Guide 15: Choose how to reach customers

Unit 2, Task 7

Your goal

Choose a realistic marketing channel for your product. Explain why the channel fits your customers, resources, and competitive plan better than the alternatives you considered.

You can choose more than one channel if there is a clear reason. More channels also create more work and cost, so begin with what you can manage.

What to produce

Identify your selected marketing channel or channels. Support the choice with relevant evidence, such as customer habits, costs, reach, or access.

Keep your reasoning with your project work. The comparison steps below are support, not extra official requirements. You can use paper or your own document.

Key terms

- **Marketing channel:** the route through which a product reaches the customer.
- **Direct channel:** the business sells to the customer without another business acting as the seller between them.
- **Indirect channel:** another business, such as a retailer, helps sell the product to the customer.
- **Intermediary:** a person or business between the producer and customer in the channel.
- **Reach:** the customers a business can access through a channel.

An online channel is not automatically direct or indirect. A business may sell directly through its own website, or use an outside seller or marketplace. Inspect what each participant does rather than relying only on a label.

Step 1: Describe the route

Think about the whole customer experience. How will the customer find an offer, place an order, pay, and receive the good or service?

A promotional post may create awareness, but it does not explain how the product reaches the buyer. In this task, focus on ordering and delivery. You will develop the promotional campaign in Task 8.

For a service, consider where and how the service happens. A local service appointment and an online service session involve different access, equipment, and scheduling needs.

Step 2: Identify realistic options

Possible options include an approved event stall, direct orders with local collection, an online store, or a retail partner. Two realistic alternatives can use the same channel type.

Do not assume that a school, shop, platform, or payment provider will let you use its services. Check permission, access conditions, age rules, fees, delivery needs, and the time available. If approval is uncertain, say so.

Step 3: Choose comparison criteria

Criteria are the factors you will use to judge options. Choose factors that matter to your project, such as:

- Whether target customers use or can access the channel.
- Selling fees and delivery costs.
- Control over the customer experience.
- Time, equipment, stock, and skills needed.
- Fit with your intended competitive advantage.

Explain which criteria matter most. A channel with a larger possible audience may still be unsuitable if you cannot deliver affordably.

Step 4: Gather evidence and compare

Use your customer research and reliable information about each channel. Record a source or reason for important claims.

Compare total costs on a similar basis. Separate a platform fee per sale from a monthly fee. Do not copy another business's success as proof that its channel will work for you.

Make a recommendation. Explain a benefit, an important trade-off, and any condition that must be met before use. You can plan a channel without opening accounts or making real sales.

Example: Ready Pouch

Ready Pouch is our fictional example business. Its proposed product is a small pencil pouch for students.

This is a fictional decision example, not a report about a real school or platform.

Ready Pouch considers an approved school-event stall and online ordering with delivery. A stall would let potential customers inspect the pouch. However, the team would need school permission and customers could buy only during the event.

Online ordering could reach people outside the school. It would also need suitable ordering, payment, privacy, and delivery arrangements. Delivery costs could reduce the appeal of a low-price item.

The team provisionally chooses the stall for a small trial because inspection matters to its target customer and local delivery is simpler. The choice depends on permission and event access. Without those, the team needs another route. It cannot claim that the channel is ready merely because it prefers it.

Your turn

1. Describe how a customer would order, pay, and receive the product.
2. Identify realistic channel options.
3. Select useful criteria and compare the options using evidence.
4. Recommend a channel and explain the trade-off.
5. Record costs, permissions, and other conditions still to check.

Check your work

- I described a route to the customer, not only an advertisement.
- My choice fits the customer and product.
- I considered costs, access, resources, and delivery.
- I supported the recommendation with evidence.
- I identified unresolved conditions honestly.

Next: Develop a marketing campaign

In Unit 2, Task 8, create and test promotional materials that explain the product's value.

Independent guidance based on the AP Business with Personal Finance CED, printed pages 166-167. This is not an official College Board resource.