**Global Business Plan Project**

**12. Designing a Global Distribution Strategy**

**Learning Goals**

1. To determine factors that influence international distribution activities
2. To identify appropriate distribution strategies for proposed global operations

**Purpose**

The movement of goods and services between the producer and consumer is a vital element of global marketing activities. Distance and documentation can make this movement expensive and time consuming. In this module, your goal is to obtain information related to your proposed global distribution strategy.

**Resources**

Web links:

* Global Edge CyberSite: <http://globaledge.msu.edu/>
* Business Around the World Atlas: <https://highered.mcgraw-hill.com/sites/0078137217/student_view0/business_around_the_world.html>

**Conduct Research**

Based on the country (or countries) you are analyzing for your global business enterprise, research information related to the following areas:

1. INFRASTRUCTURE ANAYLSIS

Describe transportation, communication, and utility facilities in the country that might enhance or deter your organization’s ability to move goods from one destination to the end-user of the item. (In many countries, a lack of roads combined with mountainous areas make truck shipping very difficult and expensive.)

1. DISTRIBUTION BARRIERS

Discuss cultural, political, or legal hurdles that might slow or block distribution in the country. (For example, import duties and documentation might add to the cost of selling products shipped from another country.)

1. INTERNATIONAL INTERMEDIARIES

Analyze the costs and benefits associated with using wholesalers, brokers, and agents for your global business operations.

1. DISTRIBUTION CHANNEL

Identify a channel of distribution for getting a product from the production site to the ultimate customer. (A common channel of distribution may include a wholesaler and retailer; global operations are likely to involve additional intermediaries.)

**Supplementary Activity**

Interview a person involved with international logistics such as a freight forwarder or customs broker. Obtain information regarding packing, shipping methods, export documents, tariffs, and other aspects of moving goods across borders.

**E-Commerce Application**

Propose a web site that could enhance the distribution capabilities of an organization. Suggestions might include product information, retailer locations, customer service assistance, and online ordering.

**Prepare Summary**

In a separate Word document, prepare a summary report consisting of the following components:

1. An assessment of the infrastructure in the country (or countries) being considered for the proposed global enterprise.
2. A synopsis of trade barriers or other restrictions that might be encountered.
3. Recommend a distribution channel and intermediaries that could be appropriate for the proposed international enterprise. Provide evidence to support your proposal.

**View Sample Report**

The following project segments are EXAMPLES and SAMPLE MATERIALS. Please note:

1. These samples were selected from several student team projects at one school and are not intended to represent a particular level of quality, and DO NOT represent a complete project.
2. The accuracy of content, data, and clarity of writing are NOT guaranteed; and
3. These samples may NOT BE DUPLICATED.

Distribution of the Happy Harbor products from government to government will be through the quality of the shipments conducted with sea vessels. Once in the harbors, to disperse the products through channels, the Happy Harbor Company plans to use the Latin American based All-Cargo Express which will provide air-freight, shipping, rail freight, trucking, and other specialized transportation that is deemed necessary.

Our distribution strategy will not be standardized because we will not be following the usual path of producer to retailer to consumer. Our distribution chain will entail producer to Healing Wheels to consumer. Since rural Bolivians lack means of mobility, we plan on bringing the products to them.

Buen Salud’s marketing strategy incorporates plans to sell our product through several channels:

1. The same salespeople who promote our product to the rural area will also carry with them a relatively large supply which they can sell on site to individuals or to small stores.
2. Orders will be taken over the phone (the equivalent of a 1-800 number) and the traveling salespeople will distribute those orders in rural areas, or they will be sent through the mail system.
3. Semi-trucks will carry large inventories of our product to larger retail stores, usually supermarkets, of the countries in which we are operating.
4. Our projected mix of distribution channels will give us the advantage of penetrating more local markets than the majority of our competitors.