Managing International Channels of Distribution

World Trade Practices
Chapter 18

Customer Expectations
- Unique role of representatives
- Good products-acceptable service levels
- Good communication
- Fairness- no discrimination
- Value oriented prices

Motivating Channels
- Exclusivity Game
- Moving to non-exclusive agreements
Meeting foreign buyers

- Visiting representatives
  - Key account visits
  - Blind sales calls
  - Media visits
  - Training events
- International trade shows
- International agent/distributor meetings

Termination challenges

- Contract
- Nonlegal issues
  - Inventory
  - Public relations
  - Replacing with new distributor

Direct Marketing vs. Direct Selling

- Direct marketing
  - Don't make sale
  - Create environment to generate interest leading to sales
  - Support function of foreign distributors/agents
  - Less infrastructure or staff needed
  - Only justified if market is economically viable
  - Helps manage distribution network
Utilize several models
- Contract brewing
- Licensing
- AB ownership
- Joint venture

3 tier system for sales

Budweiser

Customer

Brewer

Wholesaler

Retailer