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Sustainable Demand Chain Management: An Alternative Perspective for Sustainability in the Supply Chain

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Abstract

Sustainable supply chain management (SSCM) has gained significant attention during the last years due to the increased attention paid to sustainable development targets both at the macro policy levels and at the individual organization levels. However there is a gap in the current SSCM literature that misses the link between demand chain management (DCM) and incorporating sustainability to the supply chain organization. This paper aims to contribute to the literature by offering an alternative perspective to SSCM that takes customer demand into consideration when designing, developing and producing sustainable value propositions which consequently result in competitive advantage. The paper builds up a conceptual framework for sustainable demand chain management (SDCM) and calls for further research on the integration between marketing and SSCM both at the theoretical and empirical levels.

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1. Introduction

Besides the extant literature on supply chain management (SCM) gathered around operations management and logistics literature, a new perspective which is called demand chain management (DCM) is on the rise which aims to approximate marketing function with SCM processes (e.g. Jüttner et al., 2007). DCM criticizes the dominance of

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efficiency view and production orientation in SCM and defends that effectiveness and customer orientation should be aligned with efficient supply chain operations in order to achieve competitive advantage and superior customer value. Within this perspective, the chains are triggered with target market profiling and a flow of information regarding customer value drivers.

The case is the same for sustainable supply chain management (SSCM) where the main focus is on push processes and about how sustainability can be disseminated to, practiced and controlled with suppliers at the upper tiers of the supply chains by focal organizations. The sustainable supply chain organization is seen as a one-dimensional and linear unit rather than a network of organizations working in a dynamic network horizon (Frostenson and Prenkert, In Press). This network horizon consists of many stakeholders and essentially, customers.

There are few studies taking a stakeholder perspective to address SSCM issues other than purchasing focus and furthermore, there are very few studies that address economic, environmental and social issues in the supply chain with a holistic manner and a stakeholder perspective (Meixell and Louma, 2015). After a systematic review of extant SSCM research Carter and Easton (2011) emphasize the dominance of the firm as the unit of analysis and they call for future research on the individual as the unit of analysis. Touboulis and Walker (2015) propose the utilization of Maslow's hierarchy of needs in order to explore how individuals may have various needs and motivations for dealing sustainability issues throughout the supply chain and how these needs and motivations can be used to help implementing sustainability in the supply chain.

In addition to these, there is a need for marketing to be combined with SSCM and adoption of a market-orientation at the supply chain level for achieving competitive advantage (Green Jr. et al., 2006). There is recent attention to the need for an integration between marketing and operations for achieving business sustainability (e.g. special issue of *Industrial Marketing Management*, 2014, Volume 43, Issue 1). However, to the best of the author's knowledge, there are almost no studies exploring the integration between DCM and SSCM or no conceptual efforts to approximate marketing with SSCM activities.

This paper tries to fill the gaps that are mentioned above by proposing a conceptual framework for sustainable demand chain management (SDCM). Together with the new terminology, SDCM framework is an effort to involve market information to SSCM activities and align SSCM activities with customer expectations regarding sustainability. Matching customer needs with SSCM practices has been investigated at the green marketing level and depending on the environmental expectations of customers (Brindley and Oxborrow, 2014). However a holistic perspective is still missing. Santos and D'Antone (2014) have concluded their systematic review on DCM research with future study opportunities on DCM contributions to business sustainability. Vermeulen and Seuring (2009) also indicate that concept and theory formulation in SSCM field for advancing the first attempts made so far are required. Looking at the traditional research on SSCM activities starting with sourcing (e.g. Hassini et al., 2012), a market oriented perspective to SSCM is considered as a promising research avenue for a new point of view in the field.

For achieving the aim of framework development for SDCM, first existing literature on SCM is explored and right after that DCM perspective in the literature is analysed. At the third section, sustainability issues in SCM and the general SSCM literature is examined where required proof is found for the integration of marketing view into the field. The second part of the third section elaborates the discussion on new terminology of SDCM. The last section proposes a conceptual framework depending on the theoretical discussions and the conclusion provides opportunities for further research and implications for SSCM practitioners.

2. Supply Chain Management (or?) Demand Chain Management

2.1. Supply Chain Management: Basic Concepts and Perspectives

Kent and Flint (1997) have proved to be right within the last 20 years of related research with reference to their classification on logistics thought. The last era that they introduced and named as the behavioral and boundary spanning era highlighted the potential rise of extension of logistics processes throughout the supply chains and required increase in inter-functional cooperation and collaboration. Since then, supply chain management (SCM) has gained significant attention from both scholars and practitioners. With a very frequently cited and widely accepted proposition, today the competition is not between organizations anymore but it is between different supply chains (Christopher, 2005). Understanding and pursuing a well-facilitated SCM strategy is expected to enable all companies

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