

Development Of Supply And Demand For Market Integration

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Abstract – This paper aims to examine the integration of supply chain and demand chain in emerging markets. We present a research model of supply and demand chain integration, which responds to customer needs through integrated information flows. Supply and demand chain integration synchronizes key processes in terms of front development, product planning, product design, procurement, production, sales and marketing, customer-based maintenance activities as process routines.

Keywords – Description Of Supply; The Concept Of Demand; Integrated Flows Of Information Systems; Emerging Market; Electronic Business.

I. INTRODUCTION

In times of stiff global competition, firms construct supply chain that allows customers to supply their products and services in a timely manner. Their practical challenges are how to integrate both internal and external supply chain. Increasingly, customers consider not only functionality, quality and prices of the products but harmony of their lifestyle as their basic purchasing criteria (Park et al., 2012a). Final customers expect the total packages of a product to be compatible with their value systems and life styles. Thus customer's purchasing decisions are based on the harmonious integration of product functional requirements and customer cultural value expectations.

II. MATERIALS AND METHODS

This section is devoted to discuss SCM topics in Emerging Markets which include (1) integration between demand chain and supply chain, (2) product/service development fitting emerging markets (such as focusing on disruptive technology and reverse innovation), (3) differentiation of supply management style and inventory management, (4) consideration of marketing channels, (5) logistics strategy different from advanced markets, (6) strategy considering local government policy and institutional rules such as FTA and TPP.

III. RESULTS

Companies must consider both expressed needs and latent needs, for both current, existing customers as well as future potential customers, so as not to be trapped into the "tyranny of the server market" (Bower & Christensen, 1995; Hamel & Prahalad, 1994; Slater & Narver, 1998). It responds to not only the known existing needs but also hidden needs through foresight planning of design information (Park et al., 2012a; Park & Hong, 2012). It also identifies the key processes in terms of design information streams. In particular, integration model of demand and supply chain needs to be linked with external related supply chain. Figure 2 shows integration model of demand and supply chain based on streams of customer needs.

IV. DISCUSSIONS

It is expected that consumer needs will become more sophisticated and the trend towards stricter environmental, energy, and safety constraints conditions will continue in the future (Fujimoto & Park, 2012). To cope with these trends, it is necessary to conduct various countermeasures, such as IT system and product architecture strategy and organizational capability. To analyze the complex processes for product development, I have suggested IMIS model, a model that integrates design information through all the activities related to management, manufacturing production processes, development processes, sales and marketing and services via integrative IT system (Park et al., 2012a).

Figure 1 shows this concept of integrated manufacturing information system (IMIS) which responds to not only the known existing needs but also hidden needs (new customer requirements) through foresight planning of design information (Park et al., 2012a). It also identifies the key processes in terms of: (1) frontend development deriving product concept; (2) product planning integrating customer needs—expressed or unspoken—and design information; (3) product design visualizing design information; (4) procurement and manufacturing transferring design information through media choices; (5) sales and marketing appealing customers by design information; (6) maintenance activities managing design information as process routines.

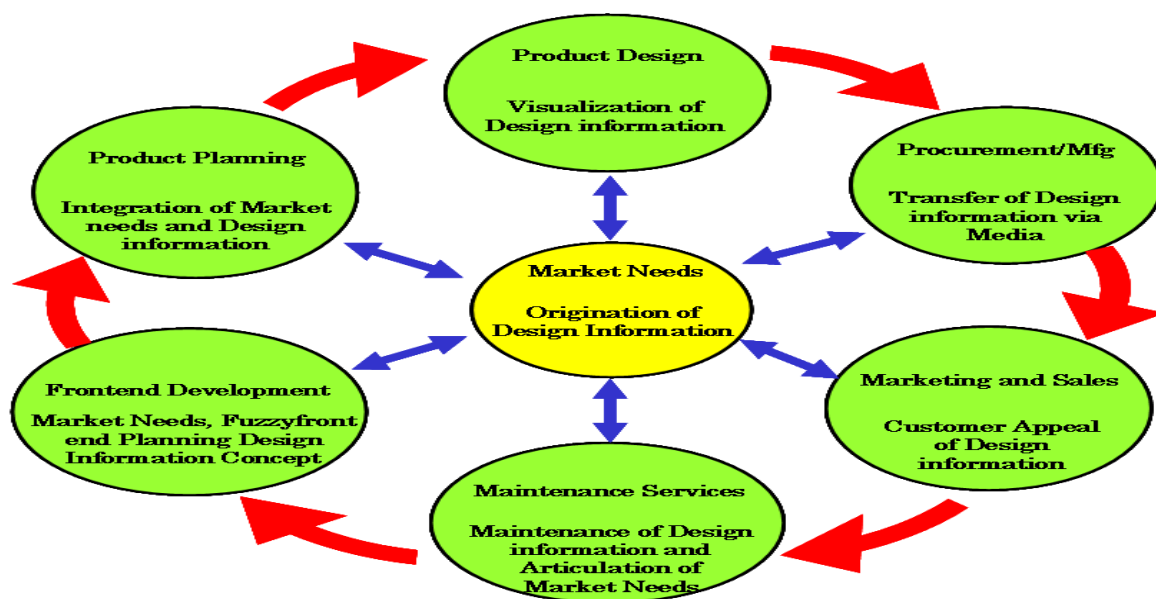


Figure 1 Design Information Infrastructure and Electronic Transfer Processes

V. CONCLUSIONS

This paper examined the SCM practices of electronic firms and automotive manufacturers in China. What is noted in this study is that those firms that implement the deeper level of localization-initiated innovation bring amazing business successes. It is imperative for any global firms to (1) understand the rapidly changing market reality and (2) develop partnership with the local governments for achieving effective market penetration. The scope of outsourcing is extended to the local firms that are strategically aligned to assume specific aspects of global supply chain management challenges. In brief, integration of both supply and demand chain is crucial for emerging market markets.

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