

Marketing: supply management

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LLC Recognize the value added by the supply chain The value added by the supply chain is more than moving materials. It focuses to deliver superior total value to the customer In terms of speed, cost, quality, and flexibility. The manufacturer helps by supplying parts and materials to the maker, then the maker turns the components into the product. The transportation company gets the product to the retailer. The retailer stores the product until the customer wants it, educates the customer about the product, delivers, and transports it.

LLC Describe the flow of merchandise and the flow of information in the supply chain. The flow of information in the supply chain flows from the customers to the stores, to and from distribution centers, possibly to and from wholesalers, to and from product manufacturers and then on to the producers of any components and the suppliers of the raw materials. Some examples include; the PUC tag which indicates the manufacturer of the item, description of the item, information about special packaging, and special promotions.

The store to the buyer POS terminal records the personal information and electronically sends it to the buyer. The sales information is incorporated into an inventory management system and used to monitor and analyze sales and decides to reorder more of the product. Change the price or plan a promotion. The merchandise flow involves first deciding if the merchandise is going to go directly from the manufacturer to a retailer distribution center or directly on to the stores. Once in a distribution center multiple activities take place before it is shipped on to a store.

Manufacturers can ship merchandise directly to a retailer's store, direct store delivery or to the distributor centers. Describe how supply chains are managed. Supply chains or marketing channels are composed of various entities that are buying, such as retailers or wholesalers; selling, such as manufacturers or Each member of the supply chain performs a specialized role. If one member believes that another isn't doing its job correctly or efficiently, it usually can replace that member. If a supply chain is to run efficiently, the participating members must cooperate.

When supply chains are in disagreement about their goals, roles, or rewards, vertical channel conflict or vertical supply chain conflict or discord results. Horizontal channel conflict or horizontal supply chain conflict can also occur when there is disagreement or discord. In independent or conventional supply chain, the several independent members a manufacturer, a wholesaler, and a retailer each attempt to satisfy their own objectives and maximize their own profits. None of the participants has any control of the others.

Vertical marketing system, which is a marketing channel in which the members act as a unified system. In an administered vertical marketing system there is no common ownership and no contractual relationships, but the dominant channel member controls or holds the balance of power in the channel relationship. Open, honest communication is key to supply chain relationship. Buyers, vendors such as retailers and manufacturers must understand each other's business, their roles, in the relationship, each firm's

strategies and any problems that may arise over the course of the relationship.

Power in a marketing channel is when one firm has the means or ability to have control over the others actions of another member in a channel at a different level of distribution. Strategic relationship in which supply chain members are committed to maintaining long term, investing in opportunities that are mutually beneficial; requires mutual trust, open communication, common goals, and credible commitments.