

Wholesaling/ Wholesalers

The business of wholesaling comprises of all activities involved in selling goods and services to those buying for resale or business use. Wholesalers are firms engaged primarily in wholesaling activity. Wholesalers buy mostly from manufacturers and sell mostly to retailers, industrial consumers and other wholesalers.

Wholesalers add value to products by performing one or more of the following channel functions:

1. **Selling and Promoting:** wholesaler's sales forces help manufacturers reach many small customers at a low cost. The wholesaler has more contacts and is often trusted by the buyer than the distant manufacture.
2. **Buying and Assortment Building:** wholesalers can select items and build assortments needed by their customers, thereby saving the customers much work.
3. **Bulk- Breaking:** wholesalers save their customers money by buying in cartload lots and breaking bulk (breaking large lots into small quantities)
4. **Warehousing:** A wholesaler maintains stocks and thus assures equitable distribution.
5. **Transportation:** wholesalers can provide quicker delivery to buyers because they are closer than the producers.
6. **Financing:** wholesalers finance their customers by giving credit, and they finance their suppliers by ordering early and paying bills on time.
7. **Risk bearing:** wholesalers absorb risk by taking title and bearing the cost of theft, damage, spoilage and obsolescence.

8. Market information: wholesalers give information to suppliers and customers about competitors, new products and price developments.
9. Management service and advice: wholesalers often help retailers train their sale clerks, improve store layouts and displays and set up accounting and inventory control systems.

Types of Wholesalers

Wholesaler can be classified into three major types:

1. Merchant Wholesalers
 2. Agents and Brokers
 3. Manufacturer's sales branches and offices
1. **Merchant wholesalers:** they include two types: full- service wholesalers who provide a full set of services and limited service wholesalers who offer fewer services to their suppliers and customers.
 2. **Brokers and Agents:** A broker brings buyers and sellers together and assists in negotiation on commission basis. For ex, real estate brokers, insurance brokers and stock brokers. Agents represent buyers or sellers on a more permanent basis. Manufacturer's agents are the most common type of agent wholesalers.
 3. **Manufacturer's sales branches and offices:** these are set up by manufacturers to conduct wholesaling operations by themselves.

Retailing/ Retailers

Retailing includes all the activities involved in selling goods or services directly to final consumers for their personal or non-business use. A retailer or retail store is a business enterprise which sells primarily to ultimate consumers.

Types of Retailer

1. **Store retailing:** This includes different types of retail stores like department stores, speciality stores, supermarkets, convenience stores, catalogue showrooms, drug stores, superstores, discount stores, extreme value stores etc.
2. **Non-store retailing:** Non-store retailing is a type of retailing where the transaction happens outside conventional shops or stores. (*direct selling* :where the company uses direct methods like door-to-door selling)
3. **Corporate retailing:** It involves retailing through corporate channels like chain stores, franchises, and merchandising conglomerates. Corporate retailing focuses on retailing goods of only the parent or partner brand.
4. **Internet retailing:** Internet retailing or online retailing works on a similar concept of selling small quantities of goods to the final consumer but they serve to a larger market and doesn't have a physical retail outlet where the customer can go and touch or try the product.
5. **Service retailing:** Retailers not always sell tangible goods, retail offerings also consists of services. When a retailer deals with services, the process is called service retailing. Services retailers can be hotels, banks, airlines, hospitals, restaurants, and fast food centers (like Mc Donald's, Pizza Hut, and Domino's).

What Is Electronic Retailing (E-tailing)?

Electronic retailing (E-tailing) is the sale of goods and services through the Internet. E-tailing can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services.

E-tailing requires companies to tailor their business models to capture Internet sales, which can include building out distribution channels such as warehouses, Internet WebPages, and product shipping centers.

Types of Electronic Retailing (E-tailing)

1. **Business-to-Consumer (B2C) E-Tailing:** Business-to-consumer retailing is the most common of all e-commerce companies and the most familiar to most Internet users. This group of retailers includes companies selling finished goods or products to consumers online directly through their websites. The products could be shipped and delivered from the company's warehouse or directly from the manufacturer. One of the primary requirements of a successful B2C retailer is maintaining good customer relations.
2. **Business-to-Business (B2B) E-tailing:** Business-to-business retailing involves companies that sell to other companies. Such retailers include consultants, software developers, freelancers, and wholesalers. Wholesalers sell their products in bulk from their manufacturing plants to businesses. These businesses, in turn, sell those products to consumers. In other words, a B2B company such as a wholesaler might sell products to a B2C company.