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COMPANIES SUSTAINABLE DISTRIBUTION

Abstract

The article presents the importance of a sustainable distribution at companies. The paper discusses the concepts and definitions of the distribution in terms of the literature. It also points out the essence of sustainable distribution. The further part of the article presents streams of sustainable distribution channels. The final part of the paper includes a summary.

INTRODUCTION

The changing marketing environment of today's companies forces the organisations to develop new approach to the essence of the functioning of the market of goods and services. The social and environmental aspects are becoming increasingly important in the business. Marketing concept involving the proper diagnosis and effective satisfaction of customer needs is slowly starting to decline. A new scientific trend which is the sustainable development, including sustainable marketing, puts people, future generations, natural environment and social aspects in the centre of attention. Along with the changing business marketing concept we observe a change of the approach to the issue of distribution of products and services. Distribution as part of the marketing mix should be discussed in terms of sustainability, taking into account ecological and social environment in order to provide equal opportunities in development or even the improvement of these opportunities for future generations while ensuring achievement of the economic objectives of enterprises.

1. THE IMPORTANCE OF DISTRIBUTION IN TERMS OF LITERATURE

The literature on the issues of distribution we can find many definitions explaining the essence and meaning of this term. Through the process of distribution are defined all activities related to overcoming the spatial and temporal differences between the production and consumption of a particular product. [1, p. 183] These are activities such as transportation, storage, maintenance of products, which means the procedures related to the physical movement of certain goods from the producer to the final purchaser. The essence of distribution is moving products of their place of manufacture to the final consumers. [2, p. 68] Distribution is part of the communication process consisting in selecting and acting through channels, through which the company gives information into the markets about their products. From a technical point of view, in marketing theory are two aspects of the distribution. One is the distribution channels, and the second is the physical delivery of products to the channels and ultimately to the consumer. [3, p. 328-329]

Distribution accommodates the various decisions and actions that are associated with the provision of products to the final clients. It is also an important component of a marketing influence on the market, because together with the product, price and promotion determines

the amount of benefits provided to consumers associated with the purchase of this product. Distribution reinforces the attractiveness of the offer by the appropriate presentation and distribution of the product, providing customers with a choice between complementary and substitutable products. However, distribution costs affect the price of products. [4, p. 193]

The ultimate goal of distribution is to provide the purchasers with the right quality, at the right time and place with the friendliest terms of shopping, at the lowest possible cost incurred by the company. Components of indirect and direct implementation of products into markets, offering them to the customers and finalising the purchase are so-called: distribution channels.[5, p. 93]

2. THE ESSENCE OF SUSTAINABLE DISTRIBUTION

The increasing number of inhabitants of our planet and the related consumption and production has a negative impact on the environment, and this phenomenon contributes to the reduction of opportunities for the development of future generations. Risks arise, inter alia, in the area of ecology and the social sphere. The growing world population means an increase in demand for food, material goods and services. To meet the needs and expectations of the global community it will be necessary to increase production and the associated effective providing desired products to buyers.

Distribution as part of a sustainable marketing mix plays a significant role in the economic development of societies. The main task of sustainable distribution is effective providing products desired by purchasers in the given place at the right time while maintaining the integrity of the product in terms of quality. The essence of sustainable distribution is therefore a social and environmental aspects relating to infrastructure, with particular emphasis on transport and storage processes. A significant role in the sustainable distribution play the participants of the distribution channels. "Selecting environmentally and socially sensitive commercial intermediaries, reducing the number and scope of the storage and transport, moving goods by using hybrid or electric vehicles , supporting charity activities it's just a few examples of sustainable distribution contributing to protect the environment and solving society problems." [6, p.131]

As an example of action in the field of sustainable distribution we can use the processing of used cooking oil into biofuel power cars of McDonald's in the UK. This initiative was taken by the head of the British branch of the group Steve Esterbrook.

3. SUSTAINABLE DISTRIBUTION CHANNELS

Distribution channel is a system of interdependent organisations that are involved in the process of making a product or service available for use by the customer or the institution. Distribution channel is also a system of complex behaviours, where individuals and companies work together in order to achieve individual and company goals and the channel itself. [7, p. 997] Distribution channels are also used to flow many streams of market, among these there are: stream of orders, negotiations, risk, financing, payment, promotional information, information on the market situation. [8, p. 214] Through the distribution channels the company can reach the designated segments of the market, implements marketing strategies and even the possible extension of marketing activities into foreign markets may depend on the distribution channels. The way of offering goods expected by the consumer is the point of shaping the distribution of products treated as a part of marketing. This connected with the fact of undertaking a number of activities and different types of projects.

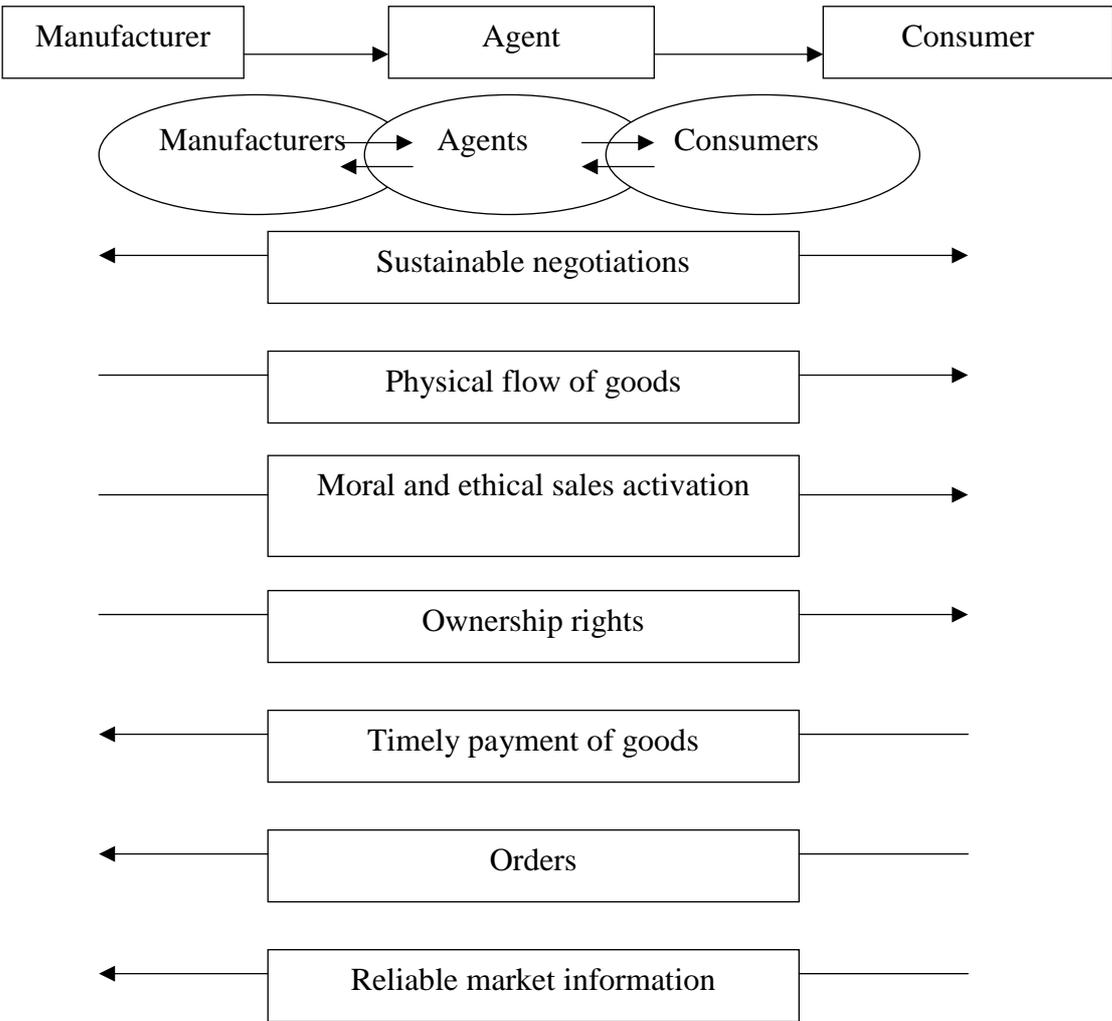
Before the well-formed and produced product reaches the final users, it passes through a complex network of interconnected intermediary links. These links, grouped under

different combinations, create distribution channels. Through the links flow various material and information flows. The need for efficient mutual interaction of links forming a channel of distribution is determined by the efficient flow of these streams. This cooperation is aimed at both, the physical shifting of goods and also providing connectivity of the manufacturer with its end users of goods and services. It's about creating organisational and technical conditions for the material and information flow.

In the sustainable distribution creating appropriate conditions necessary for the delivery of products should be done in terms of sustainability. The most important factors in the process of sustainable market services include:

- sustainable negotiations
- the physical movement of goods,
- moral and ethical sales activation,
- respect for property rights,
- timely payment for the goods received,
- orders,
- reliable market information.

Picture 1 presents the basic types and directions of flow of streams in the process of sustainable market services.



Picture 1. Types and directions of flow of streams in the process of sustainable market services. Own study on the basis [9, p. 362].

Distribution channels have their own characteristics, related to the participation of intermediaries and agents, whose interests may not always be consistent with the interests of manufacturers and suppliers. In choosing sustainable distribution channels one should pay attention to the selection of participants appearing in the distribution channel. Agents sensitive to the problems of the protection of natural environment or those participating in various social and charity activities will be seen in a more positive way by the final recipient.

CONCLUSION

Sustainable distribution of products and services requires a change in attitudes of many participants involved in the distribution process. Already at the management level there is a need to change the course of thinking about the essence of the distribution in terms of sustainability. Each of the intermediaries in the distribution channel should identify with the rules and accept the requirements posed by sustainable distribution of products and services. Sustainable distribution in addition to the effective delivery of products desired by buyers in the given location and at the right time while maintaining the integrity of the product in terms of quality, takes into account environmental and social aspects manifesting itself in the use of hybrid or electric vehicles or those using oil food processed into biofuel as it is in the McDonald's company in the UK. Companies that will implement distribution in the concept of sustainability have the chance to achieve a competitive advantage.

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