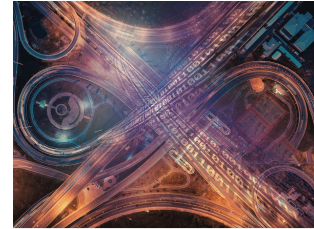


MULTICHANNEL ROUTE-TO-MARKET STRATEGY

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GETTING
MULTI-CHANNEL
DISTRIBUTION
RIGHT

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WILEY

Course Overview

The distribution channel is one of the four Ps of the marketing mix, providing many essential services to end-customers that the firm cannot efficiently provide itself. But the distribution channel is not just the route through which the supplier reaches its end market.

Channel members are customers in their own right, with their own needs. Further, they usually market not only the supplier's products but also competitors' products and, increasingly, their own private label products. Their motivations and objectives are typically not aligned with those of the supplier, hence the challenge of "coordinating the channel". Managing the distribution channel or route-to-market through which a firm's products reach end customers was never easy but it has never been more challenging than it is today. Firms have to employ a multitude of sometimes complementary and often competing channels in a way that satisfies consumer needs for products, services, and information, and is sustainable for all parties involved. At the same time as suppliers of products ranging from packaged foods and sporting goods to hotels and cars are bypassing middlemen to go directly to end consumers, others are inserting themselves between suppliers and their end customers to perform narrow functions and take slices from an-often shrinking profit pie.

The objective of this course is to help students appreciate the complexities involved in managing and/or being a part of the route-to-market in today's multi- and omni-channel distribution system, and to provide frameworks that can be used to manage these complexities. Throughout the course, we will take the perspective of suppliers, retailers, and other intermediaries to underscore that an effective channel partnership can be sustained only if one understands the value added by each channel member, as well as the constraints and alternatives facing them. We will discuss what is expected, what is fair, what is legal, and, most importantly, what is sustainable in channel interactions.

Course materials include the book titled *Getting Multi-Channel Distribution Right*, cases, and some related articles. In-depth classroom discussion of these materials and their application to two integrative assignments will be the primary vehicles for learning. Analyzing the cases will require you to deal with a variety of situations and decision contexts each with their own unique complexities and idiosyncrasies. You will need to immerse yourself in the specifics and institutional details of each case, but you will also need to extract from them the thought processes and frameworks that generalize across situations. The general frameworks in the readings and the module introductory sessions

will serve as a bridge between the specifics in each case we analyze and the situations you will encounter in your own careers. I expect you to explicitly draw on them as we discuss the cases in class.

Students who intend to work in marketing, product management, start-ups, or consulting should take this course. The relevance of this subject to the first three career paths is obvious, but the last is worth noting. In the last decade, internet and mobile technology, the availability of extensive customer data, the growth of digital intermediaries and of large retailers in multiple formats, have put issues of distribution, multi- and omni-channel management, front and center in business. Several consulting companies now have special practices in this field, so a good understanding of route-to-market and distribution is a valuable tool for students interested in marketing or strategy consulting.

Course Modules

The course is structured in four modules. The modules in this course are not “air-tight” because marketing is not air-tight – designing and effectively managing the distribution channel requires coordination and integration among all the elements of marketing strategy in the face of a constantly evolving landscape.

Module 1: The first module and the Stainmaster case will make that very point by providing a bird’s eye view of how important and challenging managing distribution is in a firm’s marketing strategy. It will lay out the issues involved in designing the channel, as well as the role of power dynamics and regulation in effectively coordinating it.

Module 2: Our emphasis in this module will be on the firm’s choice of channel types and individual channel members. What channel structure is best given market needs, the firm’s own capabilities and the nature of the product? What challenges does a firm face as it tries to get and keep distribution support in the channels it selects? The Sorrell Ridge case exposes us to the challenges and decisions involved in acquiring shelf space in the grocery retail channel. It will help us appreciate how the demands of the channel can influence every aspect of a manufacturer’s marketing mix, and introduce the controversial but well-entrenched practice of slotting allowances to gain distribution. The Snapple case illustrates how even a successful brand can find it challenging to retain distribution at sustainable levels, especially with a long product line.

Module 3: We begin this module with the trade-offs between coverage, costs, and control in direct-to-consumer, franchise, agent, and independent channel options. Then, we transition into the challenges and opportunities facing all parties as the market environment evolves and new channel options emerge. Here, we will cover topics such as the role and challenges of platform-based intermediaries, and how to manage conflict particularly between online and offline and between a supplier’s direct-to-consumer channel and its independent resellers. The Arrow Electronics case highlights the challenge of simultaneously managing portfolios of products, customers, and channels, and offers our first peek at how electronic commerce should be incorporated into a company’s channel

strategy. The Flipkart and hotel industry cases illustrate the frictions that online aggregators and platforms try to eliminate for consumers and the frictions that are generated in their interactions with suppliers. The hotel industry case also gives us an opportunity to address issues in opening the direct-to-consumer channel. The Brooks case illustrates how a disciplined and carefully executed multi-channel strategy helps build a brand and business, and how that discipline is an ongoing challenge in the face of changing consumer behavior. The Natura case gives us the opportunity to assess the channel evolution and performance of a supplier that has the opportunity to become not only multi- but also omni-channel.

Module 4: Even when a supplier has the right type and intensity of distribution coverage, ongoing channel management is necessary. How can a firm influence the actions of its channel members and reduce conflict through its product line, pricing, promotion, and other channel incentives? In turn, how can the channel members use their pricing, promotion, private label brands, and customer data to gain leverage and improve their performance? These questions are the subject of the final module. The readings in this module will help us to integrate channel management strategies encountered in the first three modules, but we will also use two additional cases. The H-E-B case puts us in the position of a retailer making decisions about its store brand positioning and trying to decide how best to balance its store brand and national brands to compete with other retailers and gain leverage with manufacturers. The Catalina case further highlights the difference in manufacturer and retailer perspectives by having us consider how Catalina Marketing, a company that prints targeted manufacturer coupons at check-out, should refine its value proposition for retailers.

Required Materials

1. "Getting Multi-Channel Distribution Right", by Kusum Ailawadi and Paul Farris, Publishers: John Wiley & Sons, 2020.
2. Cases and additional articles in course pack.

Course Requirements

- A. Preparation for each class session and productive and regular class participation are a key requirement for this course.
- B. Working in pairs, you will complete an integrative assignment and a course project. The integrative assignment requires you to discuss the various ways of managing the root causes of conflict in the distribution channel revealed by the cases and examples in the course. The project gives you the opportunity to apply the lessons and frameworks from the course to a specific company from an industry of your choice. You may either develop the route-to-market for a new player or conduct a channel audit and recommend changes to the route-to-market of an existing company. Details on both assignments are provided separately and the due dates are on Canvas.
- C. Your final grade will be determined as follows:

Class Participation	35%
Integrative Assignment	30%

Pre-Class Preparation and Classroom Protocol

During your time at Tuck, you have been exposed to courses taught by the case method, and to the teaching philosophy underlying that method. I will therefore not repeat it here. Let me simply highlight the critical importance of (a) well-structured advance preparation of each day's assignment with deeply thought out analytical support as well as (b) rapid "on your feet" analysis, critique, and synthesis during the class discussion. Let me also remind you that "what actually happened" in a specific case is not important. Some cases may showcase a success story and others may highlight a marketing strategy gone wrong. We will learn from both, but no case depicts a perfect strategy or one that is totally flawed. So, there is rarely just one right recommendation but there are several wrong or ill-supported recommendations. If you happen to know what happened in a particular case, you should try not to let that influence your analysis. Neither should you use any post-discussion information I give you about what happened as an indicator of the quality of your own recommendation. How organized and careful is your thought process? How well do you combine analytical thinking with creativity in evaluating a situation and suggesting solutions? Are you able to draw on frameworks from assigned readings and from discussions of previous cases? These are the benchmarks to evaluate your analysis.

Please help all of us get the most out of the classroom experience by:

- Being prepared to lead off the class discussion each day
- Supporting your statements with proper analysis of the data and information provided in the case and all its exhibits
- Using the assigned readings to structure your analysis and evaluate the soundness of your recommendations
- Being open to the questions and critiques of your classmates
- Defending your point of view on the case persuasively but not "defensively"
- Questioning your colleagues' assumptions and statements in a constructive and thoughtful way
- Actively listening to, building on, and enriching the discussion rather than going off on tangents or repeating what has been said before
- Being in class before the starting time so that we can start and end on schedule.

Honor Code

I expect and encourage you to help one another in the learning process. Please feel free to work with your team-mate and/or other classmates as you prepare for class. However, you should be prepared to individually state and defend your analysis and recommendations in class. If you are not prepared for a particular class session (I do understand that stuff happens sometimes), please inform me before we begin class.

Please do not use notes from any other venues where the cases or readings in this course may have been discussed. Also, do not look for outside information on the company, the product, or what actually happened in a given case. Such information is often counter-productive in the learning process.

Electronic Device Policy

By default, we will follow Tuck's policy of no use of laptops, tablets, phones or other electronic devices in class sessions. I will make an exception for laptop/tablet use only for you to access spreadsheets or other analysis that you have prepared for the case at hand, or if you really need it to take class notes. Devices are not allowed at all during guest speaker sessions.

Attendance Policy

Much of the learning in this course will occur in class as you share your ideas, thought processes, analyses, and questions with one another. Therefore, attendance at all class sessions is important and you cannot "make up" for class with written work. Please inform me beforehand if you need to miss a class. If you are unable to do so in an unforeseen emergency, then I expect you to let me know as soon as possible afterwards.

Class Schedule, Readings, and Preparation Questions

A. Module 1: Overview and Channel Design

Session 1: Designing and Managing the Route-to-Market

- Some companies and industries have long routes-to-market with many levels along the way (e.g., manufacturer to broker or distributor to retailer to consumer) while others rely primarily or even only on going direct to consumers. Think of a few examples of each type and whether/why their channel design makes sense to you.
- Why are intermediaries like wholesalers, distributors, and brokers needed between manufacturers and retailers? What value do they add?
- What are the major steps in the process a firm should follow to design its route-to-market?

Assigned Readings

"Fundamentals of Channel Design and Management" note by Ailawadi & Milligan

"Middlemen in Today's Channel Ecosystem and Their Functions" Chapter 4, *Getting Multi-Channel Distribution Right*, Pages 1-9.

Session 2 (09/10/19): Stainmaster Case

- What were the critical elements for success in the Stainmaster marketing program? Be sure to view the video clips at the URL link provided below as you think about this question.
- How did DuPont benefit from the Stainmaster introduction? Can you put a dollar figure on at least some part of the benefit?
- Did fiber competitors benefit? How about carpet mills? And carpet retailers?
- What changes would you have made in the implementation of the program? Why?
- What are the key issues facing Stainmaster at the time of the case? Could anything go wrong?

Note: Please browse through the videos on the link below, particularly the 8-minute segment entitled "Introduction" and some of the commercials:

<https://www.youtube.com/playlist?list=PLfSs4GfD5hMHUfz1tzoClf1JgNFwq41Bb>

Session 3 (09/16/19): Stainmaster Case (Continued)

- What should Stainmaster do now?

Assigned Reading

"Push, Pull, and Total Channel Performance," Chapter 2, *Getting Multi-Channel Distribution Right*.

Session 4: Channel Coordination, Conflict, Power, and Regulation

- What is double marginalization?
- Increasing distribution coverage so that retailers compete with one another can reduce double marginalization? But what is the downside?
- Come to class with some examples of channel conflicts you have seen in your jobs or read about, and how they have been or could have been addressed. Do these fit into one of the root causes identified in the reading?
- Do the companies involved in your examples risk running afoul of regulation in their attempts to deal with channel conflict? How?
- What are examples of vertical restraints and how can they help to coordinate the channel?
- What is the underlying spirit in which antitrust agencies view vertical restraints?
- In your view, are there some vertical restraints that have greater potential for anti-competitiveness than others?

Assigned Readings

"Root Causes of Channel Conflict," Chapter 3, *Getting Multi-Channel Distribution Right*.

"The Sources and Indicators of Power in the Channel," Chapter 5, p. 1-11, *Getting Multi-Channel Distribution Right*

"Using Power Without Using It Up," Chapter 6, p. 14-17, *Getting Multi-Channel Distribution Right*

Optional Articles of Interest

FTC Antitrust Guidelines, especially for Dealings in the Supply Chain and Price Discrimination at <https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws>

____ "Apple's Tough Tactics Hurt its Push into TV," WSJ, July 29, 2016

<http://search.proquest.com/docview/1807464534/D58CC6FC7A4400FPQ/1?accountid=10422>

“AmEx Beats Major Threat on Fees,” WSJ, 26 June 2018.

<https://search.proquest.com/docview/2058890172/8E9293E5AC704E63PQ/1?accountid=10422>

B. Module 2: Getting and Keeping Distribution

Session 5: Distribution Metrics and Velocity Graphs to Guide Intensity of Coverage

- What is the difference between numeric, %ACV, and %PCV -- the three main measures of a brand's distribution breadth? What are some examples of brands/categories where one would be more useful than the other?
- What is Total Distribution? What additional insights does it offer above a Brand's % ACV or %PCV?
- What kinds of products require exclusive or selective distribution breadth? And where is intensive distribution desirable?
- What role does consumer search loyalty play in determining distribution coverage?
- What is a velocity graph? What guidance does it provide to a brand about distribution coverage?
- What sales, velocity, and profit metrics do suppliers care about? And what about retailers?

Assigned Readings

“Metrics for Intensity and Depth of Distribution Coverage,” Chapter 7, p. 1-8, 17-20, Appendix, *Getting Multi-Channel Distribution Right*.

“What Are You Managing Towards: Distribution Performance Metrics,” Chapter 8, p. 1-3, 8-11, *Getting Multi-Channel Distribution Right*.

“The Challenge of Optimizing Distribution Breadth,” Chapter 9, *Getting Multi-Channel Distribution Right*.

“Using Velocity Graphs to Guide Sustainable Distribution Coverage” Chapter 10, p. 1-11, *Getting Multi-Channel Distribution Right*.

Optional Articles of Interest

[For Coconut Waters, a Street Fight for Shelf Space, New York Times, July 26, 2014](https://www.nytimes.com/2014/07/27/business/for-coconut-waters-a-street-fight-for-shelf-space.html)

<https://www.nytimes.com/2014/07/27/business/for-coconut-waters-a-street-fight-for-shelf-space.html>

[How a Fruit and Nut Bar That Couldn't Impress Walmart Shoppers Ended up Becoming a Bestselling Snack, Business Insider, March 31, 2015](https://www.businessinsider.com/how-kind-bars-became-bestsellers-2015-3)

<https://www.businessinsider.com/how-kind-bars-became-bestsellers-2015-3>

****Written Assignment partners due in Canvas by 1:00PM on Wednesday, September 18th ****

Session 6: Sorrell Ridge Case

- What are Sorrell Ridge's (SR's) sources of negotiating power and weaknesses? What about Bromar's?
- How many cases would you need to sell in order to break-even on the first-year program on page 1 and laid out in Exhibit 10? (Note: Don't forget Footnote 1. Also, the data in Exhibit 6 show that cost of goods sold was 50.4% of SR's dollar sales in 1986. You can use the same percentage in your analysis).
- How likely is it that this B/E can be achieved? You should consider how SR performed in New York and how different you expect things to be in SoCal.
- How many cases per flavor per store does this breakeven imply if, for instance, SR wants to stock 6 flavors per store? (Note: You need to know the total number of stores in which SR will get distribution to figure this out. Bromar has agreed to secure 90% ACV distribution in return for this program. Think about which chains in Exhibit 9 it makes sense to acquire distribution in and then compute the number of stores).
- What is your best guesstimate of how much distribution SR will have in year two onwards?
- Considering all of the above, what should SR's push and pull strategy be? How does the marketing program that Bromar wants fit into this push-pull strategy? Should Pressman agree to this program? If not, what should she do? Be specific about any changes you recommend, explain your reasons and how they fit into the push-pull strategy. Be prepared to take the roles of both the broker and Carol Pressman in a discussion of not just the slotting allowance but the entire first year marketing program for SR in SoCal.

Note: The case refers to a slotting allowance of \$250,000 and Exhibit 10 refers to a slotting allowance of 3 free cases per flavor per store. Please note that the \$250,000 allowance is the equivalent of the free cases, not in addition to them. Also note that the slotting allowance is passed on to retailers. Brokers only get to keep their 5% fee. Finally, please note some obvious typographical errors in Exhibit 6. For instance, the dollar sales number for Polaner is in dollars, not in thousands of dollars. And, the percentage change in case sales for SR is +140% not +14%.

Assigned Reading

Review "Push, Pull, and Total Channel Performance," Chapter 2, *Getting Multi-Channel Distribution Right*.

Optional Articles of Interest

2001 Report on FTC Workshop on Slotting Allowances at:

<http://www.ftc.gov/bc/slotting/index.shtml>

Unilever Drops Mayo Lawsuit Against Egg-Replacing Startup Hampton Creek, Forbes, December 18, 2014, at:

<http://www.forbes.com/forbes/welcome/?toURL=http://www.forbes.com/sites/ryanmac/2014/12/18/unilever-drops-mayo-lawsuit-against-egg-replacing-startup-hampton-creek/&refURL=https://www.google.com/&referrer=https://www.google.com/>

Cat Fight: Cheetos Maker Pepsi Challenges Orange Snack Rival, Wall Street Journal, August 21, 2018, at:

<https://search-proquest-com.dartmouth.idm.oclc.org/docview/2090977027/A666F01901014780PQ/1?accountid=10422>

Session 7: Snapple

- How bad is the out-of-stock problem for Snapple? How big is the shortfall relative to capacity?
- What caused the problem?
- What has been the secret of Snapple's success, and what are its vulnerabilities?
- What changes should they make in the short term? Be very specific.
- What about the longer term?

Be sure to see some of the commercials and the interview with the Snapple lady on the link provided on Canvas.

<https://www.youtube.com/playlist?list=PLEAC2312CB300328B>

Assigned Readings

"What Are You Managing Towards: Distribution Performance Metrics," Chapter 8, p. 3-6, *Getting Multi-Channel Distribution Right*.

****One-Page Proposal for First Integrative Assignment due on Canvas by 1:00 PM****

C. Module 3: Multi-Channel Design and Evolution

Session 8: Vertical Integration, Franchising, and Agents

- What are the trade-offs involved in using company-owned, versus franchised versus independent third-party channels?
- What are the most important differences between agents and other independent resellers?
- Which channel functions can a supplier who uses only a direct-to-consumer (DTC) channel perform most effectively? Which functions are the most challenging for such a channel?

- Come to class with some examples of suppliers that went to market using only a DTC channel? Are they now expanding into third party channels? How well are they doing?

Assigned Readings

“Middlemen in Today’s Channel Ecosystem and Their Functions” Chapter 4, *Getting Multi-Channel Distribution Right*.

Session 9: Arrow Electronics

- What value does Arrow provide for its suppliers? And for its customers?
- What is Arrow’s business model?
- How would you assess the power balance between distributors like Arrow and their suppliers?
- How will Express affect Arrow’s business model and profitability? Under the scenarios of Exhibit 7, will Arrow be able to keep its margins above 15% -- the objective set by Steve Kaufman?
- How should Arrow respond to the Express proposal? What other steps, if any, should Arrow take?

Assigned Readings

“Sources and Indicators of Power in the Channel,” Chapter 5, p. 3-9, *Getting Multi-Channel Distribution Right*

“Using Power Without Using It Up,” Chapter 6, p. 2-4, *Getting Multi-Channel Distribution Right*

Optional Articles of Interest

“From Volume to Value: Managing the Value-Add Reseller Channel at Cisco Systems,” 2009 California Management Review Article by Kalyanam and Brar. HBR article on Canvas

Session 10: Multiple Routes-to-Market and Multi-Sided Platforms

Assigned Readings

“Middlemen in Today’s Channel Ecosystem and Their Functions,” Chapter 4, p. 6, 9-20, *Getting Multi-Channel Distribution Right*.

“Augmenting the Distribution Mix: Digital Channels and Own Bricks and Clicks,” Chapter 11, *Getting Multi-Channel Distribution Right*.

Optional Readings

“Free-Riding and Conflict in Hybrid Shopping Environments,” Antitrust Bulletin article by Kirthi Kalyanam and Andy A. Tsay, available on Canvas

“The Limits of Scale,” April 2014 HBR article by Halaburda and Oberholzer-Gee

Uber Drivers Should be Legal Employees with Benefits,

<http://nypost.com/2017/06/13/uber-drivers-should-be-legal-employees-with-benefits-judge/>

Uber Ends Leasing as Costs Take Toll, WSJ, August 9, 2017.

<https://search.proquest.com/docview/1927107032/fulltext/6417F13C7FE24C4BPQ/1?accountid=10422#>

Care.com CEO to Step Down After Vetting Flaws Revealed, WSJ, August 7, 2019.

<https://search-proquest-com.dartmouth.idm.oclc.org/docview/2268873549/8F37E521A3A94566PQ/1?accountid=10422>

Session 11: Flipkart Case

- What does it take to build an e-commerce business in India? In contrast with the U.S.?
- Did Flipkart overcome some of the market development challenges? How?
- From the perspective of Flipkart, what are the main advantages of being a marketplace rather than a retailer?
- What functions will the company be able to offload to suppliers and what additional functions will it have to perform in the marketplace model?
- What do you see as the biggest hurdles to profitability in the next few years? For Flipkart, which is now owned by Walmart, and for Amazon.com?

Optional Articles of Interest

“When Platforms Attack,” Idea Watch, Harvard Business Review, October 2015, in course packet.

“Indians Load up Their Smartphones”, WSJ August 15, 2016.

<http://search.proquest.com/docview/1811263768/A336BD87B88749ACPQ/1?accountid=10422>

Walmart Has New Passage to India, Wall Street Journal, 05 May 2018.

<https://search.proquest.com/docview/2034652516/DE887B7A3C2D4BCFPQ/1?accountid=10422#>

The Battle for India, Bloomberg News Week, October 22, 2018

<https://www.bloomberg.com/news/features/2018-10-18/amazon-battles-walmart-in-indian-e-commerce-market-it-created>

[India Ruffles Amazon, Walmart, WSJ, December 28, 2018.](#)

<https://search.proquest.com/docview/2161240079/858CCD40B39A4AF6PQ/1?accountid=10422>

[Tech Giants Face Tiny Rivals, WSJ, October 12, 2019](#)

<https://search-proquest-com.dartmouth.idm.oclc.org/docview/2304802615/48BAECDD86904323PQ/1?accountid=10422>

Session 12: Brooks Sports

- Was Brooks' 2001 strategy reboot a no-brainer or could it have gone horribly wrong? How did/could they keep that from happening?
- What should Brooks' web strategy be, going forward?
- How, if at all, should it support its specialty retail channel, if it expands its web presence?
- What steps can the company take to keep control of its brand and its price point online?
- Should it sell on Amazon.com? Why? Why not? And if so, should it sell inventory to Amazon or become a seller itself on Amazon marketplace?

Optional Articles of Interest

Retail Shift Pushed Nike to Amazon, WSJ, June 29, 2017.

<https://search-proquest-com.dartmouth.idm.oclc.org/docview/1914710872/2DA0DAD49BC147D0PQ/1?accountid=10422>

Amazon Cuts Third-Party Prices, Wall Street Journal, 06 Nov 2017.

<https://search.proquest.com/docview/1960276995/D8F6D35A4AD64206PQ/1?accountid=10422#>

Third-Party Sales Key to Amazon, WSJ, Oct 8, 2018.

<https://search-proquest-com.dartmouth.idm.oclc.org/docview/2116794671/2229C460CA7F4336PQ/1?accountid=10422>

[Nike Launches a Subscription Service for Kids' Shoes, Nike Adventure Club, Tech Crunch, August 12, 2019.](#)

<https://techcrunch.com/2019/08/12/nike-launches-a-subscription-service-for-kids-shoes-nike-adventure-club/>

Nike to Stop Selling Directly to Amazon, WSJ, Nov 13, 2019,

Session 13: Multichannel Challenge at Natura

- How did Natura first gain market leadership? How and why did it lose that position?

- What do you think of the independent sales channel? Is it a thing of the past in today's channel ecosystem? Please take a look at the John Oliver video on multilevel marketing at this link: <https://www.youtube.com/watch?v=s6MwGeOm8il&t=874s>.
- Map out the different channels Natura has introduced in its efforts to become multi-channel. Does it make sense to have introduced each of these new channels? What frictions, if any, does each channel alleviate, and for which consumer segments and product categories?
- What strategies and tactics has Natura used to manage the conflict generated by adding new channels? How effective do you think this multichannel management has been?
- Would you invest in Natura at the time of the case? Why or why not?

Assigned Readings

Review "Augmenting the Distribution Mix: Digital Channels and Own Bricks and Clicks," Chapter 11, p. 9-20, *Getting Multi-Channel Distribution Right*.

"Using the Product Line to Manage Multiple Channels," Chapter 13, p. 15-20, *Getting Multi-Channel Distribution Right*.

Session 14: Hotels and Travel Industry

- Is it easier or harder for hotels to shift travelers from OTAs to their brand.com websites compared to airlines? Why?
- Why do you think Roomkey failed?
- What type of analysis would you recommend hotels should do to determine the net profit impact of building up the direct channel?
- Is rate parity a good thing or a bad thing for OTAs? For hotels?
- OTA contracts with hotel companies include rate parity, last room availability, branded keyword advertising, and other types of restrictions. Which of these restrictions would you recommend that the hotels should relax or impose? What about the OTAs? Why?

Optional Articles of Interest

"Web Travel Prepares for Long Road", WSJ, August 10, 2017.

<https://search.proquest.com/docview/1927380275/E85054E12E1E4AF8PQ/59?accountid=10422>

"Travel Giants Trek into Airbnb's Turf", WSJ July 25, 2017.

<https://search-proquest-com.dartmouth.idm.oclc.org/docview/1922799862/fulltext/BE047D9862504827PQ/1?accountid=10422#>

Hilton CEO Believes Direct Booking Campaign is Key to Improved Guest Experience, Skift, February 14, 2018

<https://skift.com/2018/02/14/hilton-ceo-believes-direct-booking-campaign-is-key-to-improved-guest-experience/>

D. Module 4: Ongoing Channel Management

Session 15: Channel Motivated Product Line Expansion

- How can the product line be used to reduce conflict among channel members?
- What are the key channel-related issues a supplier should consider in adding to its SKU portfolio?
- What are the advantages and pitfalls of aligning different brands with different channels? Other than the ones we have already discussed, can you think of some brands that have done this well and others that have not?
- Why is scale and scope expansion so important for suppliers who focus on the DTC channel? Should suppliers take into consideration the costs of such expansion in assessing the profitability of the DTC channel? If not, why not? And if yes, how?

Assigned Readings

“Using the Product Line to Manage Multiple Channels,” Chapter 13, *Getting Multi-Channel Distribution Right*.

Session 16: H-E-B Own Brands

- What impact has Glacia had on the profitability of the water category for H-E-B? What is your recommendation on Glacia?
- Tables E and F of the case suggest that there is a lot of variation in profitability of own brand across categories. Based on these tables, what factors drive the profitability of own brand relative to national brands and the category as a whole?
- What should the role of Own Brands be in H-E-B’s overall strategy? Why are they important?
- Should the role of own brands be scaled up or dialed down at H-E-B? In which product categories? Be sure to examine Table F and Exhibit 6 of the case in detail as you think about this question.
- What do you see as the real benefits of private label to a retailer? What are the limits, if any, to those benefits?
- Why does Trader Joe’s succeed while other grocery retailers have to maintain a majority national brand assortment?

Assigned Readings

“Using Power Without Using It Up,” Chapter 6, 11-13, *Getting Multi-Channel Distribution Right*

Optional Articles of Interest

[At Sephora, An Ugly Battle Begins, WSJ, January 09, 2017. https://search-proquest-com.dartmouth.idm.oclc.org/docview/1856465790/fulltext/AC7019B60B9E4A64PQ/1?accountid=10422#](https://search-proquest-com.dartmouth.idm.oclc.org/docview/1856465790/fulltext/AC7019B60B9E4A64PQ/1?accountid=10422#)

Surprise! Amazon now Sells More Than 70 of Its Own Private-label Brands, Recode, April 7, 2018

<https://www.recode.net/2018/4/7/17208804/amazon-private-label-brands-list>

How Amazon Steers Shoppers to its Own Products, NY Times, June 23, 2018

<https://www.nytimes.com/2018/06/23/business/amazon-the-brand-buster.html?action=click&module=RelatedCoverage&pgtype=Article®ion=Footer>

[Amazon Seeks More Brand Control, WSJ, July 19, 2019](https://search-proquest-com.dartmouth.idm.oclc.org/docview/2260240759/95B25BC5BB724E11PQ/1?accountid=10422)

[https://search-proquest-](https://search-proquest-com.dartmouth.idm.oclc.org/docview/2260240759/95B25BC5BB724E11PQ/1?accountid=10422)

[com.dartmouth.idm.oclc.org/docview/2260240759/95B25BC5BB724E11PQ/1?accountid=10422](https://search-proquest-com.dartmouth.idm.oclc.org/docview/2260240759/95B25BC5BB724E11PQ/1?accountid=10422)

Session 17 (10/22/19): *Catalina Marketing*

- How can trade promotions help to coordinate the channel?
- What determines whether a promotion to consumers generates incremental sales for manufacturers? What about for retailers?
- What is Catalina's business model? How do they serve manufacturers of packaged goods and retailers?
- Identify the metrics related to this targeted coupon business that are important for manufacturers? For Catalina? And for retailers?
- Is this the right time for Catalina to develop a retailer focused business? If so, is Meijer the right partner for co-creating this service?

Assigned Readings

"Harnessing the Power of Price and Price Promotions," Chapter 14, *Getting Multi-Channel Distribution Right*

Optional Articles of Interest

Kraft Heinz Pays Price For Snubbing Retailers, WSJ, Feb 27, 2019.

Session 18: *Channel Incentives, Dashboards, Wrap-up*

- For which types of suppliers does it make sense to harmonize across channels and when does it make sense to differentiate?
- What are the different types of incentives suppliers can use to influence their channel partners' actions? Among the cases we have discussed in this course, where did you see this done effectively?
- Review the expanded view of the Push-Pull system in Figure 16.1 (Chapter 16). How do the cases we have discussed in the course fit within this system?

- Looking back at the course, what do you see as the most important tools and strategies to nurture positive feedback loops in this system and cut off negative feedback loops?
- What do you think are the aspects that Pete and Gerry's is missing in its dashboard?
- What are the most challenging elements to get a handle on in the hotels dashboard?
- Can you think of any causes of conflict with channel members that we have not recognized? And have we missed any important strategies for dealing with conflict?

Assigned Readings

"Managing Prices and Incentives Across Channels," Chapter 15, *Getting Multi-Channel Distribution Right*

"Summary: Dashboards and Principles for Managing New Directions in Distribution," Chapter 16, *Getting Multi-Channel Distribution Right*

SESSION SCHEDULE

No.	Topic/Cases/Readings
Module 1: Overview	
1	Designing and Managing the Route-to-Market
2	Stainmaster Case
3	Stainmaster (contd.)
4	Channel Coordination, Conflict, Power, and Regulation
Module 2: Getting and Keeping Distribution	
5	Distribution Metrics and Velocity Graphs
6	Sorrell Ridge Case
7	Snapple Case
Module 3: Multi-Channel Design and Evolution	
8	Vertical Integration, Franchising, and Agents
9	Arrow Electronics Case
10	Multiple Routes-to-Market and Multi-Sided Platforms; Two-page Proposal for Final Project due
11	Flipkart Case
12	Brooks Sports Case
13	Natura Case
14	Hotels and Travel Industry Case; Integrative Assignment due
Module 4: Ongoing Channel Management	
15	Channel Motivated Product Line Expansion
16	H-E-B Case, Competing With Private Label
17	Harnessing Pricing and Promotions, Catalina Marketing Case
18	Channel Incentives, Dashboards, Wrap-up
	Final Project due