ANALYSIS OF PREVALENT, EQUAL, AND DIFFERENT PRICING STRATEGIES IN A DUAL CHANNEL SUPPLY CHAIN
(CASE STUDY: KLASTIK SHOES)

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ABSTRACT

The development of internet technology that offers several advantages such as low operating costs, expansion of market outreach, and trend of spending habits, attracting new companies to open online sales channel (direct channel). However, one of the previous studies showed that the tractive power of offline shopping can not be easily replaced by the e-shopping. Therefore, many manufacturers do not necessarily perform trading activities only by online to get customers, but also consider the existence of dual channel. Dual-channel supply chain is a way of selling products through online and offline channels simultaneously. This system allows for competition between each channel in a supply chain itself. For consumers, online shopping is risky. Dual-channel sales system that originated from the online system, has more risk to the customer's trust. The inability of consumers conduct product inspections, charges the manufacturer requires proper market strategies, one of them by having the right pricing strategy. It is intended to prevent inequality between channel profitability and also to preserve its customer satisfaction by the selling price of the products offered. Moreover, customer trust that has been built over the purchase of the online channel will create new conflicts in the company's internal, if the price of the product will be priced the same or different in each channel if the company has offline sales channels. Given the tremendous impact of pricing strategy decisions for the company's profitability performance, research in the form of a thesis on the analysis of pricing strategies is conducted. The analysis are about prevalent, equal, and different pricing strategies in a supply chain and how the optimum profitability, both for each channel and for the entire channel, could be calculated. The method used is quadratic programming optimization, which is used as a pricing scheme Bertrand and Stackelberg. From the numeric experiments, it can be seen that, of the three suggested pricing strategies, scenarios with different pricing strategy gives the highest profit by considering the existence of other channels and demand balance for each channel.

Kata kunci: dual channel supply chain, pricing strategies, quadratic programming