

## Welcome to IF Consulting's e-Newsletter

October 7, 2005

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

### Tools for distribution

"Ryobi-brand power tools and lawn and garden equipment in above countries are handled by unaffiliated, third-party licensees. For these reasons, Ryobi Limited does not provide information or respond to inquiries regarding Ryobi-brand power tools and lawn and garden equipment sold or distributed in the above countries."

[www.ryobi.com](http://www.ryobi.com)

### IF Comment

We couldn't resist the temptation to feature the web site above for this week's comment.

Companies are free to choose to whom they sell products and to create a distribution network as exclusive and controlled as they think will best protect their profitability. However, there are ways to mitigate this policy once a customer, whether knowingly or unknowingly, has purchased a product from a non-authorized distributor.

The customer's decision to purchase one company's product over a competitor's results in a portion of the product price flowing back into the company's bank account (we are obviously not talking about counterfeit products, but original products manufactured directly or under licence by the company). What is better - to have an unhappy customer not receiving any support, talking about his or her experiences with the company, or to protect the integrity of the distribution network? Of course the correct answer is somewhere in between - it depends on the direct and indirect financial cost of the two options.

It is likely that if non-authorized distributors operate in a market, the company is missing out on sales opportunities by not establishing a distribution presence. So perhaps instead of punishing customers for buying the products from non-authorized distributors, a proper distribution network should be established.

### Snippets

UPS subsidiary Mail Boxes Etc., Inc. is expanding The UPS Store® brand internationally. This week, the company announced the debut of The UPS Store concept in India and the conversion of 265 Mail Boxes Etc. locations in Canada to The UPS Store brand.

<http://biz.yahoo.com/bw/051005/55478.html?v=1>

Fast-food giant McDonald's commenced its exit from the Jamaican market this week with the closure of its St Ann's Bay mobile restaurant. The company used the mobile unit as an experiment, hoping to develop an operating template that could be replicated elsewhere throughout the island. However, it has been reported that the company failed to find



Marketing Channel

Strategy Consultants

Maximizing shareholder value  
through creating the best route  
to market

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franchisees qualified to operate a fast-food chain in Jamaica and would therefore be exiting the market.

[http://www.jamaicaobserver.com/magazines/Business/html/20051004T220000-0500\\_89764\\_OBS\\_MCDONALD\\_S\\_BEGINS\\_PULL\\_OUT.asp](http://www.jamaicaobserver.com/magazines/Business/html/20051004T220000-0500_89764_OBS_MCDONALD_S_BEGINS_PULL_OUT.asp)

The creator of Salesforce.com has announced the unveiling of AppExchange, heralded as the eBay of corporate software. According to founder, Marc Benioff, the latest offering is an online marketplace where software makers and customers can swap and sell applications they develop.

[http://www.businessweek.com/@@DVnyblUQvqL5ExYA/magazine/content/05\\_38/b3951097.htm](http://www.businessweek.com/@@DVnyblUQvqL5ExYA/magazine/content/05_38/b3951097.htm)

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To unsubscribe, please reply with "unsubscribe" AND a copy of the email address to be removed.

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>