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(Recognized by UGC, Approved by AICTE, New Delhi and
Affiliated to Bharathiar University, Coimbatore)

DEPARTMENT OF BUSINESS ADMINISTRATION (UG)

**COURSE NAME : BASICS OF AGRICULTURAL
BUSINESS MANAGEMENT
III YEAR / VI SEMESTER**

Unit 3: Significance of Distribution Systems



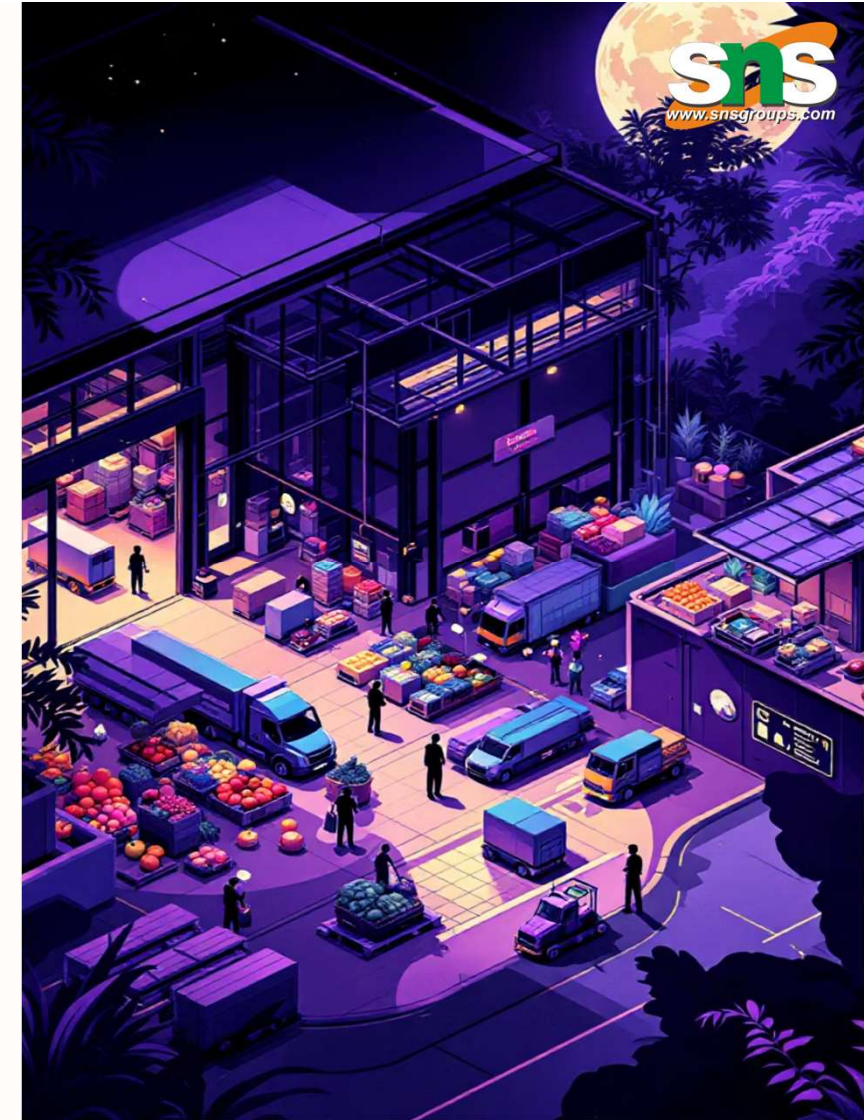
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**Ms. Pavithra. C.R B.COM (PA)., MBA., (PhD) |Assistant Professor: Business Administration (UG): Title:
Significance of Distribution Systems**

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Significance of Distribution Systems

Basics of Agricultural Business Management



Topics & Interactive Activities

Content Topics

- Understanding distribution systems
- Role in agricultural business
- Functional retail management
- Channel strategies and logistics

Engagement Activities

1. Quick Poll (3 mins)
2. Think-Pair-Share (3 mins)
3. Word Cloud Activity (3 mins)
4. Reflection (2 mins)
5. Group Design Thinking Activity



Understanding Distribution Systems

Definition

A distribution system is the network that moves agricultural products from producers to consumers efficiently, ensuring freshness and maximising market reach.

Key Components

Includes wholesalers, retailers, transportation networks, storage facilities, and information systems that coordinate the flow of goods.

Strategic Importance

Determines product availability, pricing competitiveness, market penetration, and ultimately the profitability of agricultural businesses.

ACTIVITY 1

Quick Poll Activity



Engagement Activity

Duration: 3 minutes

Question: Which distribution channel do you think is most effective for fresh vegetables in urban India?

- Direct farm-to-consumer markets
- Traditional retail outlets (kiranas)
- Modern supermarket chains
- Online grocery platforms

Use your mobile devices to submit responses and we'll discuss the results together!

Role of Distribution in Agricultural Business



Market Access

Connects farmers with diverse markets, reducing post-harvest losses and enabling better price realisation through wider geographical reach.



Value Preservation

Proper distribution systems maintain product quality through cold chains, proper handling, and timely delivery to end consumers.



Supply Chain Efficiency

Streamlines operations, reduces intermediaries, lowers costs, and ensures products reach markets when demand is highest.

Think-Pair-Share & Word Cloud

1

Think (1 min)

Individually reflect: What challenges do Indian farmers face in agricultural distribution? Write down 2-3 key challenges.

2

Pair (2 mins)

Turn to your partner and share your thoughts. Discuss similarities and differences in your observations. Agree on top challenges.

3

Word Cloud (3 mins)

Submit your key challenge words using the provided link. We'll generate a live word cloud showing our collective insights on distribution challenges!

Functional Retail Management

Core Functions

- **Inventory Management:** Balancing stock levels to meet demand whilst minimising wastage
- **Visual Merchandising:** Attractive product displays that drive sales
- **Customer Service:** Building relationships and ensuring satisfaction
- **Pricing Strategy:** Competitive pricing aligned with value proposition

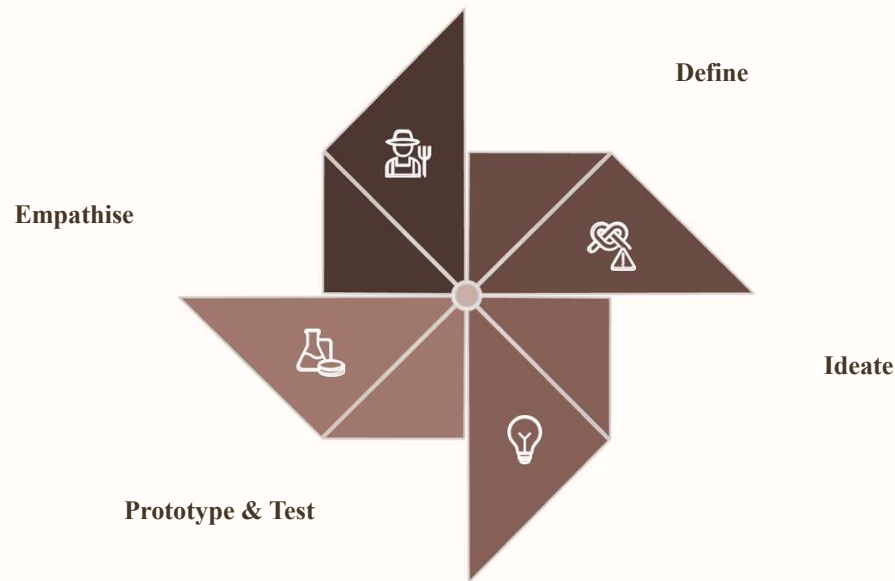
Success Factors

- Location selection and footfall analysis
- Supply chain integration
- Technology adoption (POS, inventory systems)
- Staff training and development
- Quality assurance protocols



GROUP ACTIVITY

Design Thinking Challenge



Work in groups of 4-5 students to design an innovative distribution system for perishable vegetables in your local area.

Expected Outcome

Deliverable: A distribution model sketch with:

- Target market identification
- Channel strategy diagram
- Cost-benefit analysis
- Technology integration points

Presentation: 3-minute pitch per group

Case Study & Key Learnings

Case: Mother Dairy

Scenario: How Mother Dairy built India's largest milk distribution network serving 30+ lakh litres daily across 1,600 retail outlets.

Discussion Points: What distribution strategies enabled their success? How did they maintain quality? What lessons apply to other agricultural products?

Key Learning Points

Distribution creates value

Effective distribution systems bridge the gap between production and consumption, adding significant value through time, place, and form utilities.

Multiple channels matter

Successful agricultural businesses utilise multi-channel strategies combining traditional and modern retail formats to maximise market coverage.

Technology is transformative

Digital tools, cold chains, and logistics management systems dramatically improve efficiency, reduce losses, and enhance profitability in agricultural distribution.

Assignments & Reflection

Take-Home Assignment

Task: Visit two different retail formats (traditional kirana and modern supermarket) in your locality.

Analyse:

- Distribution channels used
- Product sourcing methods
- Inventory management practices
- Customer service approaches

Deliverable: 500-word comparative analysis report (Due: Next session)

Final Reflection

Duration: 2 minutes

Think quietly about today's session:

- What was your biggest insight?
- How will you apply this knowledge?
- What questions remain unanswered?

Share: Volunteers can share one key takeaway with the class.

Thank you for your active participation!
Your engagement makes learning meaningful.

