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## Dealers in the marketing channel

### Legal side dealership

Even so, the dealer performs the functions of the latter in a multilevel marketing channel of an intermediary link between the manufacturer and the final buyer (consumer) of products, and the main one, in any case, if we are interested in meeting the needs of the buyer to the maximum. Acting on the terms of a contract with a supplier (manufacturer, distributor), the dealer makes purchase and sale (supply) transactions that provide for the direct transfer of ownership of the goods from the dealer to the buyer. Thus, the dealer is none other than a simple reseller of goods, an intermediary. Describing relations based on dealership, we should also base on international experience in using certain transactions that are not directly provided for and not regulated by national legislation.

The dealer is the last link of the intermediary commodity chain and is in direct relations with the buyer. The dealer agreement is concluded between the manufacturer and the dealer and defines their rights and obligations. But the relations of the parties are not limited to deliveries and payment for products: marketing practice has developed a certain number of principles and differences between dealership and ordinary wholesale trade. The dealer, in addition to the obligations of the buyer and the payer, has certain rights and carries additional obligations to the manufacturer.

Dealer has the right to:

on dealer discounts from the price of goods. He is an intermediary to whom goods are sold at special prices;

representing the interests of the manufacturer and selling its products in a certain area or among a certain circle of buyers;

be called the official dealer of the manufacturer and use its trademark;

preferential right to choose a particular type of product manufactured in terms of quality, consumer properties, etc;

on the possibility of crediting by the manufacturer in order to develop its (dealer) trade.

Burden of duty dealer

planned procurement;

territoriality;

product promotion;

brand restriction (not always, but often this restriction is imposed by large ventors);

service sales support (service sales and after sales);

Procurement planning

Plannedness - the purchase of a certain quantity of goods with a fixed frequency. Moreover, if a dealer acquires a smaller amount in a certain period, the difference is transferred to the next period, in which the dealer is obliged to refund it, which in itself is a kind of sanction. The obligation to sample goods by quantity for a certain period of time is often replaced by the obligation of the dealer to sell such quantity during this period, but this is illegal and obviously wrong. The parties to the contract may establish rules for each other, but only within the framework of their own relationships: the subject of the dealer agreement is the purchase, not the sale of goods, by the dealer. Consequently, the manufacturer has the right to contract to obligate the dealer to buy goods from him in any

quantity, since the basis of the dealer agreement is purchase and sale. But the manufacturer is not entitled to determine the relationship of the dealer with third parties for the sale of goods that are the property of the dealer, at least by their quantity.

#### Territoriality

Territoriality - the duty to comply with the implementation territory. Dealership is aimed at expanding the market for goods, as well as reasonably monopolizing it within the legal limits. The territory determined by the dealer agreement, as a rule, coincides with the geographical or administrative-territorial division: it is part of the world, state, region, district. By obtaining the exclusive right to sell goods in such a territory, the dealer may in certain cases in a single person supply the market needs for his category of goods, although this happens infrequently. The territory is usually assigned to several dealers at the same time, as a result of which they actually have to compete with each other, presenting the same product of the same manufacturer on the market. Such a "seal" of the market is characteristic of mass goods, such as food and consumer goods.

Infrequently occurring, but quite effective it is possible to call a dealership whose goal is to bring goods to foreign markets: an exclusive dealership provided with the condition of the sale of goods only abroad, sometimes - on the territory of a particular foreign country.

#### Promote product promotion

It's about the duty to promote the sale of goods through marketing campaigns. This is quite an interesting feature: the dealer, being the owner goods, advertises them, determining the "source" of origin of the commodity producer, which he actually advertises. This can be traced particularly well if there are several dealers in the same territory: promotions of one of them should contribute to the sale of products by all dealers, not just specific ones. Expenses for advertising are not compensated by the manufacturer, but are dealer costs. Moreover, advertising of goods is the responsibility of the dealer, and not the right, and it is determined by the dealer agreement. Mark restriction Restriction to trade with competitive brands is the obligation to trade in goods of only this manufacturer. This duty is charged in cases where the manufacturer competes with other firms producing similar goods ;. One more side of the brand restriction is the obligation to adhere to a certain style of behavior in the market or a specific corporate style (special equipment of retail premises, branded clothing, etc.). The dealer is obliged to maintain a high level of customer service and communication with them, because through dealers a stable attitude of customers to the manufacturer itself is formed, which ultimately affects the level of demand. Service support for sales Dealer, besides the sale, often performs the functions and service center that provides warranty and post warranty repair of goods sold. At the same time, goods are accepted for repair, sold both by this dealer and by other dealers and sellers, but produced by one enterprise - a supplier under a dealer agreement. Relationship repair dealer sold goods are divided into two parts: warranty repair and post-warranty. Warranty repairs are free of charge for the buyer of the goods and must be paid for by the manufacturer to the dealer. Consequently, between the dealer and the manufacturer a separate repair agreement must be concluded or the conditions about it should be included in the text of the dealer agreement. Additional conditions - obliging the dealer Not obligatory, but often also conditions for the obligation to supply the manufacturer with raw materials and materials to ensure production . This condition of the dealer agreement is classic: if you want to get the goods cheaper, find cheap raw materials. In addition, it is often easier for a dealer to organize a commodity exchange transaction with the condition of obtaining raw materials for the manufacturer and to do without paying in money. There may also be an obligation to credit production, for example, the obligation to purchase goods on an advance payment with the shipment of products after a certain period after payment. Relationship with the dealer - a cocktail of conditions and mutual interests A contract with the dealer is complex, it includes several different types of contracts stipulated by law. The dealer agreement, as can be seen from the rights and obligations of the dealer,

is in all respects a large-scale contract that defines many points, but built on the same framework described at the beginning of my material - the dealer is a reseller - a wholesaler acting at his own expense, on his own behalf, at one's own risk. The fantasy of merchants and marketers is inexhaustible, calling dealers all in a row and implying whatever they want to be dealerships - from paid services to commissions and commissions. This is well illustrated by the example of numerous "dealers" - mobile operators, for example, which actually are not such in the strict sense of the word. I would advise something instead of the total for successful business dealing with the dealer, its counterparty and to avoid unnecessary confusion arrange the relationship in the following way. A general dealership contract is concluded, which defines the framework and principles of relations between the parties on: brand, accounting and reporting obligations for the market, turnover, sales service, warranty and post-warranty service, etc. Deliver goods on the basis of separately concluded sales contracts. And in them to make a reservation that the contract is concluded on the basis and in pursuance of the general dealer agreement. Thus, unnecessary confusion in the calculations will be removed, maximum flexibility in the implementation of dealer obligations will be achieved. Proper construction of relationships depends on the will of the parties, so we wish these dealers to have good will and work to be mutually successful.

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