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## QQ6

### QQ6

0 points possible (ungraded)

When the United States' Air Force decides to pay a defense contractor like Lockheed Martin based on the number of hours of “up-time” or hours available to fly for fighter jets it provides, this is an example of:

- ☐ a) SKU proliferation
- ☐ b) An omni-channel approach
- ☐ c) A systems approach
- ☒ d) An outcome-based approach ✓
- ☐ e) None of the Above

### Explanation

This is also known as performance based logistics. The idea is that the supplier is providing the ultimate service that the customer desires, not just a physical product.

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### SKU Proliferation

question posted 3 days ago by [gabsi issa](#)

Hello, Who can explain to me the meaning of 'SKU Proliferation' presenting to me some exemple.

Thanks in advance

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5 responses

**Karinajad**

3 days ago

"SKU proliferation is a real problem being faced by distribution centers and order fulfillment operations today: In an attempt to attract more customers and increase sales, operations are adding items to their offering and holding onto obsolete or slow-moving inventory." - A decent article on the topic - <https://www.conveyco.com/sku-analysis-sku-proliferation/>

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**param iyer** (Community TA)

3 days ago



once upon a time, we had colgate toothpaste. now we have colgate as regular, gel (blue/red/green), with/without flouride, multiple sizes, whitening, extra-whitening, herbal, new & advanced, etc. - which is a classic case of SKU proliferation :)

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**ChrisBlain**

3 days ago



Even something as simple as multiple colors of the same product. At one company I worked for, we had 22 different skus for different color combinations of the same product at one point. Product management saw it as a way to draw more customer demand, but in reality a minority of the skus made up a majority of the sales.

Take Iphone 8's chargers for an example: Different countries have different charger plugs, EU, UK, US, China, Australia... You can use the SKU NO. to stand for each market chargers.



posted a day ago by **Lesliejunjun**

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**KumarRajneesh**

about 22 hours ago



SKU Proliferation is very visible in the service sector , where you club the different niche service under a umbrella service . A crude example would be Health care Industry, where you get an Ambulance service if you get 10/20 pathological test done by a Pathologist.

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**dkatzen68**

about 7 hours ago



How many decisions (ingredient choices) do you have to make to buy a coffee at Starbuck's today vs., say, at a diner 20 years ago? Twenty years ago you would choose a coffee (one size, usually with unlimited refills) and you would be given the option to add your own milk or sugar. Now you have the ability to create almost 100,000 combinations when you order a coffee at Starbuck's.

As a customer, I really dislike this strategy, I spend many time to find the difference(real difference or just appearance) and make choice between them.



posted about 6 hours ago by **yzwyzw**

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