

Contents

Economics	3
Pros of a Market Economy	7
1. It provides a society with the right goods or services at the right time.	7
2. A market economy promotes entrepreneurship.....	7
3. It creates competition.....	8
4. It reduces the need to store products.	8
5. Market economies tend to provide more jobs.	9
6. Prices are usually kept down in a market economy.	9
Cons of a Market Economy	10
1. Market economies tend to produce inferior goods and services.....	10
The goal of a market economy is to find balance between cost and profit.	10
2. It harms the environment.	10
3. Outsourcing is frequent in a market economy.	11
4. Commodity prices typically rise in a market economy.	11
5. Economy imbalances occur frequently within a market economy.	12
Conclusion	12
References	Error! Bookmark not defined.

in the tire industry as far as attracting and maintaining customers who in this case are Goodyear Tire & Rubber and Cooper Tires.

According to Alfinaet *al* (60), proper supply chain in the tire industry reduces the costs involved in the whole distribution process. When a long supply chain is involved in the process, every intermediary involved may be interested in benefiting financially for the services they offer.

The financial gains by all the intermediaries translates to the increase in the costs of production and distribution thus affecting the final price of the tires. Short supply chains may be cost friendly to the organization but fail to meet the expectations by the market (Alfinaet *al*80).

When the customers' expectations are not effectively met, the organization's sales and profits may decrease. The organization should research on the best supply chain that best minimizes its costs and maximizes its output while meeting the customers' expectations.

A short supply chain involving the producer and the consumer may be effective when selected and properly tailored to meet the customers' needs