

Policies and methods of distribution and physical distribution

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Abstract: This research aims to know the policies and methods of distribution and physical distribution, as an important element of the marketing mix. The research found that the distribution component of the marketing process is not complete without it and has two types of policies are the distribution of direct and indirect, and each one of their own methods that are used in the distribution of products. As the research that the process of distribution is through a set of channels that are between the producer and the consumer and varies along the channel number of intermediaries between them. As the research and also the distribution process does not take place without the transfer of products through various means of transport, a process of physical distribution of products.

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1. Introduction

Marketing activity is one of the important activities in the facilities, as adopted by all the administrative activities and other production. The facilities successful is to put its marketing plans and effective policies.

This activity consists of a mixture containing several elements cannot be dispensed with any one of them when you do marketing operations.

The distribution is one of these elements and facilities need it for delivery of its products to consumers in places they are. Therefore, facility made plans and developing strategies that enable them to reach the customers through easy ways and channels and provide them with the products the need at the appropriate times and reasonable prices.

Research problem:

The marketing process is not complete without the distribution component, and with increased competition and product diversity and the different market sections targeted, high transaction costs associated with distribution facilities find themselves faced with several questions summarized the research problem as follows:

1 / What is the best distribution channels that can be selected to deliver products to markets and consumers?

2 / What are the appropriate distributional policies that can be followed when carrying out the distribution and selection of distribution channel?

3 / What is the extent of the impact of the physical distribution of products to the distribution process? And what is its impact on the expected returns from the marketing process?

The significance and objectives of the research:

The significance and objectives of this research are the following: -

1 / To identify of the basic concepts of the distribution.

2 / To define of distributive policies, methods and tools.

3 / To determine and types of distribution channels and methods of work.

4 / To define of the physical distribution of products and types.

5/ To demonstrate of the impact of the concepts of distribution and physical distribution on the distribution process in particular and the marketing process in general.

Hypothesis of research:

This research is based on the assumption that the distribution is an important element of the marketing mix and therefore has a direct impact through its policies and methods of the operation and marketing plans and policies, and the achievement of marketing objectives and goals of the organization of the public.

Research Methodology:

This research follows descriptive and deductive approaches to pursue the research topic and demonstrate of its policies and methods.

Content Search:

This research introduce The theoretical framework and three researching parts. The first part, deals with distribution channels and its policies. The second part, deals with distribution facilities, types and factors affecting it. While the third deals with distribution physical and components and methods. Finally the research is wrapped up with conclusion

summarizes in the research and identification of its findings and recommendations.

First topic: - Distribution

Distribution is one of the main elements of the marketing mix that concerned with all the activities taken by the management of the facility and related to the delivery of products from producers to consumers or users to satisfy their needs and desires.

Known distribution (as the delivery of the product or products from the supplier to the consumer or user by using the distribution outlets) (Almsaad,1987).

This means that the distribution includes a range of different activities such as transport, storage and shipping etc.

Distribution channels:

Authors differ to identify a particular term. They have put for word many of the terms channels and ports, roads and pathways.

However a channel of distribution. Was defined as (a group of organizations that participate and contribute to the transfer of ownership of goods and services and in the movement to flow from producers to final consumers or to business organizations). (Alsayed,1999)

And also known as (a groups of individuals and institutions through which goods and services from the sources of production to the final consumer, which is a way to create benefits for the moment of time place and procession) (Hana,2001).

Also known (as the route used by commodity from producer to final consumer or industrial user through a series of specialized devices that are either dependent or independent of the product) (Alrawi and Sand,2001).

From the above it is obvious that the distribution channels or outlets are a group of intermediaries and the different types of activity and tasks related to the transfer of the commodity and the delivery of the places of their productions to places of consumption and agree the objective is to achieve benefits for all parties to satisfy the wishes of the producers and consumers or users.

Importance and nature of distribution systems and their functions:

The distribution systems of major importance in determining the appropriate distribution channel for the service and as well as for finding jobs. They are as follows:

First, the importance and nature of distribution systems:

The distribution systems that provide a steady flow of customers, therefore, good management of the distribution system that can distinguish between the leadership of the market share of the organization and the struggle to survive in the market. Based on this concept, many of the

facilities began in the application of appropriate marketing outlets.

The environment is competitive in today's world, for example, facilities are forced to take into account not only the competition system and their own sales power, but it must be developed and widely integrated distribution networks, competition and international trade and distribution of electronic techniques and feature expiry for some products.

All these features have led to increased attention to the process of distribution and therefore the roads that provide access to the current markets and new interest in them has become necessary and the trends of modern facilities are forced to choose foreign partners to assist in the marketing and distribution of their products.

And it can be defined as a set of distribution channels of independent activities, which include measures to make the product or service ready to the final beneficiary.

The development of the distribution system starts from the selection process for brokers or channel members who play an important role in the success of the system. Therefore, the distribution networks in institutions consisting of bilateral contracts and formula editing structured partnership between the independent facilities.

Second, the functions of the distribution channel:

The distribution channel is to move or transfer of goods or services from places of production to the target at a time and place can be summarized the functions of the distribution channel in the following:

- 1 / Information: collection and distribution of marketing research and intelligence on the marketing environment.
- 2 / promotion: the development and dissemination of persuasive communications products offered for sale.
- 3 / Direct Contact: Contact potential buyers.
- 4 / matched: embodiment and the matching of supply and the needs of the buyer of manufacturing activities and the classification and assembly and packaging.
- 5 / negotiation: negotiation in the areas of price - transport - the proper time.. etc.
- 6 / physical distribution: transport and storage of the product.
- 7 / funding: the acquisition and use of certain amounts to cover the cost of the work of distribution.
- 8 / Risk: the mediator takes upon himself the financial risks of not being able to sell the stock according to the agreed profit margin.

We can say that the first five jobs to help complete the transaction or the transaction and the other, it helps to complete an integrated manner. (Alalag and Hamid,1999)

Direct distribution policies:

People in charge must identify existing distribution policy to choose the port distributive rings from one ring or several rings to choose one of the following policies:

First, direct distribution:

The producer is to provide products directly to the final consumer or industrial user without the use of intermediaries and thus the port is one of the most distributive outlets and distribution of goods are as follows:

1 / methods of direct distribution of consumer goods: includes the following methods:

A / sales by product shows in the following cases (damaged item - limited quantity of production - the limited geographical scope - change constantly goods - goods that require special skills of selling - get rid of the profits of middlemen in the case of sale price - to take the experiences and research centers).

B / cruise on the homes of consumers (vendors):

Sales agents carry sale item and move them to the homes of consumers to use high skills to convince them.

C / selling by mail:

The fact that the preparation of the product catalogs of goods and send them to potential buyers who are expected to request it through capon ml and returned to the producer again by mail.

D / vending:

The product that the machines put a special mechanism in the places where the ordinary consumer, such as arenas, cinemas, transport and parking .. Etc.. They fit a limited number of consumer goods. and the value of the item the buyer put the introduction of coin in the space provided then press the button for the desired commodity.

The two main methods for the distribution of products:

A / exhibitions:

Many of the producers of industrial goods, establish local exhibitions permanent or temporary, to display their products and identify the place and time in order to attract potential buyers to check out what drives them to buy these goods. Producers also participate in international exhibitions held in other countries to attract new buyers.

B / sales representatives:

Sales agents visit buyers on behalf of producers the industrial potential in the possibility of their presence and they often are in limited geographical areas and known to the product and they offer their goods on these buyers through catalogs and illustrations, including HIV-negative or of the information. Often this will be his lack of preparedness for promotional buyer for the purchase at the time of the visit.

Second, indirect distribution:

When the producer is not able to distribute his products directly resort to the method of direct distribution to the use of intermediaries to be a link between it him and customers. They either do purchase the item and re-sold or that they are agents and they do not buy the item but confined their role to achieve the connection between the seller and the buyer and receive commission for it in the form of a percentage of the value of the deal. And take the distribution outlets has direct many forms, including:

A / distributive ring with a single argument as a merchant for the retail of consumer goods or sales agent or broker for industrial goods.

B / outlet with a distributional arguments seminars merchant wholesale or retail in consumer goods and the agent selling the product and wholesaler of industrial.

C / outlet with a distributive rings with three Intermediate broker and wholesaler and retail of consumer goods and the agent selling the product and wholesaler and retailer.

D / outlet distributional longer a case of imported goods was imported wholesale merchant in Dubai Item from Japan and sells them to a wholesaler in Jordan and Iraq is distributed in the provinces and remote areas within the same country.

Accordingly, the following product and one of the following policies:

1 / distribution policy of destruction:

Means that the product and wants to distribute its products in all markets without exception It is suitable for consumer goods, which are characterized by low-priced and frequency of purchase and the degree of consumer loyalty has a limited no effort made to obtain it.

2 / selective distribution policy:

And means that the product is a limited number of distributors for the distribution of its products which include coverage of the market and a reasonable fit with the shopping goods and private goods and distributors are chosen on the basis of goodwill or the ability to service item ... etc.

3 / limited distribution policy:

Means that the product division of target markets and divided into several specific geographic areas and selects for each region (market), the exclusive distributor of the product, and regulates the relationship between the producer and distributor of a legal contract shall under which, the product is not selling the product by another broker in the region, and suitable for goods shopping and private. (Alrawi and Sand,2001)

Section Three: - distribution facilities

Is the distribution facilities of a more indirect establishments that distributes various products from

producer to final consumer or buyer of industrial and facilities or These channels include many of the species.

Types of facilities or distribution channels:

First: Wholesalers:

known as Hanna (project activities that you sell to retailers or to industrial investors are not included in its direct sales to final consumers) (Hana,2001)

And known Almsaad (they are brokers who deal in buying products from producers and suppliers and re-distributed to other brokers and dealers, resellers and agents and brokers, nor does their distribution directly to consumers or users) (Almsaad,1999)

That wholesalers are divided into two types:

1 / wholesalers with integrated services:

And these in turn, is divided into three sections:

A / stores configurations broad commodity: These stores carry a wide formations commodity to serve a large number of clients.

B / stores variety stores Co., Ltd.: specializes in a variety store and one of the commodities such as groceries, such as for example, or garments.

C / specialty stores:

A / These shops specialize in the sale of one commodity derivatives glasses, computers, or cigarettes.

2 / wholesalers with limited services:

These are divided into the following:

A / Cash dealers

These require the presence of retailer to them and choose the required goods and paid for in cash and have to bear the costs of transfer to their stores.

B / Shipping dealers:

Who sell goods or large-scale heavy and hard handling such as steel, wood or cement. They do have ordered directly from the producers when they receive an order the customer to provide the costs of shipping goods to the Palace once.

C / Trucks dealers:

Combine owning a store of goods and possession of a number of trucks that are periodic visits to retail stores serviced by the dealer trucks.

D / Dealers & Mail:

The use of catalogs that are distributed to retailers, which include types of goods and their prices. And required by the retailer and mail it had received, which provided him with transport costs.

E / producer cooperatives:

These cooperatives are usually in the field of agriculture, as farmers in concert to sell their products through the organization of cooperatives, which holds the distribution process of retail stores.

And / or non-food traders commissary:

They provide large grocery stores and supermarkets large formations of non-food items, by placing their own shelves are not responsible for shop owners and

the responsibility lies on the shelves these dealers supplies and get the owners of shops or supermarkets to commission certain.

And wholesalers are many functions for producers and retailers are to:

- Assist in the conduct of the product items easily
- Keep a large stock of commodities.
- Provide capital for the product.
- Risk-bearing instruments such as credit and the changing tastes of consumers - damaged inventory depression item.
- Provide them with important information about market conditions. (Hana,2001)

Second, retailers:

Almsaad defines retailer (specialized center that distributes different types of goods and services to consumers or users in small quantities and variety). (Almsaad,1999)

Rawi and sand say that these facilities shall carry out all activities and actions that relate to the movement of goods and services to the final consumer and sell it in order to make a profit. The buyers of a product or more, and sell them, and include several types, including:

1 / department stores:

Characterized by doing the sale of a large number of different kinds of goods such as foodstuffs, electrical appliances, etc. ... and are concentrated in areas far from big cities.

2 / stores Commodity Group Ltd.:

Activity is concentrated in a limited range of goods, or even in a single commodity as material grocery or furniture ... etc. It enables the consumer of the selection process among a large number of shapes, sizes and prices for one type and that the depth range of commodity contained in these stores.

3 / Specialty stores:

Types of stores is a commodity group mentioned above, but characterized by dealing with private good requiring provision of certain services to the consumers of this item, such as glasses shops - watches - jewelry, precious and is characterized by its ability to attract consumers to the selling skills of men.

4 / Department store:

Stores are large and contain a large number of specialized departments, each of which a certain type of goods as divisions of men's clothing - women's clothing - children's clothing - furniture - electrical appliances, etc. They are concentrated in the areas important business and crowded cities that the movement of people and goods as they deal shopping is the consumer willing to make the effort and time required to obtain it. It also has a substantial financial capabilities and her knowledge of global and local markets, so you can bring in new goods and

new models. It also provides many services to its customers as a service credit - allowing returns sales - delivery to homes ... etc.. As a result, their enjoyment of the good reputation lend their names from consideration and the high status of the goods sold. We find that the internal organization is divided into two types:

The first is called sections of the high power of attraction, such as ready-made garment sections, furniture and household electrical appliances and always be in the interior of the shop and upper.

The second is called the sections of the power of attraction of vulnerable sections such as gifts - Cosmetics - Sale of books ... etc.. And be near the entrance to the store or the parts that experienced by consumers on their way to the sections of the first type in order to draw their attention to the exhibition of goods.

5 / supermarket:

Is the discount depends on the service of self and deal with a large number of commodity groups such as various food (frozen or fried), fresh fruits and vegetables - groceries home - apparel - household goods, etc Because of its reliance on the service of self is to reduce men selling them. And style that will carry a basket of consumer purchases and places in which to pay the value of one time when he left the store.

And is characterized by strong high thanks to attract an attractive display of goods and the wide range of commodity groups are treated and cuts prices for some commodities and the large number of declarations and low sales prices for the lower cost of sales and turnover of goods. They also suffer from the high cost of decorations, lighting, distance from the centers of crowded cities and the large number of thefts and damage to some of the goods for misconduct buyers.

6 / discount stores:

Are similar shops sections where collections commodity with which it deals, but sell at lower prices from stores foregoing shall be the profit margin is low and this is called stores discount offers much lower costs as a result of its failure to provide for many services and sited in areas away from city centers to reduce rental costs. And often are in the form of a series that is, they consist of several branches. They take advantage of the central procurement policy where it can large volume of transactions to obtain a quantity discount and reduce transport costs and the preparation of purchase orders. (Alrawi and Sand,2001)

There are shops other than those listed above are:

1 / Goodwill stores:

Based personnel to visit the distributors of the product or the supplier to the homes of consumers or

their offices to persuade them to buy their products. Visit to take place individually to view the forms, or that the consumer visited the exhibition for its needs, especially in remote areas which require the conditions of its inhabitants lack of shops.

2 / distribution by mail:

The method is based on the process of distribution of some shops by mail or phone through its own offices, which holds the receipt of applications and answer them and the definition of consumer products and their specifications and characteristics of a statement or send catalogs and colored catalogs contain all the data. Are sent by mail as required by the client as well.

3 / automatic distribution:

And automatic means that offices are designed to carry out the distribution where there is a place dedicated to bringing the value of the item needed the money and place of delivery of the commodity in the same machine. Used for the distribution of soft goods such as cigarettes - soft drinks ... etc..

4 / retail services: the services you provide to the consumer when it's needed is invested in each place and therefore need to have the consumer as shops constantly cleaning and pressing of clothing - hair salons - Maintenance Services - Insurance - health - and education - banking ... etc..

5 / duty free shops:

Spread in all socialist countries in particular, to try to get the hard currency on the one hand and provide services to residents of the country and foreign tourists who visit him. And the return of the children in the country outside of the hand.

6 / consumer cooperative societies:

Organizations are composed of a group of consumers, regulators and optionally configured to manage the purpose of obtaining goods and services as it deems appropriate to satisfy the needs and desires of consumers. It works to provide the best types of products and least cost to its members.

Organizations which aims to:

A / from the requirements of its members to provide quality products and the right amount and the right price.

B / reduce the problems of market manipulation and exploitation of distributors.

C / activity to perform the lowest possible cost. (Almsaad,1999)

Third, agents:

(That their job is to mediate between the seller and the buyer without them transferred ownership of the item). (Shanawany, 2000)

Rawi, and Snad say (they engage in the sale of all or part of the production of one product or the number of producers without have or are trading item in return for a commission, and are selling to

wholesalers and retailers, or both for the buyer of industrial as well). (Alrawi and Sand,2001)

There are many different agents assortment of type of work they are doing so classified into many types depending on the type of work are: -

1 / brokers:

Agents are paid a commission peer-rounded seller and buyer to complete a particular transaction. The broker represents the seller and be costly to search for the buyer. In both cases, the opposite or end their relationship with the completion of the transaction.

2 / commission agents:

They are agents play an important role in the sale of some of the products are different from the brokers in that they are selling goods to the detriment of others peer commission and there are goods that they sell and sell their side without recourse to the seller or waiting for orders from him.

3 / buying agents:

They are agents working for the buyer. And characterized their relationship to continue and earn a commission for their services or the buyer, giving them a fixed salary per month. And they are independent organizations working in the market for more than a buyer, and they differed from all facilities employed to carry out procurement on their behalf.

4 / sales agents:

They are independent business people with the task of selling the facilities that cost them so, and the relationship between them continues. their side It is also be required to sell goods and they have specific orders not to sell as they see the price and other terms of sales.

5 / agents and producers:

Product agent is a sale that is selling a limited authority cannot determine its own selling price or terms without reference to the product; as it operates in a certain area and limited.

6 / auction companies:

They are agents who sell commodities for others through the display and provide all the facilities until they are sold by auction. After collecting the price of these companies deduct certain expenses of a commission to do this service and then pay the rest of the vendors.

The choice of a channel the above-mentioned channel distributional or outlet for the distribution of the product in the market to be selling the most dangerous decisions of strategic importance, the major project, as it may stop product success or failure is often the choice because the ports are distributive multiple stages and different. So When you do choose the port distributional must put a lot of factors that affect the selection process in the account until you choose the port or the appropriate channel

for the distribution of the product. (Shanawany, 2000)

Factors affecting choice of distribution channels:

The choice of channel distribution process of going through many stages, after conducting the necessary studies and proper search even achieved the maximum benefit from this process must then be developed in a number of factors that play an influential role on the selection process of the channel distribution 0 and are these factors in the following:

First, factors related to consumer and are as follows:

The nature, characteristics and consumer attributes - location of the consumer and the concentration and untargeted - consumer purchasing habits and motivations.

Second, factors related to the market and are as follows:

The size of the market - the geographical focus of the market - demand - competition.

Third, factors related to the product and are as follows:

Place the product (concentration and prevalence), which is affected by the following (market conditions, the labor force in the beauty of the product distribution, supply and demand, susceptibility to damage and depression) - the unit value of the product - the size and weight of the product - the technical nature of the product.

IV: factors related to the organization and are as follows:

Size of the organization - the Organization's reputation - experience and administrative capacity. (Almsaad,1999)

Fifth: factors relating to brokers:

That there are factors related to the brokers who distribute the product and is in the following factors:

Services provided by intermediaries - the availability of intermediaries unwanted - the acceptance of the mediators of the policies of the product - the volume of sales potential of the product - the costs borne by the product. (Shanawany, 2000)

Fourth topic: - physical distribution

The facility is working to link itself with the other entity with which the activity of many things, whether the facility operating in the same activity or other activity related to the facility or with individuals who have different consumer needs. Through effective communication with them to do their part towards them and achieve their goals by acting on them, and that it was founded. This is known as the physical activity distribution.

Known (as the various activities carried out by established for the delivery of goods made from full production to places where there are consumers, and include transfers from its sources of raw materials to

the factories that you use in the production process) (Alrawi and Sand,2001)

Stanton (distribution management realized that the flow of goods appropriately and effectively to the development of processes for the continued operation of the system). (Stanton-1975)

Known (as is the expression used to refer to the various activities undertaken by the project and connect the related finished goods from production to places where there are consumers). (Hana,2001)

We find that the reported activities in the previous definitions lead to the creation of the different benefits of spatial and temporal, spatial and formalism which leads to search for the shortest and least expensive ways to do connect the goods or commodity to all parties that you need to do different activities.

When dealing with physical distribution has to be two aspects of attention are: - (Bakri,1986)

First: the importance of physical distribution and duties:

Highlights the importance of using physical distribution in the facility, whether production or marketing in particular, to the final delivery of goods to the consumer, and that the complementary aspects of the marketing process and other elements available. They system can be in control provisions at the level of costs that included a system for the delivery of goods at the best level of prices to the consumer through the following duties:

- 1 /To retain appropriate amounts of economic goods and the level of
- 2 / the use of suitable alternatives in the transport of goods
- 3 / appropriate port distributive approved with the goods that are distributed
- 4 / efficiency and safety of the approved warehouse to save the goods
- 5 / adoption of appropriate measures in the implementation of Requests
- 6 / selection and adoption of a suitable system for the control of the store

Second, the physical elements of the distribution system:

That the physical distribution system contains a number of functional activities, which in turn interact with each other to achieve the best performance in the delivery of goods from the centers of production or marketing of points to be used or consumed. Activities include the following:

- 1 / Department of inventories:

The primary key for the work of the physical distribution system in all facilities or that the decisions related not confined to the limits of physical distribution management, but also be part of the key decisions for the management of the

establishment of the association with other administrative costs.

- 2 / inland transportation:

The transfers of materials or equipment or parts manufactured between parts of the project in accordance with the supervision of the physical distribution and commensurate with the needs of the departments where

- 3 / receipt:

A process to receive materials upon entry to the facility to delivered them to the stores or directed toward the management of production directly.

- 4 / storage within the plant:

Concerned with the storage of finished goods within the facility are affected by what is supported by the facility and how to implement the physical distribution.

- 5 / Shipping:

Is the final step in the redeployment of the goods prior to leaving the factory and include packages to make sure the goods and arrange them on the back of the truck and vehicle safety as well as the efficiency of shipping the goods.

- 6 / packaging:

Exercise to achieve the safety of the goods and distribution of economic and influenced by the type of medium used in transportation.

- 7 / transfer abroad:

Is the transfer of finished goods from factory to distribution centers or vendors to deliver to consumers.

- 8 / customer service:

Is a link between the facility and consumers is the key step in the success of the facility. Therefore claim by providing it with information emerging and provide appropriate services to him.

- 9 / procedures for implementation of the request:

Considered as basic inputs for the physical distribution system, as consumer demand is the beginning and then move the rest of the other parts on the basis of which is limited to the following:

- 1 / receipt / 2 study the possibility of responding to the request of 3 / stores to contact the Department of finished goods 4 / contact details of other relevant 5 / execution of the request and notify the client.

- 10 / distribution planning:

Limited to a factor of time as the plans are the first and second short-term and long term be short term, including.

- 11 / squares inventory:

Sites are external to the stores, which describes the goods before the sorting and distribution to stores custom or vendor when the execution of the request.

And conclude that the most important elements of the above-mentioned elements are the transport, storage or storage and distribution of the material

basis of mind and their relevance to the work of marketing as a whole.

First: Transportation:

That the transfer needs of the project and its products is one of the important processes that have a direct impact production costs and product prices reflection sold these products to users.

There are many definitions, including:

Jean Bodwiski knew that he (the process of shipping loads of material). The Hans Heymann (as the process of moving goods and people, each toward its target, which have some of the goals of economic, non-economic). Known (as the process of moving the goods from the points of production to points of sale or consumption quantity required and the time at reasonable cost). (Ibid)

The importance of transport:

For the transfer of great importance if it becomes seen as a sensitive nerve in the economic process of the facilities and to consider effective means of continuous communication between the different locations of the operations, marketing and productivity in order to meet the geographic expansion of markets and shorten the distances between producers and consumers, and other important factors involved in previous operations. The importance of transport in many of the points are: -

1 / shorten the time factor:

Transport contributes to shorten the time and in the delivery of goods from the producer or marketer to the consumer, it became a hit through its means different in many cases within hours instead of days.

2 / the face of geographic expansion:

The establishment of successful growth and continued expansion is reflected through the new markets may be the most geographically distant. times making it looking for the fastest means to reach it.

3 / influence the production process:

Show the importance of transport through its effect on the functioning and success of the production process, from raw materials through the instructive and the inner core.

4 / create a spatial benefit:

Aim of the transport of goods to the final transfer of the benefit that they contain goods from the place of a marginal benefit of a few to last more helpful. And this is subject to the time factor and the psychological need of the individual to assess the utility. (Ibid)

Influential factors in choosing the means of transport:

The choice of appropriate transportation to move products from the by-product process that takes many of the studies on the activities of the project which affect the costs that an entity spent on these activities.

So when the facility is based on the selection of means of transport have to put some of the factors considered to influence them.

The most important factors affecting the choice of transport are:

1 / the nature of the item:

If the product is raw materials and low-cost and large size, it is better to be transported by land or sea, but if the liquid and a large quantity tapeline her best, or by sea or land, such as petroleum, for example.

2 / the time between the date of the request item and the time in which they appear to need:

When the short time and the urgent need for air transport preferred, and if time is available, are chosen and the way Other

3 / Item price and size:

Requires the transport of goods of small size and light weight high price and fast means of transport and transport cost considerations are guaranteed no matter how high a fraction of the price and to ensure they arrive safely in time and place.

4 / the possibility of physical facilities:

Facilities with limited financial resources and resort to means of transport of low-cost facilities with the resources they are high, they have the appropriate means of transport and the ability to rent it from others and adopt the means of transport according to the circumstances surrounding it.

5 / transport costs:

One of the most important factors which influence the selection of appropriate transportation is related to profit margins that are placed on the goods to determine their selling prices. The costs in the first two direct costs are:

- The costs of packaging: the packaging is different from Item as a means of transport used

- The cost of insurance: is different from the means of transport to another

- Transport costs side: from the airport or train station or port to warehouses or distribution centers established.

- Cost of storage in warehouses or airports or ports, railway stations until the clearance of the goods.

The second type is the indirect costs which are the following costs:

- The cost of freezing the capital invested in commodities as the use of a slow lead to late arrival delayed item and then sell them and thus delayed recovery of the invested capital and the consequent effects.

- The costs of storage of goods where the use of a slow distributor forced him to store large amounts because of the long waiting period (the period between a request for a new batch and the date of arrival).

- Considering the loss of profit opportunities resulting from the inability to meet some obligations or failure to deliver goods in time of need to kind of indirect costs (Alrawi and Sand,2001)

Other factors that affect the choice of transport is to the following factors:

- 1 / Market site, which serves the project
- 2 / speed required in the transport of goods
- 3 / the degree of reliance on the means of transport in terms of access and safety of Item
- 4 / shipping services provided by each means of transport
- 5 / transport costs all the way by type

Types of transport enterprises:

There are many institutions that transport is associated with the producers to transport their needs and their products from places to places of production, consumption and markets that are sold and marketed them.

There are three types of transport enterprises are:

- 1 / institutions of public transportation:

Such as railways and trucking, and owned in many cases, public sector institutions, or at least supervised by the government on the structure of prices. They represent the main artery for the movement of goods in many countries, the government often bear the losses run contribution to the public interest.

- 2 / institutions contractual transportation:

Include private institutions that aim to profit by providing transportation services to shippers. And provides its services through the conclusion of transport contracts with shippers that show the type of services provided and the responsibility of each and the cost of the service and delivery times.

- 3 / movement sections of the project:

Often the project possesses a special section of the movement that provides transportation and shipping services for the project and in this case it is either to own means of transport used or that the rental. Despite the high costs of establishing this section except that many projects prefer this system to its ability to service rather than relying on other institutions of the effectiveness of its services and speed. (Hana,2001)

Types of transport:

There are several types of transportation that can be of the facility to choose from based on their advantages achieved by taking into account the factors affecting them.

These methods are classified into five types: - (Alrawi and Sand,2001)

- 1 / Trucks:

Include all vehicles transporting goods, small or large specialized or general, and one of the most commonly used methods because of its distinctiveness flexibility and its ability to reach any

place in the time of other methods cannot reach him. Has increased its importance and increased use of the spread of paved roads and fast addition to the large number of transport companies due to lack of investment necessary for its establishment.

But maligned in high transport costs when compared to water transport and railways. And may only be used for transporting goods of small size, LLC, which is often complementary to other means.

- 2 / rail:

The increasing interest of countries in the world and especially the developed ones by rail because of its great ability to move large amounts of goods and passengers in addition to low operating costs. The quantities large movable and the huge number of passengers has reduced the cost of transportation tariff by which the advantage of being non-polluting to the environment after the entry of electric trains as a means suitable for the transfer of large amounts of raw materials that grow in size and less valued accordingly.

But maligned inability to access to many areas not reached by rail in addition to the relatively slow compared with some other means because of the many stations where the trains stop and the process of loading and unloading of goods in these stations.

- 3 / air transport:

Originally used this method in the transport of passengers and because of the expansion in the production of large aircraft and the intensity of competition. Found that should do the trip on time regardless of the number of passengers registered, has led not to exploit the full energy transport plane he encouraged the airlines to accept the transfer of goods, especially in periods less than the passenger. I found the process of moving goods companies profitable and economical to own than to pay a private cargo planes goods remained, however, this method of limited use because of high costs, which are used to transport goods expensive and light weight and perishable goods.

Featuring a large vehicle speed in the transfer of goods. The disadvantages are the high costs of transporting goods and not a position to reach many areas where there are no airports in addition to using other means to transport goods to and from the airport cargo.

- 4 / water transport:

Includes shipping, river and one of the oldest means of transportation of goods and is characterized by suitability for most commodities, especially large size and heavy weight, which helped to use this medium naval shipbuilding giant carrying hundreds of tons which resulted in lower transport costs, which is an advantage to them by other means. And maligned in the slow transport because of the long distance

traveled and the inability to reach deep into the market, making it the need to use other means to transport goods from and to.

5 / transport by pipelines:

Used effectively in the transfer of liquid commodities such as oil, natural gas, especially when the quantities are to be transferred very large and characterized by a low transport costs, but that the process of supplying require very large investments and are usually bear the expenses of extended states. And characterized by their ability to maintain the movable goods from damage and contamination and evaporation and the possibility of transferring large amounts of them in a very short period.

Second, the storage

Occupies a large storage place and an important marketing activity if the storage of goods at a particular time of the necessity to use at another time is one of the desires of the individual of all time. So storage is an important part in economic activity because the end user often needs to buy some goods that will be needed in the future and then stored until it needs it. Thus is established the success or failure in their ability to benefit from the inputs that you need on time and maintain their production processes to the output when needed.

And function of the storage means (receipt of materials, goods, whether before or after the purchase, production and preservation of its requested from the stakeholders to be preceded by the preparation of the buildings and spaces adequate to save the material and then to execute the orders of exchange, book-keeping and records necessary to account for storage and follow up the movement). (Bakri,1986)

The work function of storage on the balance between production processes and demand for products which help to sustain production operations at rates constant regardless of the size of demand. and show the importance of storage in a large and clear in the case of the production of seasonal goods as that produced when the availability of raw materials which they are involved in the seasons of production such as agricultural products, for example, which amount to have the lowest prices. This is a continuing need for goods purchased in large quantities, so meet the needs established in non-production times. The importance of storage in the following:

1 / made in the expanding market of competition between the sellers and producers themselves to investment sales opportunities to achieve the greatest profits possible.

2 / and the increasing diversity of needs of individuals, which requires the quantities and satisfy the appropriate times and this is the creation of

temporal benefit, by keeping goods and commodities until the emergence of demand.

3 / Some goods related to the time factor that is some seasonal production and consumption permanently. Therefore, the enterprise storage of these goods to meet the needs of individuals in the off-season.

4 / Stored energies through the appropriate facility can purchase in large quantities in order to stop the immediate need for teams to take advantage of discount in the case of buying low quantities.

5 / in which enterprise can overcome fluctuations in price levels. (Ibid)

Inventory management:

That the primary objective of inventory management is to ensure the continued flow of raw materials and production requirements and ensure that no stoppage of the stores to the point of sale so as not to lose the consumer or the buyer needs the goods and products.

We find that the inventory management covering the three points are as follows: -

1 / optimum point for the application of the goods:

Adopt the optimal point, which is required then request the goods in order to avoid bottlenecks and filling demand for commodity-based three factors:

A / waiting period: a period of time that passes from the time of the request item from the source to be displayed for sale at the distributor.

B / Average sale Item: It is intended that rate the average number of units sold of the product every day.

C / margin of safety: It is intended that the stockpile should be kept on the project to meet the emergency. Calculates the optimum point to the request of the goods the following equation:

Points, the optimum order: (the waiting period \times rate of sale of goods) + safety margin)

As an illustrative example assume that he has found the experience of a project that the waiting period for an order of up to four days and the rate of sale of goods up to 10 units a day, and the desired safety margin is 10 units in the commodity.

Points, the optimum order for the project = $(4 \times 10) + 10 = 50$ units

This means that the project is re-requested item at the size of the stock up in the project to 50 units.

2 / optimal size of an order:

Affect the size of the order on two factors:

The first factor is the cost to write and send your order and includes the costs of activities related to filling the order list and the time spent in addition to the cost of purchase and match order and dispersed and offered for sale.

The second factor is to keep inventory consists of the cost of storage material and the interest on money invested in the goods stored and the cost of insurance on the goods and the damage or damage that may

affect the part of the goods during storage and are characterized by cost increase for each commodity in the order the greater the number of units required and that the survival probability of each commodity for longer in stores, they reversed the first factor.

To calculate the optimal size of an order must reconcile these two opposing Pepin. Thus, the optimal size is the size of an order made him less of the total cost of college write and send the order, and inventory holding cost, calculated by the following formula:

Optimal size of the order =

Where:

K = size of the annual demand on the item

E = cost of writing and sending the order

M = the cost of inventory holding (percentage of the cost of item)

Q = the unit cost of the commodity

As an example the company to sell clocks up annual sales volume to the 3000 hours and the cost of time is 20 riyals, and that the cost to write and send the order is \$ 300 and that the cost of maintaining inventory equal to 20% of the price of the commodity

Optimal size of the order = = =

Third: The types of stores:

Stores can be divided into the following types:

1 / warehouses:

Stores are corporate, institutions and projects that used for the purposes of their own goods. They represent a majority of the total stores in many countries. The NAVA type economically only if the producer or distributor of a large amount of goods that need to be permanent storage service due to the high cost of ownership and management.

2 / general stores:

A general stores, which allows owners of non-storage service where for a fee to be agreed. And serve this type of projects that need to be constantly storage services. It provides many services receipt shipments and unloading, storage and re-shipped to buyers in any amounts required by the client. As you examine the services of goods when goods are shipped to them. And assume responsibility with respect to fracture or loss of goods and are found in cities and shopping centers.

It is divided into the following types:

A / merchandise stores squad petition:

Provides storage services to producers of a number of types of goods, especially those that do not require special preparations for storage.

B / refrigerated warehouses:

And provides services to producers of perishable food commodities such as meat, fruits and vegetables that need to be refrigerated or frozen when stored.

C / specialized stores:

And provides specialized services to producers of certain commodities such as cotton, grain or petroleum products or oils of all kinds. It is equipped with all the requirements of these goods from the equipment and preparation. (Hana,2001)

Choose a store location:

The decision to locate the store of important decisions rests with the existing order of the projects. This process will vary depending on storage and how it relates to production and marketing activities for the project. We find that there are many considerations and principles should be taken into account when selecting storage locations are as follows: -

1 / there are easy ways paved and can be used by the trucks so as not to affect the goods.

/ 2 should preferably be in the places of storage locations will be valid for the arrival of more than one way to tanker.

/ 3 the cost of buying land is an important criterion in the selection of the storage site.

4 / stores near the sites of commercial activity and productivity as required by the speed of the arrival of the goods or raw materials to shorten the time factor.

5 / the need to provide the means of sufficient security for the stores to miss opportunities to potential theft or sabotage.

6 / put the odds for the expansion of these stores or the business in mind.

7 / nature of the material stockpiled whatever be the cause in some cases. (Bakri,1986)

The choice of site and store depends on the following factors:

1 / the nature of the item: location varies depending on the nature of the item

2 / the nature of the port distribution: interfere with the type of distribution outlets used for the distribution of a commodity product to determine the number and locations of stores needed. (Hana,2001)

Stock levels:

That multiple levels of inventory for each level, the importance of the two activities in the production and marketing of the facility are as follows: -

1 / level of safety stock (buffer stock):

It represents the amount of inventory of certain commodities to meet emergency circumstances. This means that the amount not withdrawn from warehouses in normal circumstances but pulls in only two cases are:

A / the case of late arrival of payment for purchase of schedule.

B / in the case of increasing the rate of withdrawals daily - weekly - monthly from the warehouse for the purposes of production or sales) other than the supply

(standby). And is expressed in the following equation:

The size of safety stock = $\frac{\text{the volume of annual sales}}{\text{The number of days - weeks - months of work}}$

The number of days - weeks - months of work.

2 / re-order level:

Is the arrival of the inventory to a certain level does not cause delay in the arrival of the goods required to engage in the use of safety stock does not lead her arrival ahead of the large size of the stock and crossed alone the top. On the arrival of the volume of stock to the level of re-order the Secretary of the stores to inform the management of procurement request for a new impetus. And can be determined by the following formula:

The level of demand = safety stock + (a × supply withdrawals from the store)

3 / upper limit of the stock:

It means the highest level can be up to the size of stock at the arrival of the payment, assuming they arrive on time and constant rate of withdrawal from the warehouse. Can be calculated by the following equation:

The maximum safety stock × = economic size of the batch. (Al-Rawi and Sand,2001)

Conclusion:

The distribution component of the marketing process is not complete without him, and with increased competition and product diversity and the different market segments targeted, high transaction costs associated with distribution facilities becomes the following: -

1 / follow the appropriate distributional policies that enable a process of distribution.

2 / choose the best distribution channels to enable them to deliver products to markets and consumers.

3 / The process of physical distribution of the products have an impact on the distribution process and reflected on the revenue expected from the marketing process.

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