**DIRECTIONS TO THE INSTRUCTOR FOR GROUP ACTIVITY 1**

 **Preparation:** Duplicate the handout *Channels for Siding* on page 2—one per student.

**Process:** Divide the class into groups of three or four students each. Explain that the groups are to read the case and respond to the questions at the end of the case. Responses should be recorded on a separate sheet of paper by the group leader. When all groups have completed the activity, the groups should compare and discuss their responses. A model answer guide for this activity is found in a separate document.

**CHANNELS FOR SIDING**

**Directions:** Read the following case and, as a group, respond to the questions at the end of
the case.

James Curry, marketing manager for the Smith Siding Company, is considering a new
distribution system for the home siding his small company manufactures. Up until now, the siding was sold by first contacting ultimate consumers within a 100-mile radius by telephone and then having a sales representative meet with the customers in their homes.

A number of current factors indicate that a new distribution channel needs to be created. More and more, local contractors are purchasing siding from the company for new houses they are building. Because of improved production techniques, a large inventory has been created, and the Smith warehouses are stocked with siding. Curry is considering changing the channel currently used.

 1. What is the current channel being used for the siding?

 2. What are possible channels that could be used to sell the siding to contractors?

 3. What factors do you think should affect Mr. Curry’s decision?