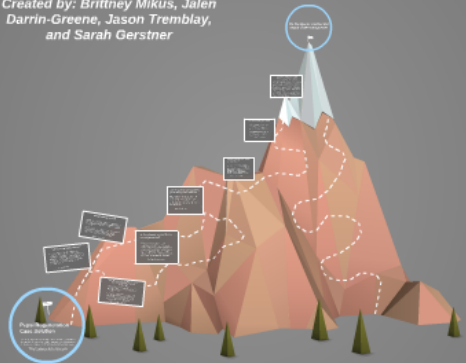


# Channel and Supply Chain Management

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The background features a stylized mountain landscape. A light blue circular frame is centered on the slide. Inside the frame, a dark green mountain peak is on the left, and a white arrow-shaped sign with the word "SUMMIT" is on the right. A dashed white line represents a path leading from the bottom right towards the summit. The background outside the frame shows a reddish-brown mountain slope and another green peak on the right.

# Pepsi Regeneration Case Solution

Our company sells a weatherproof outdoor backpack, that is designed to be one of the largest and most comfortable packs on the market, and is targeted towards outdoor enthusiasts

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## ***What is a marketing channel?***

Marketing channel “consists of individuals and firms involved in the process of making a product or service available for use or consumption by consumers or industrial users.” These channels “make possible flow of products and services from a producer, through intermediaries, to a buyer.” (Kerin & Hartley p. 300) Intermediaries are important because they create value for buyers and perform important functions.

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## ***Our Marketing channel***

ML backpacks uses a retailer plan, the primary function of a retailer is an intermediary that sells to consumers. Retailers have a transactional function which includes buying, selling and risk taking.

Our rational is that we are more of a specialized product, so we can sell online directly to customers, but outdoor retailers will put us with other outdoor products that our target market is looking for, like a one stop shop

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***Does the channel fit the target market?  
Does the channel fit the brand  
positioning ?***

This channel fits our target market of outdoor enthusiasts because in addition to the backpacks of ours they sell they also sell other outdoor equipment that these consumers buy.

It fits our brand identity well because our brand is all about caring for our customers, and we believe that outdoor retail stores provide the best expertise on outdoor equipment, along with everything else our outdoor enthusiasts will need for their adventures.

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# *Is the channel a good fit for our organization?*

This channel is a good fit for our organization because we can promote comfort with our backpacks. Sometimes consumers need to put on a backpack to get a feel for themselves. Our retailer allows them to try out these backpacks and make the best decision for them.

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# ***Can we achieve our economic goals through the channel?***

Using a retailer as our intermediary will help us make a profit even though they will be taking 28% of revenue, they will also be offering our products to 1848 consumers just in our target market who shop at the High End Outdoor shop.

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# ***How will your channel activities be coordinated?***

We believe an administered channel would be an appropriate relationship with our retailers. Our leadership in quality and brand positioning, along with our profitability ratio will be enough to coordinate with the outdoor retail stores

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# ***Our channel design decisions***

We decided to design our channel around a selective distribution model. Selective distribution involves middlemen who meet certain criteria or expectations, such as financial stability, return rates, and the amount of inventory held. (Lesson 10)

Our backpacks will be considered high quality, so we want them in high quality stores. We do not want our backpacks in every retail outlet, but at retail outlets who meet our criteria of quality outdoor equipment retailers.

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