

**CHAPTER
15**

Place

Part 1: Content Review

Matching

Write the letter for the correct term for each definition on the line provided.

- _____ 1. Coordinating the events happening throughout the supply chain.
- _____ 2. Places product in every potential sales situation possible.
- _____ 3. Process of separating a large quantity of goods into smaller quantities for resale.
- _____ 4. Path a product takes from the producer to a wholesaler, and then to a retailer, before reaching the end user.
- _____ 5. Path goods take through the supply chain.
- _____ 6. Path a product takes from the producer to the retailer, then from the retailer to the consumer.
- _____ 7. Line of connected pipes that carry liquids and gases over a long distance.
- _____ 8. Person who coordinates and monitors all the activities, from the building of the product to delivery to the end user.
- _____ 9. Independent company that provides support services, such as warehousing, shipping, insuring, and billing, on behalf of the business.
- _____ 10. Retailers that sell products through websites.

Terms

- A. bulk-breaking
- B. channel of distribution
- C. e-tailer
- D. export management company
- E. intensive distribution
- F. pipeline
- G. retailer channel
- H. supply chain management
- I. supply chain manager
- J. wholesaler channel

Completion

Fill in the blanks with the term that best completes each sentence.

Terms

- | | | |
|------------------------|-------------------|------------------------|
| agent | indirect channel | selective distribution |
| direct channel | industrial goods | supply chain |
| exclusive distribution | private warehouse | transportation |
| freight forwarder | | |

- 1. A(n) _____ is the businesses, people, and activities involved in turning raw materials into products and delivering them to end users.
- 2. The path of selling goods or services directly from the manufacturer to the end user without using intermediaries is the _____.

3. A(n) _____ is a company that organizes shipments.
4. _____ (is/are) used in the production of goods or consumed by a business.
5. One channel member in a market area is known as _____.
6. A(n) _____ uses intermediaries to get the product from the manufacturer to the end users.
7. Someone working on the behalf of another party is a(n) _____.
8. A(n) _____ is owned by a company for storage of its own goods.
9. Selecting specific places the manufacturer or wholesaler wants the product to be sold is _____.
10. _____ is physical movement of products through the channel of distribution.

True or False

Decide whether each statement is true or false. If the statement is true, write *True* on the line provided. If the statement is false, write *False* and rewrite the statement to make it true.

1. The supply chain is the same for all businesses.

2. Finished goods are another type of product created by producers.

3. Builders are not considered manufacturers.

4. Some intermediaries take ownership of the product.

5. Agents cannot be used everywhere in the supply-chain process.

6. When ownership is transferred to intermediaries in the distribution channel, each one assumes the risk and responsibility for the product.

7. When shipping perishable goods, a less expensive and slower mode of transportation may be necessary.

Name _____

8. The main advantage of using motor vehicles to deliver products is door-to-door delivery.

9. Rail transportation is the most often used mode of transportation in the United States.

10. An advantage of air transportation is the low cost.

Part 2: Concept Review

Physical Distribution

Students from a nearby high school are working on a unit in their marketing class that focuses on products in their local stores. Assume you are a marketing manager who is invited to help students understand how goods get from one place to another. This means you will help them to understand the general concept of physical distribution. Use the following suggestions and questions to demonstrate the supply chain and possible channels of distribution for these items:

- raw materials to factory;
- finished goods from the factory to a warehouse; and
- finished goods from the warehouse to the stores.

1. Why is distribution necessary for goods and services? Develop a creative way to help students understand why distribution is important. What props could you use to illustrate the concepts involved in physical distribution?

2. Present six modes of transportation. What can you show students to help them understand and keep them interested?

Road _____

Rail _____

Air _____

Water _____

Pipeline _____

Digital _____

3. Name a product that you will use to illustrate a channel of distribution. Develop a channel of distribution for the product you chose.

4. Name the best mode of transportation at each point in the channel you developed for the previous question.

5. Summarize the role of channel management in physical distribution of a product.

Part 3: Marketing Math

Shipping Costs

Marketers who work for retail or shipping businesses often have to send packages of varying weights to different destinations. The following chart shows the shipping rates for a physical transportation carrier called Careful Carrier. The listed rates are from Zone 1 to the different zones indicated. Use the information in the chart to answer the questions that follow.

Name _____

Careful Carrier Shipping Rates						
Weight (in lb.)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)
16	72.50	79.75	92.25	93.25	93.75	98.50
17	73.75	81.00	94.75	95.75	96.25	101.00
18	75.00	82.25	97.25	98.25	98.75	103.50
19	76.25	83.50	99.75	100.75	101.25	106.00
20	77.50	84.75	102.25	103.25	103.75	108.50
21	78.75	86.00	104.75	105.75	106.25	111.00
22	80.00	87.25	107.25	108.25	108.75	113.50
23	81.25	88.50	109.75	110.75	111.25	116.00
24	82.50	89.75	112.25	113.25	113.75	118.50

Determine the rates for shipping the following packages. Use the space provided to show your calculations.

- From Zone 1 to Zone 2, 22 lb. _____
- From Zone 1 to Zone 3, 19 lb. _____
- From Zone 1 to Zone 6, 20 lb. _____
- From Zone 1 to Zone 5, 16 lb. _____
- From Zone 1 to Zone 2, 18 lb. _____
- From Zone 1 to Zone 4, 21 lb. _____
- From Zone 1 to Zone 5, 24 lb. _____

Suppose you have a 21 lb. package to send. Calculate the difference in rate between sending it to the first zone listed versus the second zone listed. An example has been completed for you. Use the space provided to show your calculations.

$$\begin{aligned} &\text{Zone 1 vs. Zone 4} \\ &\$105.75 - \$78.75 = \$27.00 \end{aligned}$$

- Zone 2 vs. Zone 6

- Zone 4 vs. Zone 5

- Zone 3 vs. Zone 6

11. Zone 5 vs. Zone 6

Calculate the difference in rate for sending the following packages to the listed zones. An example has been completed for you. Use the space provided to show your calculations.

$$\begin{array}{l} \text{Zone 3, 16 lb. vs. 24 lb.} \\ \$112.25 - \$92.25 = \$20.00 \end{array}$$

12. Zone 1, 17 lb. vs. 20 lb.

13. Zone 5, 20 lb. vs. 22 lb.

14. Zone 2, 18 lb. vs. 24 lb.

15. Zone 4, 19 lb. vs. 23 lb.

Part 4: Be Your Own Leader

Leadership in Practice, Part I

You have learned a lot about leadership. Now it is time to put your knowledge into practice. In this chapter and the next, you will plan, implement, and reflect on a leadership activity of your choice. The activity should be one that will allow you to use your leadership skills and be completed at your school. Examples include creating an advertising campaign for a club or group, planning an event for your CTSO, or planning a school fund-raiser. If your instructor permits, you may form a team. However, if you choose to form a team, each team member must have a specific leadership role.

1. Are you performing your leadership activity by yourself, or did you form a team? If you formed a team, name your team's members and their leadership roles.

Name _____

2. Describe the activity and note the date it will take place:

3. Why did you select this activity?

4. What do you hope to achieve through this activity?

5. Complete the following chart to note the tasks, persons responsible, resources needed, due dates, and completion dates.

Task	Person Responsible	Resources Needed	Due Date	Completion Date

Complete the activity. In the next chapter, you will reflect on your activity.