Effective Marketing Strategy using Two-warehouse Inventory Model

Alok Kumar
Assistant Professor
FORE School of Management
New Delhi – 110016
E-mail: alok@fsm.ac.in

Abstract

The effective marketing strategy is well formulated through optimum solutions of a problem which is developed in the form of a mathematical model. The mathematical model validates the decisions which are taken on the basis of its results obtained and sensitivity analysis done with respect to different parameters. The model developed in this paper describes a two-warehouse (owned warehouse and rented house) inventory model for new products under an assumption that the potential market size is constant throughout the cycle time. The deterioration rates are different for both the ware-houses. A numerical example with comprehensive sensitivity analysis with respect to different parameters has also been discussed.

Keywords: New products, Deterioration, Two-warehouse, Inventory, Marketing Strategy.