

**FVG's 3–Minute Briefing on:**

**Channels of Distribution**

Looking to increase your sales? Have you considered using an additional channel of distribution? Below we have provided a list of the various channels of distribution available to software companies.

Although you can use more than one channel of distribution, you normally can not use multiple channels of distribution because some channels may conflict with other channels. For example, selling your software over the Internet will not be readily accepted by your retail store customers who will perceive that you have entered into direct competition with them.

Also, depending on your product's selling price and implementation costs, certain channels may not be appropriate. Selling a \$19.95 product to end users is probably not a good use of a direct sales force. On the other hand, the Internet does not provide the support and customer contact necessary to sell products in the \$300,000 price range.

Check out various channels and consider if you have the opportunity to develop a new and complimentary channel of distribution.

Typical channels of distribution include:

- Value-added reseller (VAR),
- Value-added dealer (VAD),
- Retail chain,
- OEMs,
- Joint ventures,
- Internet,
- Franchises,
- Distributor,
- Direct sales,
- Dealer,
- Consultants, and
- Agents.

