

# Distribution Information

MikesBikes Introduction - Student - Period 2019

## Segment Shopping Habits

The proportion of each segment that shops at the various distribution channels is given as follows (Refer to Firm Marketing -> Distribution and Branding screen from the main decision tree.

This screen will not be enabled until the second decision period).

	<b>Bike Shops</b>	<b>Sports Stores</b>	<b>Discount Stores</b>
Road	90%	10%	0%
Mountain	20%	60%	20%
Youth	10%	10%	80%

## Retail Distribution Channel Summary Information

Key information about the number of retail stores available to you and the costs associated with supporting them.

(Refer to Firm Marketing -> Distribution and Branding screen from the main decision tree.

This screen will not be enabled until the second decision period).

	<b>Bike Shops</b>	<b>Sports Stores</b>	<b>Discount Stores</b>
Number Stores	160	320	400
Annual Logistics Support per Store	\$450	\$400	\$200
Min Total Extra Support	\$0	\$0	\$0
Max Total Extra Support	\$200,000	\$200,000	\$200,000
Min Retailer Margin	25%	25%	25%
Max Retailer Margin	40%	40%	40%

### Notes:

1. Number Stores refers to the total number of stores in the channel. Some stores may not be stocking at any point in time.
2. Annual Logistics Support is the cost of processing and delivering orders to each store per year. Note that it is only charged for stores that actually stock your bikes, and it automatically appears on your income statement as part of Distribution Channel Support.
3. Extra Support is funding a promotion campaign to encourage retailers to stock and promote your bikes. Extra Support includes direct Promotion to stores and Sales Promotion activities like point of sales promotions, retailer training etc. The Max Total Extra Support limits your total budget per retail channel. Extra support is useful for achieving a short term boost in distribution coverage, e.g. to coincide with a new product launch. A fully funded Extra Support campaign may boost your distribution coverage by approx 0.05 .
4. In general, the way to increase the number of stores stocking your bikes is to increase the total retailer margin being earned from your bikes. You can achieve this by using a combination of increasing unit sales, retail price, and retailer margin that you offer.