

AN ANALYTICAL STUDY OF DISTRIBUTION  
CHANNELS NETWORK AND DETERMINATION  
OF STRATEGIC AND EFFECTIVE LOCATION  
OF PROTON SAGA

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## 1.1 INTRODUCTION

Marketing is a human activity of satisfying needs and wants through the exchange process, the marketer having to develop a good job of identifying consumer needs. Appropriate products, and pricing, distributing and promoting them effectively only then will the goods sell easily.<sup>1</sup> Distribution channels are the set of the firms and individuals that take title to the particular goods or services.

We can therefore see that distribution channel is important in selling products which link the producer and the ultimate consumer. In order to fulfill this requirement Perusahaan Otomobil Nasional (PROTON) has selected EON (Edaran Otomobil Nasional) as its sole distributor and it was officially opened by the Prime Minister on September 1, 1985. EON has now set up 41 branches and 64 agents in Malaysia and until June 1987 it has sold 41000 units of Proton Saga<sup>2</sup>

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- 1 Philip Kotler, Principles Of Marketing, Vol.11 (New Delhi: Prentice Hall of India Private Limited; 1984) pg 6, pg 13.
  - 2 "Kejayaan EON Pasarkan Proton Saga ...", Berita Harian, 1st September, 1987. pg 12.