

Welcome to IF Consulting's weekly e-mail newsletter

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Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

Dell delves into retail marketing channel

According to the Wall Street Journal and Reuters, direct seller Dell will be selling its PCs in the department chain Sears.

Dell will implement a store-within-a-store concept in ten of the department chain's outlets. The stores will not stock systems, but will only allow customers to test-drive possible configurations, then phone in or place their orders from an online kiosk.

Rivals Apple and Gateway both operate retail outlets in conjunction with their online channels. However, according to a company spokesperson, Dell's approach is more conservative, and is just another way to extend the company's traditional direct-to-the-customer business model.

<http://www.informationweek.com/story/IWK20030130S0005?lic=forbes>

IF Comment

There is a lot more to marketing channels than product flow. Marketing channels also play an important role in the flow of information to customers, a necessary precursor to sales.

The purchase of a computer is, for some, a high involvement - high risk activity. Department chains and other high traffic retailers command a significant customer reach and the presence of the product, without any barriers, would encourage customers to take a test-drive. The increase in product familiarity will lead to lowering the risk perception and result in increased customer comfort in purchasing through existing automated channels.

A multi-channel architecture with provision of information through the department chain channel, and retention of the existing channels, would allow Dell to meet the needs of the high involvement - high risk purchase behavior. By applying this marketing channel strategy, Dell can increasingly address the needs of the emerging medium value commodity market.

Snippets

7-Eleven CEO Jim Keyes is convinced that the company's move into financial services with the new "prepaid everything card," will be a big hit. The card, Vcom, lets shoppers make ATM transactions as well as buy money orders, transfer funds, cash checks, and eventually pay bills.

http://www.businessweek.com/bwdaily/dnflash/feb2003/nf2003026_4470_db062.htm



Marketing Channel
Strategy Consultants
Maximizing shareholder value
through creating the best routes
to market

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Finding it almost impossible to shut down all the web sites that facilitate illegal copying of movies and music, Hollywood has changed tactics and is now teaming up with some of the perpetrators to legitimately distribute digital content.

http://www.forbes.com/technology/free_forbes/2003/0217/099.html

Bakery chain owners Noel Carroll and Noel Russell plan to open another 70 Michel's Patisserie stores across Australia and overseas this year, as their business grows into one of the country's largest franchise chains. Longer term plans include opening 500 stores by 2005, with New Zealand and Asia seen as key markets.

http://www.dailytelegraph.news.com.au/common/story_page/0,5936,5922815%255E462,00.html

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IF Consulting publishes "Our View", a quarterly review of topical marketing channel issues. Samples are available on our website. To receive "Our View", please return this email with your address details.

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IF Consulting is a leading international marketing channel strategy consulting firm with over 30 years experience in a vast number of industry sectors. See our website for further information.

<http://www.i-f.com>