**Q. How push and pull production strategies effect the distribution strategies?**

**Push production strategy:**

* Product’s manufacturing process ends before the order is made.
* If demand decreases than the projected sales, there will be load of unutilized inventory.
* As compared to pull strategy, it reacts slower in dynamic market.
* Forecasts before productions are made based on opinion of middleman i.e., retailers and wholesalers. Not customers directly.
* Exact forecast cannot be made. In normal and low selling season, there might be extra inventory cost. While in peak season, there might be unmeted demand as production is done before demand comes in.
* More suited for functional, bulk productions, and less expensive products.
* Due to mass productions of most products, freight and item-return methods are not much good as the pull system.
* Management systems and software systems can be improved to make the distribution better.

**Pull production strategy:**

* Product’s manufacturing process starts after the order is made.
* Less inventory in both manufacturer and middleman stores. Due to less inventory holding costs.
* As compared to push, lead time is lesser as there is very little need of production forecast.
* As compared to push, in pull strategy processes are more reactive than proactive.
* Bulk production is not possible. If orders are in bulk, then better to shift to push method. Else per item price will decrease, making the profit to decrease in whole distribution chain.
* Although it decreases inventory holding costs but raises the operating costs.