

Higher National Unit Specification

General information for centres

Unit title: Managing Distribution: An Introduction

Unit code: DV8L 34

Unit purpose: This Unit is designed to introduce HNC and HND Marketing candidates to the key elements of the distribution function. Candidates will understand the impact of changing distribution channels on marketing in organisations and develop an understanding of the rising importance of distribution channels in driving organisational profits and competitive advantage. The Unit will enable candidates to make decisions about managing the distribution of goods and services to customers. On completion of this Unit candidates will be able to:

- 1 Explain the channels of distribution that are available for delivering products and services to customers.
- 2 Explain the influence of technology and consumers on trends in channel management.
- 3 Select appropriate distribution channels and methods for distributing products or services to customers.

Credit points and level: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Recommended prior knowledge and skills: Candidates should have a basic understanding of the components of a distribution channel and about how goods and services are distributed through completion of an introductory marketing Unit or equivalent. Candidates should also have good communications skills.

Core Skills: There are opportunities to develop the Core Skill of Problem Solving at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Context for delivery: If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Assessment: A holistic approach to assessment is to be encouraged where possible, provided the Evidence Requirements for each Outcome are fully met.

Evidence for all Outcomes could be generated through structured questions related to appropriate case study material.

General information for centres (cont)

Alternatively, candidates could be given the opportunity to undertake a project which involves the investigation and selection of appropriate distribution channels for a range of products or services to be agreed with the tutor. Candidates should demonstrate knowledge and understanding for all Outcomes within the justification for the distribution channels and methods chosen. This assessment method is appropriate for candidates working in industry and studying part-time, or for open learning candidates.

The assessment of this Unit should involve no more than 2,000 words, or the equivalent, in total.

An exemplar pack and marking guidelines have been produced to indicate the national standard of achievement required at SCQF level 7.

Higher National Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, knowledge and/or skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Explain the channels of distribution that are available for delivering products and services to customers

Knowledge and/or skills

- ◆ Components of distribution channels
- ◆ Direct channels
- ◆ Indirect channels
- ◆ Channel flows
- ◆ Channel relationships
- ◆ Vertical marketing systems
- ◆ Multiple channels

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can:

- ◆ explain the concept and components of a distribution channel
- ◆ describe the context, benefits and drawbacks of direct and indirect channels
- ◆ describe the flow of products or services, title and information through a channel of distribution
- ◆ explain how and why organisations in a distribution channel work together
- ◆ explain the concept and benefits of a vertical marketing system
- ◆ describe how a variety of channels can be used simultaneously in the distribution of goods and/or services

Assessment guidelines

Evidence could be generated through structured questions related to appropriate case study material.

Alternatively, for holistic assessment, see details at Outcome 3.

Higher National Unit specification: statement of standards (cont)

Unit title: Managing Distribution: An Introduction

Outcome 2

Explain the influence of technology and consumers on trends in channel management

Knowledge and/or skills

- ◆ Influence of technological change on channel design
- ◆ Influence of consumer change on channel design
- ◆ Role of collaboration in developing channel efficiency and effectiveness
- ◆ Trends in distribution management

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can:

- ◆ explain how technological change influences on the distribution of products and/or services
- ◆ explain the influence of consumer change on the distribution of products and/or services
- ◆ describe the role of collaboration in developing channel efficiency and effectiveness
- ◆ explain recent trends in distribution management

Assessment guidelines

Evidence could be generated through structured questions related to appropriate case study material.

Alternatively, for holistic assessment, see details at Outcome 3.

Outcome 3

Select appropriate distribution channels and methods for distributing products or services to customers

Knowledge and/or skills

- ◆ Role of channel selection in delivering customer service and competitive advantage
- ◆ Channel strategies
- ◆ Channels of distribution for an organisation
- ◆ Physical distribution methods and management

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can:

- ◆ investigate and report on how channel selection can help an organisation to deliver cost efficiencies and improve customer service
- ◆ explain alternative channel strategies for an organisation
- ◆ identify and select appropriate channels of distribution for the products and/or services of an organisation

Higher National Unit specification: statement of standards (cont)

Unit title: Managing Distribution: An Introduction

- ◆ explain the management of physical distribution for an organisation
- ◆ identify and select appropriate methods of physical distribution for products and/or services

Assessment guidelines

Evidence could be generated through structured questions related to appropriate case study material.

Alternatively, for holistic assessment, candidates could be given the opportunity to undertake a project which involves the investigation and selection of appropriate distribution channels for a range of products or services to be agreed with the tutor. Candidates should demonstrate knowledge and understanding for all Outcomes within their justification for the distribution channels and methods chosen.

Administrative Information

Unit code:	DV8L 34
Unit title:	Managing Distribution: An Introduction
Superclass category:	BF
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Higher National Unit specification: support notes

Unit title: Managing Distribution: An Introduction

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

This Unit is a mandatory Unit within the HNC/D Marketing framework. The purpose of this Unit is to build a level of knowledge and skills which will allow candidates to be able to identify and select appropriate channels of distribution for delivering products and/or services efficiently and effectively to customers.

Outcome 1

This Outcome should build on candidates' knowledge of channels of distribution from their learning about the PLACE element of the marketing mix in the Principles of Marketing Unit. Outcome 1 will give candidates the fundamental knowledge which underpins channel selection and channel strategy. Candidates will learn about the components of distribution channels and why organisations choose different levels of channel in distributing their products and services. They will be introduced to concepts of channel power and channel conflict. They will find out about the flow of goods, title and information through channels. The concepts of the value chain and vertical marketing systems will be introduced together with the reasons why vertical marketing systems pose challenges to organisations using conventional channels. Candidates will learn about use and support of multiple channels of distribution.

Case study material should be used in building students' knowledge about current developments in the way a range of organisations distribute products and services to customers.

Outcome 2

In Outcome 2 candidates will learn about recent trends in distribution channel management which drive value for organisations and for customers, and which have allowed organisations to use distribution chain management as a key factor in driving organisational competitiveness, growth and power.

They will understand about the development of lean supply chains and agile supply chains, including time-based initiatives such as JIT, QR and ECR, which have allowed organisations to achieve competitive advantage and growth through channel efficiency and effectiveness. Candidates will learn how organisations use relationship marketing principles and technology within supply chains to increase competitive advantage in the marketplace. The application of aspects of technology such as EDI, B2B, internet exchanges and electronic tagging could be introduced together with their role in streamlining the flows of materials and information through the distribution channel. For example various forms distribution channel members' collaboration could be introduced: such as category management in grocery markets; buying network collaborations such as GlobalNetXchange; the role of large retailers, such as Wal-Mart, and manufacturers, such as Toshiba, in securing cheaper and more efficient supply networks through working with suppliers of their suppliers.

Higher National Unit specification: support notes (cont)

Unit title: Managing Distribution: An Introduction

Candidates should be encouraged to explore the supply chains of organisations to find out about networks of supplier and retailer organisations working together. Case study material should be introduced to develop candidates' analytical and communication skills.

Outcome 3

This Outcome builds on the knowledge and skills of Outcomes 1 and 2, by allowing candidates to investigate potential distribution channels and methods of distribution for an organisation. Candidates will learn about the main channel strategies used by organisations. Candidates should be encouraged to investigate and report on alternative channels and methods of distribution, and to select channels and methods of distribution which are appropriate for the products and/or services being delivered to the organisation's customers, and which build customer satisfaction through generating channel efficiencies and making products and services cheaper and/or easier to purchase.

Candidates will learn about management of physical distribution, including the benefits and drawbacks of the use of third party logistics and use of specialist contractors. They will learn about distribution networks and the relationship between types of product/market and methods of transporting goods and services. Candidates should be encouraged to investigate and discuss transport options for goods. For example, candidates could be encouraged to discuss the reasons why airfreight is often used in transporting relatively bulky, non-perishable, fashion goods to market while sea transport is used for some perishables, such as bananas.

Case study material could be introduced in order to support the development of candidates' analytical and communication skills.

Guidance on the delivery and assessment of this Unit

This Unit is designed to take account of recent influences on distribution management and therefore candidates should be given the opportunity to learn how a selection of companies operate within their respective distribution channels through the study of real organisations by studying up to date case study material and/or arranging visits and guest speakers. A visit should, where possible, be made to a regional distribution centre.

Assessment of the Unit should take the form of structured questions, based on a single case study, which give candidates the opportunity to demonstrate their knowledge and understanding for all Outcomes, OR structured questions based on mini-case studies can be used to assess single Outcomes.

Alternatively, candidates could be given the opportunity to undertake a project which involves the investigation and selection of appropriate distribution channels for a range of products or services to be agreed with the tutor. Candidates should demonstrate knowledge and understanding for all Outcomes within their justification for the distribution channels and methods chosen. This assessment method is appropriate for candidates working in industry and studying part-time, or for open learning candidates.

Assessments should be open-book in order to allow candidates the opportunity to take the time needed to study relevant case study organisations, distribution channels and methods of distribution.

Higher National Unit specification: support notes (cont)

Unit title: Managing Distribution: An Introduction

The assessment of this Unit should involve no more than 2,000 words, or the equivalent, in total.

Opportunities for developing Core Skills

There are opportunities to develop the Core Skill of Problem Solving at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

All elements of the Core Skill of Problem Solving, ie Planning and Organising, Critical Thinking, and Reviewing and Evaluating could be fully developed and enhanced in the Unit, which requires the application of theoretical knowledge to the undertaking of a complex practical task. Identifying and assessing the relevance of all factors during the investigation, identifying and selecting ways to maximise all potential channels of distribution to deliver customer service and improve efficiency will involve a high level of critical thinking. Group discussion of issues may be useful to allow candidates to understand, justify and adopt effective strategies which allow on-going opportunities for review and potential adjustment. Candidates may also benefit from individual discussions with the assessor to reinforce the analytical evaluation of issues.

Open learning

This Unit is suitable for open learning with tutor support where open learning packs or the electronic equivalent are made available for candidates. Where candidates are in employment they could be encouraged to study the channels of distribution used by their employers and undertake the project-based assessment. For further information and advice please refer to the SQA document Assessment and Quality assurance for Open and Distance Learning (SQA, February 2001 — publication code A1030).

Candidates with disabilities and/or additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance on Alternative Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs*, which is available on SQA's website: www.sqa.org.uk.

General information for candidates

Unit title: Managing Distribution: An Introduction

This Unit introduces you to the management of distribution channels. You will gain a basic knowledge and understanding of the components of a distribution channel and that different levels of channel exist for the distribution of goods and services. You will learn about the concept of the value chain and about the development of vertical marketing systems which make channel management and distribution more efficient and effective.

You will find out how changes in technology and consumer demands have shaped recent channel developments, such as Quick Response and Efficient Consumer Response, letting organisations grow through efficient use of channels. You will learn why staff, in different organisations operating within a channel, have to work together to ensure products and services flow easily and efficiently from supplier to end consumer.

You will investigate the channel options for an organisation and select appropriate methods of distribution to deliver an organisation's products and/or services efficiently and effectively to build customer satisfaction.

Evidence for all Outcomes could be generated through structured questions related to a single case study (for combined assessment of all Outcomes) or a series of mini-case studies (for assessment of each individual Outcome).

Alternatively, you could be given the opportunity to undertake a project which involves the investigation and selection of appropriate distribution channels for a range of products or services to be agreed with your tutor. You should demonstrate knowledge and understanding for all Outcomes within your justification for the distribution channels and methods chosen.