**CHANNELS FOR SIDING—ANSWER GUIDE**

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

  **Currently, Curry is using a direct consumer channel. Consumers are contacted by phone and then visited by one of Curry’s sales representatives.**

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

  **Curry is considering an indirect channel. He will need to determine if it would be more profitable to use an agent to sell the siding to contractors or to sell directly to the contractors. Since the company is small, it may be more profitable to use agents.**

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

 **Several factors must be considered when selecting new channels. Mr. Curry should list the types of markets the company is serving. Currently, it is serving local construction firms and customers within a 100-mile radius of the manufacturing plant. Does the Smith Company want to sell directly to the consumer, sell only to contractors, or both? Does it want to serve a greater population or continue to serve a centrally located market? Are there other companies or individuals who would buy the siding?**

**Curry must also look at his product. Building supplies are often sold by agents to industrial distributors. Would it be profitable for Curry to contract with an agent? The nature of the product itself should also be carefully examined. Curry needs to consider the size of the
product, its cost, and its need for installation.**

**The producer, or company, is small. It has relied upon the use of the telephone to contact customers within a 100-mile radius. Could the Smith Company increase its sales by using an agent who has already-established customers? Mr. Curry needs to examine the funds avail-able for distribution costs and the degree of channel control he wants to have.**

**Curry needs to examine the services that would be offered by an agent as well. How much would the services cost? Are the services worth their cost?**