Distribution**

- **Individualization**
  - Match distribution channel with segment needs on a real time basis.
  - Customer service is tailored across channels.

- **Interactivity**
  - Tight linkages between firm-supplier and firm-buyer facilitate a collaborative relationship that results in benefits related to logistics, inventory planning and market responsiveness.
6.3 **THE OBJECTIVES OF CHANNEL INTERMEDIARIES**

There are essentially two objectives of channel intermediaries: efficiency and effectiveness. In order to illustrate these concepts, consider three manufacturers, each serving three customers directly. Assume that each customer requires one interaction, for a total of nine interactions. By adding an intermediary (i.e. a retailer), each manufacturer now has a single point of contact for all three customers. If this does not seem dramatic enough, think about a B2C Internet firm with a choice between interacting with a single electronic exchange or with 1 million online customers per month.

In terms of efficiency, the addition of the channel intermediary reduces the number of interactions that the manufacturer must undertake, although it is important to note that the total number of interactions has actually increased. In this example, distribution costs are reduced only if the retailers can perform the required functions more efficiently than the manufacturers could in the direct channel. In any distribution systems with more than two manufacturers serving two customers, the addition of a single intermediary reduces the number of transactions and therefore has the potential to reduce total distribution costs as shown in diagram 6.2.
The intermediary plays an even more important role in terms of channel effectiveness-defined as the ability of the channel to perform functions that create value for customers. For example, a retailer might provide a personal sales staff that disseminates product knowledge to the customer, increases the convenience of purchasing the product by geographic proximity, offers complementary product lines (e.g., laptops and software), and offers easy returns, credit, and delivery service. A summary of distribution channel function is provided in table 6.1.
One or more of these functions are carried out by each channel member—manufacturers, wholesalers, retailers, etc.—within a channel system. Often a channel member will specialize in a particular function. For example, retailers in many traditional channels are completely responsible for personal selling and customer service. The retailer attracts the consumer to the store, provides relevant product and brand information, keeps track of the consumer’s purchase behavior, and provides technical support. In these cases, the manufacturer never has a direct interaction or relationship with the customer.

In other situations the same functions are carried out by multiple channel members. For example, both the manufacturer and the retailer hold inventory. Although this increases costs, it also provides for faster and more

<table>
<thead>
<tr>
<th>Market Information</th>
<th>Monitoring sales trends, inventory levels, competitive behavior</th>
</tr>
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<tbody>
<tr>
<td>Promotional Efforts</td>
<td>Banner ads, sales promotions, traditional advertising support, personal selling</td>
</tr>
<tr>
<td>Transactional Activities</td>
<td>Bargaining on price and terms, order processing, credit, inventory and assortments</td>
</tr>
<tr>
<td>Storage and Transportation</td>
<td>Warehousing, Transportation to buyer, Sorting and packaging into desired forms.</td>
</tr>
<tr>
<td>Facilitation Activities</td>
<td>Credit card processing, invoicing, shipping confirmations</td>
</tr>
<tr>
<td>Installation and Service</td>
<td>Technical support, customer service lines, warranty work, repair, spare parts, etc.</td>
</tr>
</tbody>
</table>
reliable delivery in some circumstances. Thus, the higher costs are offset by higher quality customer service. Similarly, the manufacturer is likely to share with retailers the responsibility for marketing its brand. The manufacturer has the knowledge, skills and resources to market nationally; the retailer has a better understanding of regional marketing. The sharing of marketing expenditures and functions helps to increase channel effectiveness.

6.4 DESIGNING CHANNEL SYSTEMS: THE DISTRIBUTION LEVERS

Firms have several key distribution levers available to them to serve customers and build buyer-seller relationship. According to Mr. Biyani the primary distribution levers are intermediary type, number of intermediaries, the number of channels, the degree of channel integration, and the functions and responsibilities of intermediaries.

Intermediary Type

The selection of intermediary type is important because different channel members carry out different combinations of functions that affect the value configuration provided to customers. Internet firms have a variety of choices for channel intermediaries. Some of the key options are explained below.

Direct

Firms can go direct via the Internet or perhaps via telephone or mail. Some firms such as homeshop18 use both the Internet and mail to solicit orders and interact with customers. One recent trend in online direct channels is the use of “behind the scenes” firms such as indiahotelreview.com. In exchange for a share of the profits, this firm handle sell side issues, such as inventory display systems, order processing, payment collection.

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90. Mr. Kishore Biyani, Chairman future group (futurebazaar.com)
indiahotelreview.com is one of the major firms in this category, has developed an electronic catalog of almost all hotels through partnerships with them.

Traditional Retailers

A retailer is a business whose sales volume comes primarily from sales to final consumers. Traditional retailers such as Big Bazaar, vishal Mega mart and spencer provide advantages such as physical proximity to customers, live customer service, credit handling, and the traditional shopping experience.

Virtual Shopping Malls

Sites such indiamart.com provides additional internet exposure for many online firms. Virtual shopping malls provide much the same appeal online as they do in traditional retailing a shopping destination. This is especially important for brands with low awareness or brands in product categories where customers want to comparison shop. One growing form of virtual shopping malls is the charity mall. Sites such as www.flipkart.com (unit of WS Retail Services Pvt. Ltd., Bangalore, India.) donate a percentage of purchases from mall merchants to charitable causes.

Internet Exchange

Internet exchanges are the equivalent of virtual shopping malls in the business to business area. For example, indiamart.com, the site provides information about several products and technologies, the ability to contact vendors who sell the products, and the capability to buy.

Firms can use several types of intermediaries simultaneously. For example, Indian railway is a prime example of this strategy. Indian railway sells tickets direct via indianrail.gov.in, indirect via online retailers such as makemytrip.com, raahi.com, direct via ticket counters at railway stations, indirect via offline retailers in the major areas of the metropolitan cities.
**Number of Intermediaries**

A second strategic decision is the amount of intermediaries the firm desires at each level of the channel. The three basic choices are exclusive, selective, or intensive distribution.

**Exclusive Distribution**

With this strategy the firm uses a very limited number of intermediaries. Firms such as Maruti Suzuki and Tata Motors use exclusive distribution strategies because they want to retain direct control over the marketing of their products and limit the extent to which their retailers compete directly with one another. By reducing competition, the manufacturer increases the likelihood that the retailer will invest time and energy in the brand through salesperson training, advertising and promotion, and inventory. Retailers are willing to invest only to the extent that they are able to capture higher profits. Exclusive distribution arrangements are often characterized by large investments by the manufacturer in order to support the brand and pull customers their stores.

**Intensive Distribution**

This is the opposite of exclusive distribution in that the firm places the product in as many outlets as possible. Intensive distribution is appropriate for low involvement products that consumers select on the basis of convenience or impulse. Consumers are typically unwilling to delay buying products such as toiletries, tissue, newspaper and magazines if a particular brand is unavailable at the location where they are shopping. Therefore, brands in these categories are placed in as many distribution outlets as possible.

**Selective distribution**
This is a middle of the road strategy in which the firm seeks a balance between making the product as widely available as possible and controlling availability. A selective distribution provides some protection for retailers against competitive pressures and encourages them to support the firm’s brand. At the same time, it ensures that the product is readily available at a price that is subject to competition.

In the offline world, the decision about the number of intermediaries is often driven by cost considerations. The costs of intensive distribution can be higher because of the number of outlets that must be served. A manufacturer that uses his own sales force with an intensive distribution system will have to hire a large number of sales representatives, provide advertising and promotional support, and develop sophisticated informational and physical distribution systems. On the other hand, manufacturers can avoid many of these costs by using an additional intermediary such as a distributor or wholesales that can carry out these functions more efficiently.

In the online world, nearly all distribution is extensive because of the massive reach of the Internet. Even the smallest manufacturer can advertise and sell world-wide and deliver its products via the same well known courier service that major of online firms use. However, online retailers do have some control over the number of Internet locations where their products are sold, as defined by their participation in alliances or affiliate programs. Issues of marketing control, customer access, and competition are just as important online as offline.

Number of Channels

Internet firms can distribute their products through channel types ranging from a single Internet-direct channel to a mixed-mode strategy that includes several Internet and traditional channels. Mixed-mode channels have strong advantages and disadvantages. On the plus side, mixed-mode
channels increase market coverage and allow the firm to gain access to customers or market segments that would not normally be served. For example, the office supply company staples markets through its traditional retail channel, a direct response Internet site, and virtual malls such as those found on **yahoo**. A second positive trait of multiple channels is that each segment can be served in the way that best suits its needs. For example, customers who value immediate delivery can go to a bricks and mortar store to buy a new printer. Customers who value the convenience of ordering online and do not need the product right away can shop on a website. Consider the following examples of multiple channels, and how customers are served differently in online and offline channels:

Many pundits predicted the demise of retail car sales after Internet auto sellers such as **carsalesindia.com, carwale.com, and autoindia.com**, came along. However, despite billions of dollars invested in various online sales approaches, car dealers are in a very competitive position because of the functions they perform. Selling cars is a very complex business that includes financing and insurance, warranties, parts and service, and user car sales. Many shoppers want personal interaction, someone who takes them through the buying process and ensures they are not getting ripped off. The Internet, on the other hand, is highly successful as a way for consumer to comparison shop and as a selling mechanism for dealers who develop their own websites. In many ways, the two channels have evolved to be complementary rather than direct competitors.

Many B2B exchanges sprang up at **indiamart.com**, but the valuation of these exchanges have fallen dramatically, however, because purchasing managers in many industries are in interested in taking several bids from suppliers who are each trying to get business on the basis of price. Many firms would rather develop deeper relationship with a few suppliers who
provide a good price, but also quality, response time, services, etc. Internet access is only one part of the purchase decision.

In both of these examples, traditional channels continue to dominate within one or more market segments. The ability of the channel to serve target customers better than alternative channels can is the most important reason for implementing a mixed channel strategy.

On the negative side, mixed channels provide significant management challenges. For example, the difficulties associated with managing both online and offline channel partners are greater. Differences between online and offline firms will increase the complexity of payment systems, marketing support, policies related to competitive products, training systems, and so forth. A second challenge of mixed channels is the competition that results from different types of retailers carrying the same brands and product lines. Channel intermediaries are independent businesses that have their own goals and objectives, and so conflict is almost inevitable as online and offline firms compete within the same product category for the same brand.

Degree of Channel Integration

A final distribution lever is the degree of channel integration within mixed-mode channel strategies. Even when a firm has contractual or ownership control across multiple channels (e.g., an Internet retailer that also has a traditional store), it is very important to properly manage channel integration. When customers interact with an online firm through more than one channel, the degree of integration can become a competitive advantage. For example, customers are likely to value integration because of some benefits such as, the ability to order a product online and pick it up at a convenient retail location, having order history integrated across online and offline transactions, having online customer preferences updated based on offline transactions, receiving discounts on the basis of total purchases rather than just online or offline purchases.
Clearly, firms that can treat their customers in an integrated fashion reduce interactions that are unnecessary and potentially damaging to customer relationships. Customers who are penalized for shopping via more than one channel are unlikely to repeat the experience.

Intermediary Functions and Responsibilities

A final major issue in channel design is determining the functions and responsibilities of the selected channel members. These aspects of the distribution strategy are critical because they identify the persons and their job of the channel relationship. For example, there are some important considerations when developing a relationship with an affiliate program such as, commission (it’s base, rate etc.), promotional support (it’s nature, level and combination of offline and online proportion), Inventory (level and type of inventory), training (level of training and customer service), reporting system (system of sales to be tracked and reported), and coverage (area of the intermediaries or type of their customers).

6.5 **DESIGNING DISTRIBUTION CHANNELS**

It is critical to remember that distribution channels are one component of the firm’s entire marketing strategy. As a consequence, basic decisions about target marketing and positioning need to be made before designing the distribution channel strategy. The process a firm might use to develop a distribution channel or redesign an existing system because of changes in customer needs or the competitive environment is shown in diagram 6.3.
1. **Identify & Evaluate Consumer Preferences by segments:**

   The starting point for the design of any channel system is the consumer. Channel systems are designed to facilitate the flow of products and services to one or more customer segments. The first thing to look into is the combination of functions consumers want. Although the Internet enables marketers to provide highly personalized service configurations (i.e. a unique product for a segment of one), the essential process is the same for offline and online channel design.

2. **ICICI Bank Designed a customer based channel system:**

   This stage asks the firm to design a channel system based entirely on the needs and wants of targeted customer segments. The goal is to develop the optimum combination of services to appeal to each segment, regardless of
any company or competitive constraints. This step helps the firm to think outside the box to try to meet or exceed customer expectations. Without this step, the firm might overlook important opportunities or competitive threats related to meeting customer needs through its distribution strategy.

The marketing research used in the first step helps the firm design distribution strategies that best meet the needs of each customer segment. For example, transactional customers are more likely to use the internet than relationship customers. Therefore, aspects of this channel can be designed for the price sensitive, self directed transactional customers. Indeed, ICICI Bank serves the majority of customers by designing its homepage with the transactional customers in mind. The important characteristics of the www.icicibank.com include:

- Real time stock and interest rate information, and links to third party content provider that have the objectivity demanded by this segment.
- Automatic updates on interest rates.
- Online financial tools that enable transactional customer to integrate across financial institutions.
- Online newspaper that provides the level of detailed information needed to self direct finances.

The relationship customer place a greater value on the offline service aspects associated with the website. These customers are likely to value a customer relationship manager who can oversee their requirements. Relationship customers are less price sensitive, and so up to the minute stock and interest rate quotes are not as important and might even be viewed as a distraction. Instead, these customers need a channel system that is based on personal interaction and a rich understanding of their individual needs. The ICICI Bank tries to direct these customers to the offline channels to ensure that they are not frustrated or confused by the online systems. Every attempt should be made to include ways for these customers to gain help or find offline support while they navigate the website.
The transactional customers might value information and, to a large degree, are not loyal to a particular bank. The **ICICI Bank** responds to this type of customers proactively by an electronic exchange that enables them to access all of their financial services on a single homepage. The exchange is designed so that users could locate their saving, mortgage, investment, and credit card accounts on a single page. The site would not only integrate the activities across multiple accounts so that users could immediately see the effect of a mortgage pay-down, for example, but would also include third-party information about competitive offerings. The **ICICI Bank** also has tie-ups with firms involved in tax, insurance, and financial planning to provide a complete financial service menu that is completely individualized to each customer. Although the bank might lose some business by making it easier for transactional customers to purchase and manage competitive products, it may benefit from gathering integrated information about the customer’s financial situation, and by having the first opportunity to monitor and respond to customer demands.

3. **Modify Channel Strategy Based on Firm Objectives and Constraints:**

After designing an ideal channel system based on customer needs, the firm must now assess what is possible and desirable from the company’s perspective. Many highly desirable channel systems will not be possible because of financial or human resources constraints, or perhaps because of potential conflicts with current channel intermediaries. In terms of what is desirable, the firm should consider three types of objectives that can be achieved through channel strategies: economic adaptive, and control.

To illustrate the effects of these factors in channel design, consider the **sahara computers manufacturing division** that has determined that the ideal channel system is composed of both direct and indirect channels. In the direct channel, the firm wants to develop an online presence with both
Internet and telephone ordering. In the indirect channel the focus is on placement in traditional retail stores.

The online and offline channels will have different economic implications, in both costs and revenues. For example, placing products in traditional retail stores usually requires a strong brand name, consumer advertising, and trade promotional dollars. It also might require a direct sales force to provide technical and marketing support to retailers. The direct channels also require financial support, in the form of website design and maintenance, customer service, and integration between the production, logistical, and sales systems. The respective costs of each system must, of course, be related to the revenue streams from each channel.

The second consideration, the adaptability of the system, is particularly important in fast-moving industries like personal computing. How adaptable will the online vs. offline system be as customers and competitors change. In this example, there are two useful perspectives on change. First, by using a channel system that has multiple channels, the PC manufacturer does not have all its eggs in one basket. If there are dramatic changes in the importance of online and offline customers, the firm can shift its resources from one to the other and perhaps remain profitable. The second perspective, however, is that online channels may be more adaptable. The firm has direct control over the size and direction of the channel system without consulting independent retailers.

The final consideration is control, and it is inextricably linked to adaptability. With direct channels, the firm has complete control over all aspects of the marketing function. Training for salespeople, the sales approach, compensation, the timing of advertising and promotional expenditures, product emphasis, etc., are all managed by the manufacturer. In contrast, independent retailers usually do not have the same interest in the manufacturer's brand. The retailer is an independent business entity that does not always benefit from the same strategies as the manufacturer. For this reason, direct channels are best if control is desired.
4. Select Channel Intermediaries or Partners:

Once the firms have designed the basic channel system, the next step is to select specific channel intermediaries or partners. There is no single approach to finding the right partners; the firm is looking for a match between itself and the channel partner, customers and competitors. For example, selecting a channel partner for a revenue sharing alliance requires an assessment of the partner’s technical capabilities, reporting systems, marketing capabilities, and potential compensation types and rates. More generally, firms use a certain criteria to select a channel intermediary i.e. brand/reputation, financial strength, compensation, marketing support, pricing and customer service.

5. Develop a Channel Feedback System:

All marketing strategies need to be monitored on an ongoing basis, and distribution channel strategies are no exception. Once the firm has selected its channel partner and implemented its strategy, channel performance should be assessed on the two broad factors i.e. efficiency and effectiveness. Efficiency is simply the degree to which the distribution channel lowers the costs of getting the product or service from the manufacturer to the consumer. Of course, efficiency should also take into account the effects of the channel on the margins and volumes demanded of the channel member’s products.

Measuring efficiency requires that the channel member monitor multiple financial indicators, including profit margins (net profits/ new sales), assets turnover (new sales/total assets), return on assets (ROA=net profits/total assets), and return on investment (ROI= net profit/net worth). These financial ratios help the firm to monitor the financial health of other channel members, as well as their return on distribution investments.

In terms of effectiveness, the firm is interested in measuring the extent to which the channel system has delivered the functions, and ultimately value, demanded by customers. Customers receive a different value configuration depending on the type and level of service received from each
Firms must therefore understand the level of service quality provided to customers. Firms might use the measures of service quality designed by Parasuraman, Zeithaml, and Berry\(^91\). This approach involves understanding customers on a wide range of service outputs. Table 6.2 presents a brief overview of this approach.

**Table 6.2**

**Assessing Service Quality By Parasuraman, Zeithaml and Berry**

<table>
<thead>
<tr>
<th>Channel Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>To check the consistency in service quality and delivery right the first time</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>To assess willingness of employees to provide good service.</td>
</tr>
<tr>
<td>Access</td>
<td>To check accessibility of service in terms of hours of operation, convenience of location, waiting time etc.</td>
</tr>
<tr>
<td>Courtesy</td>
<td>To assess the treatment with customers in terms of consideration, and friendliness.</td>
</tr>
<tr>
<td>Communication</td>
<td>To assess whether the firm keeps customers informed and listens to them</td>
</tr>
<tr>
<td>Credibility</td>
<td>To assess the customer’s trust?</td>
</tr>
<tr>
<td>Security</td>
<td>To check feeling of customer about risk or doubt?</td>
</tr>
<tr>
<td>Customer Knowledge</td>
<td>To assess the understanding about customer needs.</td>
</tr>
<tr>
<td>Tangibles</td>
<td>To check physical evidence of service quality appropriate?</td>
</tr>
</tbody>
</table>


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By understanding the degree to which customers are served, firms can better evaluate how well the channel meets customer needs. This is a requirement for ongoing success, especially in rapidly changing markets.

6.6 DISTRIBUTION LEVERS AND CUSTOMER RELATIONSHIP

Each distribution lever has a differential effect on establishing and maintaining customer relationship. This section examines how each of the distribution levers can be used to raise awareness and encourage exploration and commitment, but also to help dissolve the buyer-seller relationship. Distribution channels are fundamental to building strong buyer-seller exchanges. The levers associated with each relationship stages are explained in diagram 6.4.

Diagram 6.4
Distribution Levers and Four Key Stages of Customer Relationship

Makemytrip.com as a Distribution

The business model for makemytrip.com is a distribution. It is a business that neither produces nor sells anything; rather, it connects buyers and sellers. In distribution terms, makemytrip.com is a classified broker, that is, a channel intermediary that brings together buyers and sellers but does not carry inventory, participate in financing or assume...
risk. Makemytrip.com does not have responsibility for the goods offered at the site. Its role is to create the infrastructure necessary for buyers and sellers to find each other, and to maintain the integrity of the process.

Makemytrip.com enables hundreds of small firms to distribute their products in a cost effective way. Small hotels and resorts, and a variety of other items have access to customers like never before. Beyond maintain a secure and reliable electronic exchange, makemytrip.com provides value through a number of service to facilitate an easy and smooth distribution process between seller and buyers.

   Flights plus hotel deals

   Makemytrip.com developed a relationship with flights plus hotel deals that enables people to buy (air tickets) and book (hotels) online. So instead of traveling to the air lines office or at the receptions hotels customers can do it online just by few clicks. Thus, flight plus hotel deals save sellers time and energy, making it more attractive to participate in makemytrip.com.

   Rail & Bus :

   Makemytrip.com has a relationship with rail & bus that enables customers to estimate traveling costs. This service helps customers to avoid unpleasant surprises about the total cost of their tour.

   o Discount Coupons :

   Makemytrip.com users receive a discount coupon of 5 to 10 percent on the various items through this national chain.

   o Bill-point :

   Through a relationship with Banks, makemytrip provides secure online credit-card transactions. Unlike purchases paid for with money orders or personal cheques, credit card purchases can be executed immediately.

   All of these partnerships encourage new users and stimulate continued business from existing users by providing security and ease.