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SAPICS Young Professionals Conference



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# The Marketing and Supply Chain interface





# Two paradigms

- Society's paradigm of logistics and supply chains
- Marketing's paradigm of 'what marketers do'

# CONTENT

- The story behind product flops
- The changing competitive environment
- From supply chain to value chain
- Market-driven supply chains
- The marketing / logistics interface
- The supply chain of the future – major business transformations

Whose job  
is it?

# Enabling the delivery

# EXPENSIVE FLOPS



# The Hoverboard (2015)



*Source: Max Pixel*



# Nike+ FuelBand (2012)



# Apple's Magic Mouse (2022)



# Itera (plastic bicycle) 1981



Source: <https://museumoffailure.com/exhibition/itera-plastic-bicycle>

# Tesla Cybertruck (2019)



2024/02/23

Source: [www.businessinsider.com](https://www.businessinsider.com)

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# COMPETITIVE ENVIRONMENT

The  
exclusive  
boutique



LIFESTYLE

# You Can Actually Buy Prada, Saint Laurent and Balenciaga at Walmart

This is not a drill

By [Dena Silver](#) • 04/12/17 4:29pm



# The local library



2024/02/23

fire 7

Take your library of books & movies with you, anywhere

kindle  
amazon music

Disney+  
NETFLIX

zoom  
prime video

Spotify  
amazon kids+

Share icon

Dell Computers

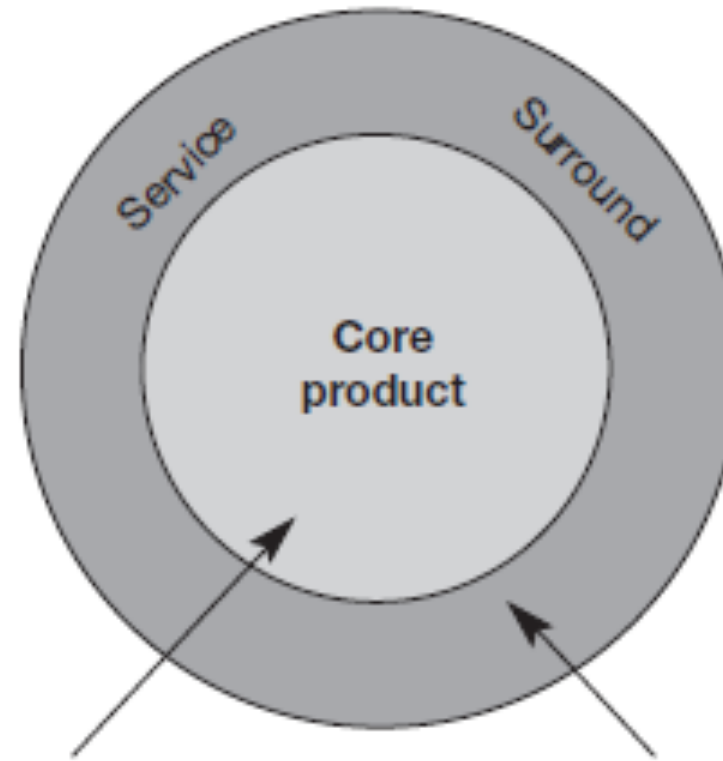


# THE VALUE CHAIN

*People don't want to buy a quarter-inch drill. They want a quarter-inch hole.*

Professor Theodore Levitt  
Harvard Business School

# From 'supply' chain to 'value' chain



- Quality
- Product features
- Technology
- Durability, etc.
- Delivery lead time and flexibility
- Delivery reliability and consistency
- Order fill
- Ease of doing business
- After-sales support, etc.

# The market-driven supply chain

- Delivering customer value
- The customer is the first link in the chain
- Outside-in focus
- The end-user is the organisation's point of departure
- Linking supply chain processes to the value proposition

The whole purpose of supply chain management and logistics is to provide customers with the level and quality of service they require and to do so at less cost to the total supply chain *(Professor Martin Christopher, Cranfield School of Management)*

# The litmus test



Source: <https://www.motortrend.com/news/2024-tesla-cybertruck-first-look-review/>  
<https://www.sixty60.co.za/>

# THE MARKETING - LOGISTICS INTERFACE

# The management of the 'Four Ps'

- PRODUCT
- PRICE
- PROMOTION
- PLACE

Right product  
Right place  
Right time

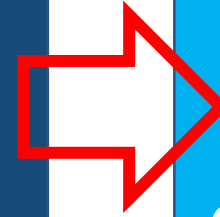


# TRANSFORMATIONS



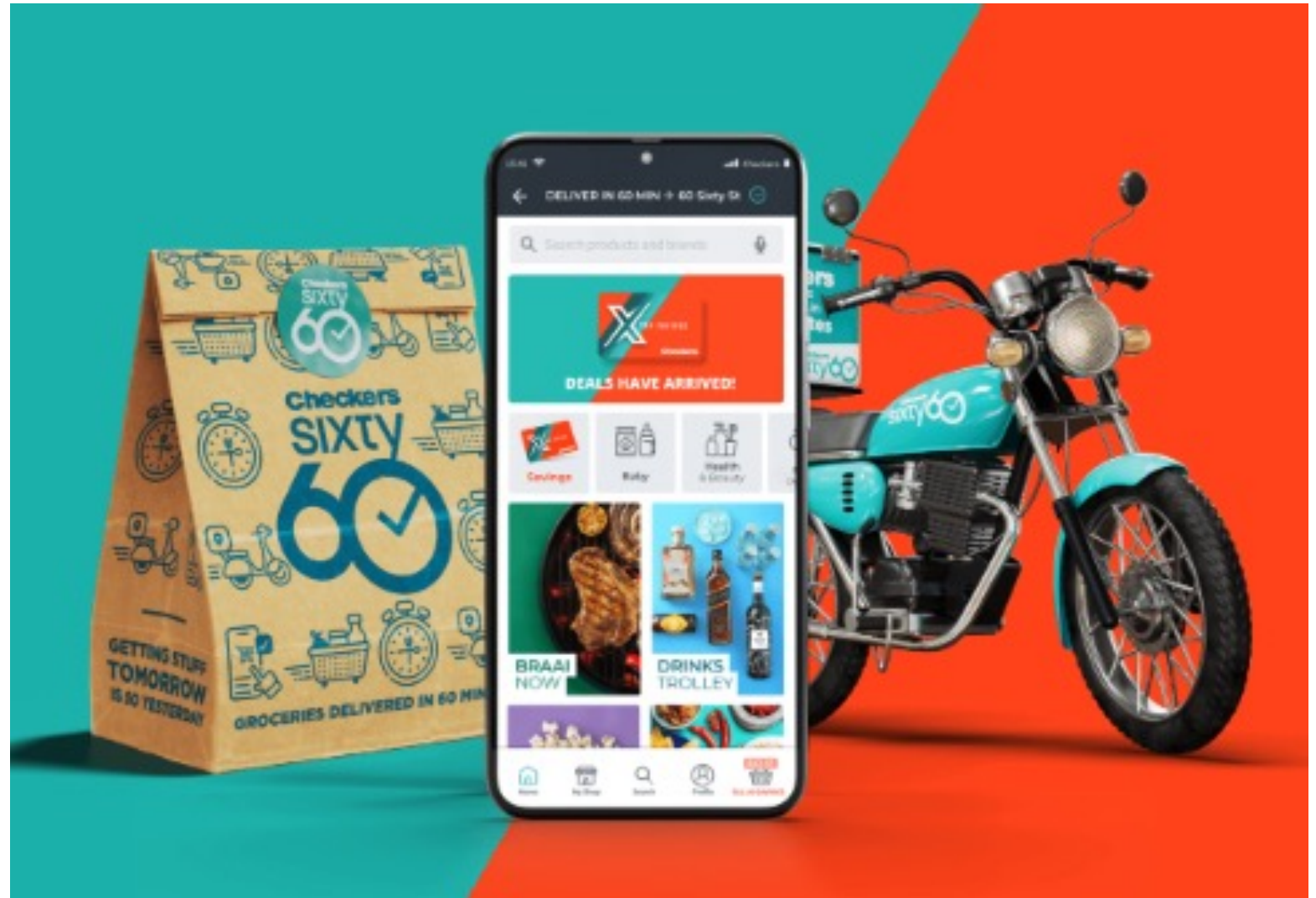
# Business trans- formations

Mass  
production  
(economies of  
scale)



Mass  
customisation  
(markets of  
one)

# The channel becomes the brand



# Shifting centres of gravity

## Supply side

- Scarcity
- Costs
- Flexibility
- Turbulence
- Governance

## Demand side

- Global spending patterns
- Urban v rural
- Distribution of wealth
- Information based
- Customer value oriented

# The new paradigm – *the value network*



# QUESTIONS

**THANK YOU**