

Supply chain differences



A supply chain is ' the sequence of steps, often done in different firms and or location, needed to produce a final good from primary factors, starting with processing of raw materials, continuing with production and perhaps a series of intermediate inputs a, and ending with final assembly and distribution' according to Deardoff's Glossary of International Economics Website. (www. Personal.

umich. edu/alandear/glossary/a. html.) Business to consumer (B2C) supply chain consist of all activities of electronic business between the businesses and the final user of the products, that is the consumer. Business to business supply chain entails electronic consumer between business entities rather between businesses and other groups like consumer and governments. The supply chain on a Business Consumer site differ from that on a business to business site.

This is because of the big differences between businesses and consumer in terms of making transactions, technological advancement, needs and requirements as well as financial ability. For a business to business supply chain the volume of transaction is always very high as compared to the volume of transactions in a business to consumer supply chain. This is due to the big number of intermediaries and processes before the product reaches the final consumer. For business consumer supply chain the procedure is short and the good do not move through many intermediaries. The magnitude of the transaction also differs greatly because a business to business supply chain involves entities who may have a big financial ability to buy in bulk more than a consumer can be able.

This is also caused by the needs of the entities involved. A business as the buyer may need more commodities than an individual consumer may require hence making the transaction in the business to business supply chain to consist higher amounts than in business-consumer supply chains.

The supply chain on a business to business site is characterized by more use of electronic technologies more than on a business to consumer site. The businesses have embraced the use of electronic technology more than the individual consumers. This makes the supply chain on a business to business site more efficient than the supply chain on a business to consumer site.

Another major difference between supply chain on a business to consumer site and that on a business to business site is the marketing involves.

Marketing for a business site to business site supply chain is more complex than that on a business to consumer site. For a supply chain on a business to consumer site the transactions are made between the business and the individual consumer, making the consumer's decision to buy easier to make. For the case of a business to business supply chain the decision to buy is always made by a group of people thus making the decision more complex to make. Another difference as cited in <http://www.b2bmarketing.com/resource-papers/7-key-difference-between.pdf> is how a lead is

generated. For B2B case creation of a lead is more important and so more efforts are made to tune these products according to the requirements of the purchasing businesses. For B2B more efforts are made to the sale more than in lead generation. The cost involved to make a sale in B2B supply chain is far much greater than the cost in a B2B supply chain.

This cost is mainly on advertising and marketing expenses. This is because most of the B2B transactions are bigger than B2C transactions. The market size of B2C supply chain is always enormous more than the market size of B2B supply chains. This is because the individual consumers are always many as compared to business entities.

Another difference is the nature of transactions involved. B2B supply chain transactions are characterized by unique contracts, tenders and bids which are mostly customized for the various customers. In the case of B2C supply chain, transactions are mostly standardized. As explained in Vista consults website ([http://www.vista-consults.com/marketing-article/b2b-b2cmarketing.](http://www.vista-consults.com/marketing-article/b2b-b2cmarketing.htm)

htm B2B supply chain marketing is always relationship driven. The businesses establish a relationship thus making the orders to be of regular amounts and at regular intervals. For B2C the marketing is always product driven. A consumer buys the products because it attracts him but not because there is a relationship with the company. Most of the B2B transactions are always arrived at rationally according to the culture of the business entity while the transaction in a B2C transaction is mostly driven by status, preference or the cost of the product.

For many of the business to business supply chain transactions there is good awareness and education on the part of the buyer than in business to consumer supply chain transactions. Thus the business buyer makes a more informed decision than most of the consumer buyers. All these shows the big

differences between B2B and B2C supply chains. Reference: Deardoff's Glossary of International Economics.

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