

# **Trade Marketing: New Relationship Producer - Distributor in Morocco**

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## **I. Generalization on Trade Marketing: A New Producer-Distributor Relationship**

### **1- History and definition**

#### **A- History**

The history of relations between producers and distributors can be ordered in five major periods:

Before 1950, relations between industrialists and distributors were relatively balanced because of the fragmentation of supply and demand, or the length of the distribution chain where the many intermediaries mitigated the risk of a possible conflict because it there could be no direct confrontation. Indeed traders were small businesses serving a geographically limited market. They obtained their supplies either locally from small producers, or through wholesalers who made screenings between manufacturers and manufacturers. In addition, the industrialists were also generally organized in small production units dealing with small distributors. When they were larger, they went through a long circuit consisting of a chain of intermediaries.

The years 1950-1960 are marked by the domination of manufacturers who, becoming large industrial units, discover and use the tools of modern marketing. Addressing the consumer directly, these groups consider merchants as a necessary part of their products but also as a neutral intermediary for the products they distribute. With the power of their brands, they simply give merchants the right to sell their products by imposing a number of constraints.

In the period 1960-1975 objective alliances developed in large industrial units and new traders. This phase sees the creation and development of newcomers to the business world. These distributors, after having known at the beginning difficulties with the industrialists, are now considered by them as an opportunity. In fact, rather than maintain a large sales force, constrained to visit multiple outlets, manufacturers consider that it is more advantageous to deal with some trade companies generating high sales volume. For their part, these new distributors are seeking to expand their market share to the detriment of traditional small businesses. Both of them develop together.

During the period 1975-1990, the development of supermarkets, hypermarkets and specialized non-food supermarkets provided distributors with increasingly high market shares and strengthened their powers vis-à-vis manufacturers. At the base of any negotiation between an industrialist and his client is a balance of power linked to the power of one or the other.

The 1990s will probably be marked by a new balance between producers and distributors. In the last two or three years, a new, frank approach to partnership seems to be emerging in the relations between manufacturers and traders. the clearest translation of this new alliance is the emergence of a trade marketing function within, or alongside the manufacturers' sales department.

#### **B- Definition**

Trade marketing is a "B to B" approach (business to business) marketing that aims to identify the producer's expectations of each distributor to develop long-term personalized relationships with him. Trade marketing covers five parameters: assortments, product policies, merchandising, logistics, promotion.

It is, thus, the recession of the development of the modern distribution (until about 1990) because of the stagnation of the consumption which was at the origin of the birth of the trade marketing. Distributors' reaction was increased pressure on producers or suppliers: lower purchase price, higher volume and intensity of promotions. Procter and Gamble was one of the first manufacturers to demonstrate to distributors that profits are superior by applying a win-win strategy and that there is even more to gain by getting closer to the supplier to do the same. hunt for any possible savings, consistent with increased customer satisfaction.

Trade marketing develops long-term strategic thinking that aims to:

- Converge producer marketing and distributor marketing to better serve the end consumer;
- Develop a logic of shared profit;

- Mutually develop expertise;
- optimization of operations in the points of sale;
- Share information;
- Incorporate reciprocal constraints, expectations and objectives;

## **2- Trade Marketing Tools**

### **A- The marketing negotiator**

Concept developed by Patrick Jourdain in France, the marketing negotiation is a negotiation based on an exchange of original information Marketing and merchandising for a common goal of sales development. The objectives of this concept are the creation of marketing and merchandising-based negotiation tools, the training of Negotiators negotiators, the preparation of central files and the support of Marketing and Merchandising units.

### **B- The merchandising**

Merchandising is a set of studies and application techniques implemented separately or jointly by distributors in order to increase the profitability of a point of sale and the sale of products through a permanent adaptation of the product range. market needs and the appropriate presentation of the goods. It should be noted that the merchandising function has developed at the same time as self-service. Thus, in the absence of a seller to inform, direct the customer to the products, they must sell themselves, while achieving the objectives of management of the distributor.

#### **Characteristics :**

According to Keppner (5 B rule), the concept of merchandising covers the field analysis of the: Good assortment (width and depth),  
Good implantation (physical structure),  
Good quantity (stock),  
Good moment (seasonality),  
Good Field Information (Place of Sale / Point-of-Sale Information).

Benefits of merchandising:

Among the main advantages of merchandising are:

- Facilitate the search for offers by customers,
- Facilitate the management of the space allocated to the offers,
- Motivate, attract and differentiate,

### **C-The ECR (Efficient Customer Response or Efficiency and Reactivity at the service of the consumer):**

It is a joint producer-distributor approach aimed at responding better, faster and cheaper to the needs of the consumer, by eliminating unnecessary costs along the entire chain, from the design of a product to its sale at final consumer by implementing a close collaboration in the logistic and marketing fields.

The different concepts of the ECR:

- DEMAND MANAGEMENT:** The optimization of the promotional activity and the introduction of new products is one of the main lines of thought for demand management.
- SUPPLY MANAGEMENT:** includes all logistics organization techniques aimed at reducing inventories while preserving the rate of service.
- SUPPORT TECHNOLOGIES:** describe the tools used to optimize the supply chain.
- INTEGRATEURS:** take the concepts developed in the three previous families and integrate them into global processes.

## **3- The category management**

Category management is at the heart of the operating system of the company specializing in distribution. It connects downstream to upstream by ensuring the optimization of flows. His role is therefore very important. The buyer becomes a category manager, that is to say a person who is able to assume various functions related to the product, but also in marketing and logistics. For him, the long term is something vital and his suppliers are partners who offer him a global offer including product and services.

## **4- Trade marketing mix parameters**

It involves acting on the following components: merchandising policy, logistics management, information flow management, brand policy and promotion policy (see table below). It should be noted that this logic of trade marketing must be underpinned and at the producer and at the distributor by a complete questioning of their company which must acquire a new state of mind (to trust each other, to evolve its own

culture, be part of a quality policy, etc.) and a new organization (choice of partner, operating procedures, dispute resolution, etc.).

#### **A- Logistics**

Regularity and adaptation of supply on demand can lead to substantial savings. The EDI (computer data exchange), realized by directly connecting the systems of management of the deliveries of the industrialist on the flow data of the customer, makes it possible to reduce the stocks and to optimize the flows of products by the adjustment supply and demand.

#### **B- The merchandising**

What assortment to propose according to the local demand, which sales space give to each product to obtain the best profitability, how to distribute the offer between the different sizes of packing? The demand can vary according to the season, the appearance of new products, a significant modification of the prices ... The techniques of definition of the offer and the allocation of space and their implementation concern the merchandising.

The supplier has a thorough knowledge of the market of its product family and the distributor knows precisely its customers: by pooling their knowledge, they can define the offer that best suits the customer and the goal of making the number business.

#### **C- Promotions**

Industrial or distributor, each has its own goals. It is common for these distinct objectives to be associated in the same operation: the customer of one and the consumer of the other are one and the same person. Moving a customer and discovering a new product are compatible objectives, hence the promotions in partnership.

#### **D- After-sales**

The customer of a product is also that of the retailer where the purchase was made. The distributor's after-sales function can integrate jointly developed services: warranty management, recovery, repair, usage tips.

### **I. the biggest Mall of Africa (Morocco Mall)**

#### **A- Presentation and History of the company**

Foundation June 29, 2011, the Morocco Mall is a huge shopping center located in the heart of the city of Casablanca. The establishment is spread over a dedicated area totaling 250,000 m<sup>2</sup>.

It exhibits over 300 brands, international franchises and local brands.

- Fashion woman / man / child.
- Optics / accessories / Jewellery.
- Cosmetics & beauty.
- Confectionery, Chocolaterie.
- Decoration, Furnishing & Toys.
- Culture.
- Large distribution.
- Electronics & Telephony.
- Financial services.
- Cafes & Catering.
- Crafts.
- Cinema

#### **B- The commercial showcase within Morocco mall**

The Morocco Mall is one of the largest players in modern trade, it is a cross-platform that compiles several sectors.

External merchandising of stores:

- The name of the marks is visible just above the entrance thanks to a luminous sign
- The type of offer offered in the different shops (zara, h & m, stradivarius) visible thanks to the showcase featuring the flagship products of the current collection

#### **a. MERCHANDISING**

This is the first thing the consumer sees. We notice that in all the stores, the products put forward in the showcase are meticulously chosen, which is the case for the color code and lighting.

- Showcases are colorful or tastefully arranged, which makes customers want to cross the door
- In luxury stores, showcases show only one product, in a development logic. This concept is called the unitary typology.

Next stop: Luxury merchandising, The smell of the aisle smells of lavender and rose, PLV and ready to wear are waiting for you in the form of anatomy to project the client:

- The level of prices practiced in shops visible through the display of prices of products in the window
- The positioning of the brand is always visible thanks to the showcase and the staging of the products.

**b. The DESIGN**

Floor often black, white, or parked, walls black, gray and white, for some stores the materials used are wood for furniture that contrasts with the rest of the store, highlighting the products. The atmosphere is felt, lights are dimmed and spotlights are used in the shops to highlight the products. Music that differs from one shop to another, from one position to another. When one is in luxury marketing, the music is soft and classic. On the other hand, when you are in a mass-consumption store such as H & M, the music is usually house music, young ... The soundtracks are usually the latest hits, which corresponds to the young and modern target of these brands. All of these elements are reminiscent of sensory marketing and help to define the positioning of the boutique atmosphere, trend and urban.

**c. MODERN ORGANIZATION**

It is a free circulation that corresponds to a desire to organize spaces independent of each other, although coherent. This makes it easier to stimulate the purchase of impulse because the customer does not feel under pressure when it is advanced in the store ... "Small" products such as accessories and cosmetics are placed in front of the cash register to provoke this type of purchases.

**d. ORGANIZATION OF COLLECTIONS and LINEARS:**

As for the organization of the products, at the beginning of the shop we find the new collection presented on large tables containing the items of the shop window, in the center of the shop is the rest of the collection and the background includes the promotions. The linear is organized in a mixed way: horizontal and vertical organization, the products are proposed as follows:

- Pants, shirts, tee shorts: at the level of the hands.
- Accessories: at the level of the eyes and hands;
- Shoes on the legs and feet.

We are witnessing the omnipresence of Ready to wear, the Collor bloking, which consists of massaging almost identical products with a variation in color. POS is predominant. The fitting rooms are very rewarding and respect the positioning of fashion labels. Color is a communicating element in the unconscious of people. A trigger. Pleasure of the eyes, promise of sensations and diversities, the coloring is festive and playful The color must be in relation with the product and the sector of sale.

Colors have their language. Red retains the most attention from the retina, yellow announces sales while black, white, pearlescent and gold are synonymous with luxury. The colors of the store are not chosen at random. For example, we notice that in a women's clothing store, there is a preponderance of acid colors. In a men's clothing store, the colors are dark and virile. As is the case with Zara man or Massimo Dutti.

The lighting also contributes to the development of the different products: we notice that in modern stores, there is a correct orientation of the light.

## **II. Conclusion**

The creation of a showcase responds to specific rules of display and first to a commercial purpose. The showcase is always guided by the message that we want to send to the customer. Keep in mind that a customer consumes by envy and not by need. It is therefore a question of telling a story that will challenge, enhance, make discover and seduce the passer-by. Depending on the season, the specialty, the event, the point of sale offer, we determine the appropriate message: a staging of a product or service to make it discover, to remind the customer, to indicate its price promotional, to suggest its use, etc. Apart from the recurring commercial themes (Christmas, sales, new seasonal collection ...), the sales analysis of the shop allows to find many keys to communicate in window. And do not forget to communicate about the image, the style of the store.

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