

CHAPTER VI

FINDINGS, IMPLICATIONS AND CONCLUSION

6.0.Introduction

Economies have already stepped into the knowledge –era. In such context, the SCM activities in organizations must be streamlined in order to enable the organization deal with uncertainties of the business environment. This can be achieved only when the SCM effectiveness is monitored holistically and continuously. As SCM depends on people, processes, environment infrastructure, resources etc., its effectiveness must be studied in an integrated view taking a conglomerate of business, quality, quantity, services to customers at last.

As defined in this study, a supply chain is a network of facilities and distribution options that performs the functions of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these finished products to customers.

In today's economies, supply chains exist in both service and manufacturing organizations, although the complexity of the chain may vary greatly from industry to industry and firm to firm. Supply chain management is typically viewed to lie between fully vertically

integrated firms, where the entire material flow is owned by a single firm and those where each channel member operates independently. Thus, coordination between the various players in the chain is key in its effective management. Such a team is more competitive when each player knows how to be positioned for the hand-off. A wide range of determinants are there in predicting the success of SCM. Of which, the relationships are the strongest between players who directly pass the baton, but the entire team needs to make a coordinated effort to win the race.

To sustain the benefits of SCM in dynamic and uncertain business environment, the need for continuous evaluation of SCM is called for. Despite SCM can be evaluated on a number of parameters, the most important parameter which defines its use from business point of view is effectiveness. The reviewed literature on SCM is having very limited inputs and addressed partial view only for select industry. Therefore, there must exit a way to identify the overall effectiveness of SCM and also the scope of improvement in the context of various types of business.

Encouraged by such views, the present study was initiated with the primary objective of understanding two of the most crucial aspects of SCM namely, the practices and the effectiveness of SCM. The practices assumed a continuum of SCM agreement and SCM adoption. Thus, these two spectra of the SCM practices were

captured across a represented FMCG stores across twin cities of Hyderabad and secunderabad. Finally, the relationship between these practices and the outcome variable namely effectiveness of SCM have been examined in this study.

6.1. The Present Study

Due to the purchasing power that comes with control over consumer contacts, retailers are often dominant in a supply chain. Closeness to end consumer markets gives retailers fast and precise information about matters such as shifting fashion preferences and attractiveness of competitor's offerings, comparable to continuous market research. Even though power is no end in itself, it does include the opportunity to organize the supply chain in a suitable way. Many challenges face retailers today. Expanding product variety, greater fluctuations in demand, and shorter and shorter product life cycles make time-to-market reductions essential. The ever-increasing need for reduced lead times continues. Maximum coordination of work in and between companies is therefore necessary, as otherwise it will lead to higher costs as well as to longer lead times.

There is however no single best way to manage a supply chain; the way retailers compete in consumer markets influence what should be focused on. As no company can be everything for everyone, there is interdependence between what a company sets out to be

for a consumer, i.e. the company's value proposition, and that company's supply chain.

A value proposition concerns how, where, and when a company creates value for its customers, and that all activities - from product development to order fulfillment - should be based upon it.

In supply chain management research is effectiveness equalized with supply chains' flexibility and agility to customer demand. Ineffective supply chains are loosely integrated with poor management of existing interdependencies.

The roles performed by the Supply chains in FMCG can only be understood from the perspective of how the supply chain system itself is effective.

The present study has four fold-purposes. Firstly, it will assess the role of supply chain in the form of various supply chain practices i) agreed and ii) adopted by the FMCG companies.

Secondly, it will explore how such practices are varied across various types of outlets under study.

Thirdly, it will assess and analyze the effectiveness of supply chain practices, and

Lastly, it will analyse effectiveness of supply chain practices in relation to various types of outlets.

6.1.1 Research Questions

1. How do supply chain management practices vary across types of retail outlets?
2. How do supply chain management practices vary according to the designation of the functionaries of SCM?
3. How effective are supply chain management practices across types of retail outlets?
4. How effective are supply chain management practices perceived by SCM functionaries according to their designations?
5. How do SCM practices influence effectiveness of SCM?

6.1.2 The Objectives

1. To assess the supply chain management in FMCG sector perceived by the managers responsible for SCM
2. To assess the effectiveness of supply chain management as perceived by the SCM functionaries.
3. To analyse the variations in the roles of supply chain according to various types of outlets
4. To analyse the variations in the roles and effectiveness of supply chain management according to the designation of the SCM functionaries.
5. To analyse the variations in the effectiveness of supply chains according to various types of outlets.
6. To examine the relationships between the roles of supply chain and the effectiveness of SCM as perceived by the SCM functionaries..

6.1.3 The Hypotheses

- 1) There is no variation in Supply Chain Management agreement Practices according to type of outlets.
- 2). There is no variation in Supply Chain Management Adoption practices according to type of outlets.
- 3). There is no variation in Supply Chain Management practices according to level of functioning of respondents.
- 4). There is no variation in Supply Chain Management adoption practices according to level of functioning of respondents.
- 5). There is no variation in Supply Chain Management effectiveness practices by respondents according to type of outlets.
- 6). There is no variation in Supply Chain Management effectiveness By respondents according to level of functioning

6.2.The Method

This study is carried out in the twin cities of Hyderabad and secunderabad in select FMCG outlets. Supply chain managers from 116 outlets have responded to a structured questionnaire consisting of standardized scales to measure SCM practices and SCM effectiveness.

In this study, Descriptive and Analytic Design is adopted. This design is considered most suitable for the Problem under study. In this study the SCM managers' personal characters are described followed by their responses on SCM Practices and SCM

Effectiveness. Further, SCM Practices and SCM effectiveness are analyzed in relation to their personal characteristics. Thus Analytic and Descriptive Research Design is justified. Lastly, relationships between personal characteristics and HRD variables like HRD Climate and HRD Practices are analyzed.

The FMCG stores which are classified into various types were identified in the first place. Later, around 50 percent of outlets from each of the category have been decided to be the sample size. Thus, 116 SCM functionaries representing select FMCG outlets have participated in this study.

6.3. The Findings

6.3.1. SCM practices

SCM Agreement

Coordination with supply chain partners (Suppliers and customers). This factor comprises the eight practices that address collaboration among supply chain partners.

As regards coordination with supply chain partners, it was found high in Personal care, whereas Chemists and druggists and household care are low. Kaur et.al (2008) argue that the Supply Chain (SC) members are dependent on each other for resources and information, and this dependency has been increasing in recent times due to outsourcing, globalization and rapid innovations in information technologies. This increase in dependency brings some extent of risk and uncertainty too along with benefits. To meet

these challenges, SC members must work towards a unified system and coordinate with each other. There is a need to identify the coordination mechanisms which helps in addressing the uncertainty in supply chain and achieving supply chain coordination.

Operational networking with suppliers and logistics service providers. This factor involves the six operating practices related with suppliers and logistics service providers.

It was found high in supermarkets, and less in consumer electronics. This may be due to the fact that in an effort to improve the utilization of their logistical assets, many have integrated their secondary and primary distribution operations and run them as a single 'network system'. This reduces waste and improves efficiency.

Cross functionality in joint action with suppliers and customers. It involves four practices, out of which two are directly related with the involvement of suppliers and customers in new product development process.

It was found high in supermarkets and other markets whereas it is less in consumer electronics. In most organizations, supply chain planning is a cross-functional effort. Functional areas such as sales, marketing, finance, and operations traditionally specialize in portions of the planning activities, which results in conflicts over expectations, preferences, and priorities. Given the benefits of alignment and the resulting commitment to the developed plan, an

organization might even be willing to sacrifice information accuracy or procedural efficiency in order to retain a process that delivers cross-functional alignment or conformance to plans.

Mechanistic of SCM implementation. This is basically related to strategic outsourcing and it involves three practices. It was found high in supermarkets and personal care and less in consumer electronics. The scope for continuous improvement via **SCM** is constrained by the **use** of cost cutting, 'bullying', and the adoption of procurement-driven agendas that lead to marginal and short-term improvements through relational contracting,

As regards Sales planning and improving customer service, it was found that supermarkets are very high, followed by personal care and food and beverages. It is quite common to assume that supermarkets need to constantly improve customer service as a result; they need to be focused on sales planning. Similarly so in case of personal care and food and beverages business. The least was found in chemists and druggists. This may be due to the fact that the customer service is very minimal since customers by and large do not have much of interaction with the retailers owing to the nature of products purchased from them.

Leanness of Supply Chain: It involves four practices, which indicate the local firm's willingness to reduce waste and streamline the processes through proper planning. The study brought to light certain interesting findings that leanness of supply chain practice

has been at variance among all the types of stores. This means that all of them are very serious about maintaining the leanness of supply chain for the sake of efficiency of operations including time saving and cost optimization in their operations.

SCM Adoption

As regards, Collaborative Forecasting and Sales planning, it was found that such practice was high in personal care, followed by supermarkets and others. The least being consumer electronics. In case of personal care products and in case of supermarkets, there is dire need for collaborative forecasting and sales planning. This may be due to the reason that every year, and subsequently, the quarterly forecasts and planning involve working with the suppliers in order to ensure the economic order quantity. Therefore, both the supplier and the retail distributor have to plan together about their own resources vis-à-vis their business operations.

Having adopted the supply chain management into their business processes, particularly, with regard to Operational networking and type of stores, it was found that the practice was high in supermarkets, followed by personal care, food and beverages. It's a management of the relationships and flows between the 'branches' of processes and operations that produce value products and good quality services for the customers. Cox (1997) has described that

supply chain management is a way of thinking that is devoted to discovering tools and techniques that provides for increased operational effectiveness and efficiency throughout the delivery channels that must be created internally and externally to support and supply existing corporate product and service offering to customers. Whereas, such practice was found least in household care. This may be due to the reason that the interaction between the suppliers and the retailers is quite minimal once the products have been dispatched.

As regards, Cross Functionality of joint action with suppliers, it was found high in supermarkets, followed by personal care. The least in consumer electronics and others. It could be due to the reason that such type of integration in supply chain planning in a highly differentiated organization to require quite a broad and explicit cross-functional reach. Although particular cross-functional interfaces have been developed—e.g., marketing and logistics (Ellinger, 2000; Stank, Daugherty, and Ellinger, 1999).

With regard to Strategic Partnership and type of store, it was found high in supermarkets, followed by personal care. Less in household care. One of the widespread conclusions in supply chain management research is that huge benefits can be achieved if suppliers are involved in the product development process as early as possible, since suppliers often possess vital product and process

technology leading to significant improvements in product design and new product development process. This way, it will create value for both the partners. In other words, such value creation is mutually beneficial in case of supermarkets where in the suppliers and the retailers are constantly in touch with each other as each other's supplies need to be maintained at optimum levels. However, such relationships are thin in case of household care products wherein the products are not consumed all at once and therefore there is a much time lag that existing in case of such operations.

With regard to Strategic Supplier Selection and type of stores, it was found high in chemists and druggists, followed by supermarkets. It is less in consumer electronics. Selection of appropriate suppliers in supply chain management strategy (SCMS) is a challenging issue because it requires battery of evaluation criteria/attributes, which are characterized with complexity, elusiveness, and uncertainty in nature. The chemists and druggists need to have relationships of feedback and dependence of criteria with all their suppliers. Such interactive and interdependent criteria are minimal in case of consumer electronics.

6.3.2. Effectiveness of SCM

Effectiveness is defined as an external standard *"of how well an organization is meeting the demands of the various groups and organizations that are concerned with its activities"* (p. 11

Pfeffer and Salancik 1978) which approximately is a construct "for doing the right things" or having validity of outcome (Hines et al. 2000). Effectiveness is created in a relationship in a process of attention to different interdependencies, i.e. the evaluator is influenced in its evaluation. In the context of supply chain management, effectiveness is conceptualized as a use value in a supply chain, is a combination of indirect benefits gained through the supplier and the supplier network (Walter et al. 2001).

Interestingly, in this study it was found that SCM effectiveness was high in personal care, followed by others and chemists and druggists, supermarkets and consumer electronics. Further, it was found less effective in household care. Moreover, Supervisors perceive it high than officers and the managers.

This may be due to the fact that an effective SCM by and large enables Fit in product range and cash generated. It also has the Ability to deliver goods in the right time and ability to solve problems. Besides, it ensures Fit in relationship derived from a lead-user position. Lastly, it ensures Fit in relationship derived from a lead-user position.

SCM agreement as a practice predicted about 53% of change in effectiveness of SCM. Whereas, SCM adoption as a practice predicted around 55% of change in the effectiveness of SCM. Thus, it could be concluded that both agreement and adoption have emerged as the strong and significant predictors of change in the

effectiveness of supply chain management across all the sectors of business.

Dean (2002) states that Supply chain management seeks to enhance competitive performance by closely integrating the internal functions within a company and effectively linking them with the external operations of suppliers and channel members. He studied the impact of supply chain management on overall organizational effectiveness and to identify problems that affect supply chain management success. He found that organizations generally considered themselves successful at managing their supply chains. However, while they have achieved significant improvement in organizational performance, they have not reached the order of magnitude of improvements ascribed to supply chain management.

6.4. The Implications

6.4.0. SCM Practice Considerations

1. Distribution of material should be planned in such a way that should see that minimum stock is maintained at the outlet. Proper display of the product. Attending the complaint promptly. Regular touch with top retailers.

2. There are constraints to channel partnership in India. POS information not quickly shared with Distributor. Bull whip effect due to no proper demand forecasting and inventory management techniques. Lack of information and sharing and feeding information

on to ERP due to lack of training and IT infrastructure being weak. Uncertainty in goods transit by: Sea, Road, Rail due to government style of working and private operator. First step should be supply chain improvement by innovative techniques that reduce lead time, inventory handling. IT integration should be at a later stage due to training issues, Investment in smart delivery system is less.

6.4.1 Improving Agreement dimension of SCM Practice.

i) Coordination With supply chain partners

FMCG outlets have to agree upon Outsourcing of non-core competent activities in order to improve on-time delivery and lead times. They should be willing to increase their Responsiveness towards customer is a critical success factor. They must also start their Preparation of forecast in collaboration with customer, while taking care of historic & future sales potential is more reliable & accurate. FMCG Organization should realize that collaboration and close working relationship with key suppliers are critical to its success. Mechanism of customer care and service should be tailored around the needs of customer and based on the value of interactions with customers. More so, Customer requirements have to be analyzed in terms of Design and manufacturing feasibility of the new product development cycle. Focus also must be made on Customer defined quality & service standards which dictate the supply chain operation strategies. FMCGs should be involved in

Sharing of real-time demand and inventory information with suppliers smoothen the flow of supply chain.

ii) Operational Networking with suppliers and logistics service providers

It is suggested that there is a need for FMCGs to be Clustering and networking with suppliers near focal firm's location proves to be advantageous for organization. Service level agreements with transporters provide effectiveness & reliability to logistics have to be made. As transporter rating system enhances the performance of logistics and distribution, such systems need to be made in place by all the outlets.

Though, difficult to practice, Organization shares financial risks and rewards of market changes with its key suppliers under SCM. They also should ensure that Key suppliers will locate personnel within focal firm to provide support for activities such as order planning & technological assistance.

iii) Functional areas in joint action with suppliers and customers

FMCGs must practice that Suppliers are evaluated on total cost, not on unit price of product / service. Suppliers also must be involved early in New Product development process. Customer requirements have to be analyzed in terms of design and manufacturing feasibility of the new product development cycle.

Since CRM is only 20 percent technology is 80 percent. Therefore, FMCGs should ensure that successful involvement of employees be made at all levels.

iv) Mechanistics of SCM implementation

FMCGs must ensure Modularity of system as it is beneficial for SCM implementation. Competition among suppliers is encouraged by the Organization to get the benefit of cost and quality. It is strongly believed that Part/unit outsourcing is advantageous than system outsourcing. Therefore such adoption is advised.

v) Sales planning and improving customer service

FMCGs must practice Reducing customer lead time and on-time delivery performance in order to strengthen the customer relationship. Real-time demand/inventory(PoS) data should be obtained from retailers and sales personnel set the ball rolling for better customer service levels in SCM.

vi) Leanness of supply chain

As it is an important practice, it is suggested that FMCGs resort to Dynamic mode of route selection as it is effective in reducing inventory levels and costs.

Besides, they should also ensure Integration of outbound and inbound movements is effective in reduction of waste. On the other hand, they need to practice Formal and accurate demand and supply forecasting System which provides integration across supply

chain planning and movement. Thus, Lean approach of manufacturing leads to operational improvements across the supply chain.

6.4.2. Improving Adoption of SCM Practice

In order to adopt SCM practices for the efficiency in operation, the following are the implications drawn.

i) Collaborative Planning, Forecasting, Customer Service and Relationship Efforts

FMCG outlets have to practice reducing customer lead-time and on-time delivery performance would strengthen the customer relationship. Besides, Formal and accurate demand and supply forecasting system needs to be in place as it provides integration across supply chain planning and movement.

There is a need to improve responsiveness towards customer since it is a critical success factor influencing overall effectiveness of SCM. There is a need for preparation of forecast in collaboration with customer, while taking care of historic and future sales potential as it is more reliable and accurate.

FMCG outlets also should concentrate on mechanism of customer care and service which should be tailored around the needs of customers and based on the value of interactions with customers.

Most importantly, Real-time demand/inventory/point-of-sales(PoS) data should be obtained from retailers and sales personnel in order to set the ball rolling for better customer service levels in SCM.

ii) Operational Networking with suppliers and logistics service provisions.

FMCG concerns should arrive at Service level agreements with transporters as it provides effectiveness and reliability to logistics.

On the other hand, they also should start analyzing Customer requirements in terms of Design and manufacturing feasibility of the new product development cycle.

They should also explore Clustering and networking with suppliers near focal firm's location since it is more advantageous for organizations. Further, they also should resort to Dynamic mode of route selection as it is effective in reducing Inventory levels and costs. Also they should practice Part/ unit outsourcing as it is advantageous than system outsourcing.

FMCG companies should encourage that their Key suppliers locate personnel within focal firm to provide support for activities such as order planning and technological assistance. Besides, they should adopt Lean approach of manufacturing as it leads to operational improvements across the supply chain Integration of outbound and inbound movements; thereby making it more effective in reduction of waste.

While adopting other practices, they should also adopt the Transporter rating system which enhances the performance of logistics and distribution. Lastly, Suppliers' should be evaluated on total cost, and not on unit price of product/service

iii) Cross Functionality of joint action with suppliers.

FMCG outlets need to adopt the practice of Sharing of real-time demand and inventory information With suppliers in order to smoothen the flow of supply chain. Besides, The readiness of supply chain partners is required for adoption of IT practices by the FMCG stores.

They should explore all the possibilities of Outsourcing of the noncore competent activities which will improve on-time delivery and lead times. Lastly, FMCG Organizations realizes that collaboration and close working relationship with key suppliers are critical to its success.

v) Strategic Partnership and outsourcing in Competitive Environment.

FMCG companies should prefers strategic partnerships with selected suppliers. They should also encourage Competition among suppliers is encouraged by the organization to get the benefit of cost and quality. They should also adopt Modularity of system is beneficial for SCM implementation. And share financial risks and rewards of market changes with its key suppliers & dealers under SCM.

v) Strategic Supplier Selection, Evaluation and Development

FMCG stores should adopt Preferential selection of suppliers depending upon Customization and flexibility in volume. They should also ensure that their Suppliers must be involved early in new-product development process. Lastly, they should ensure that Formal suppliers performance scorecard be made available for evaluation of suppliers and dealers under SCM.

6.4.3. Effectiveness of SCM

A supply chain is a network that includes vendors of raw materials, plants that transform those materials into useful products, and distribution centers to get those products to customers.

Without any specific effort to coordinate the overall supply chain system, each organization in the network has its own agenda and operates independently from the others. However, such an unmanaged network results in inefficiencies. For example, a plant may have the goal of maximizing throughput in order to lower unit costs. If the end demand seen by the distribution system does not consume this throughput, there will be an accumulation of inventory. Clearly, there is much to be gained by managing the supply chain network to improve its performance and efficiency.

Effectiveness' value creation process is to create and take advantage of use value. This is done through adaptive activities for fit between exchanged resources and existing resources. The

effectiveness is bounded by a process between two parties (the user and the coalition of producers) to contextualize a given exchange's resource. This means that the outcome is dependent on reciprocal and pooled interdependencies and is a perceived capability to leverage service. This use value might be measured as a scale or as a ratio of negotiated demands.

For effective supply chain management, companies should follow the three tenets Transparency, Accountability and Continuous Improvement

Thus, effectiveness is ultimately an interpretation of indirect relationships: an exploration of that might be exploited within and among supply chains. This can be related to costs as well as innovation. Efficiency is the internalization of effectiveness. This interrelationship is important to emphasize the long-term effect of efficiency on effectiveness.

In summary; supply chain efficiency and effectiveness is interdependent standards to evaluate a quasi-organization:

Supply chains are both *efficient and effective* when the exchange value of the activity system fulfills expectations that make up the use value. The use value is accumulated demands from the network that is internalized in sequential relationships and negotiated as efficiency goals. Effectiveness and efficiency are correlated through

strategic direction. This means that efficient supply chains are effective by definition, and vice versa.

Supply chains can be *neither efficient nor effective*. An example is a supply chain that focuses on economies of scale when innovation is needed, i.e. the common goals are a false notion of the market. Even though the supply chain takes advantage of scale economy the activity system is misused, this leads to very low exchange value and use value. In reality might supply chains be effective but not efficient seen in specific actors' perspective. An example of this is suppliers that maximize exchange value to the chain with poor organizational efficiency (e.g. Corswant et al. 2004). These are dependent on that the chain share benefits in addition to risks so they get compensated.

6.5 Future Research

This study has had a quite broad and explorative approach, investigating very different value propositions and business strategies. It would be interesting to conduct a more detailed study, focusing on one case company. Such a study could include detailed product life cycles and product flow analyses, which could be used to find ways of reducing non-value adding time. An activity based costing study would illustrate where costs occur and also how much the costs of performing activities is reflected in end customers prices.

Another interesting area to examine would be what kind of management accounting that is used in SCM. One performance measure could probably be cash to cash cycles (i.e. the time it takes to convert expenditures at raw material or supplier level to incomes from sales to consumers). The development within the IT area has enabled companies to increase their control over product flows and inventories, arguably allowing reductions in safety stocks. Most likely, these developments have had impacts on companies' cash flows. A cash flow analysis with a SCM perspective would be very interesting.

All case companies included in this study were retailers. Another angle when studying SCM could be to include different actors in a supply chain, for example one retailer and one or two of that retailer's suppliers. Such a study would perhaps benefit from having a relationship focus, examining the value of trust, information sharing, and possible occurrences of open book accounting in supply chain relationships.

6.6. Conclusion

While presenting a detailed note on the statement of the problem has been presented which highlighting the importance of understanding Supply Chain Management practices in retail industry. Various issues relating to Supply Chain Management practices and this effectiveness have been highlights in order to

analyse the need for conducting such study. Supply Chain Management agreement and adoption related practices and Supply Chain Management effectiveness have been identified as the centrality is the study. Following the objection of the study and the hypotheses of the study.

Further, in this thesis, attempt was made to present the retrospective and prospective scenarios of retail industry in general across the world and in India in specific. Opening the vignette with the comparison of traditional and the modern retail concept, various factors contributing to retail industry growth were identified and discussed. Various drivers for retail sector growth in India were also identified. The India's population growth and the consequent growing consumerism were discussed as a precursor of retail business.

The distinction between conventional and specialty supermarkets can be compared to the distinction historically made in the apparel industry between department stores and specialty apparel retail formats. While various research studies have examined customer preferences and shopping behaviors which compare department stores and specialty apparel formats Lumpkin and McConkey, (1984), King and Ring (1980) corresponding research on food retailing across those two dimensions (conventional versus specialty store formats) has received little attention.

However, research focused on differentiating customer behavior of food retailing formats would be highly beneficial to both academics and practitioner audiences for several reasons. One reason, in particular, is that food retailing presents different challenges to understanding customer behavior because not all customers enjoy grocery shopping. While shopping, in general, is stressful for consumers (Fram and Axelrod (1990), Russell Aylott and Mitchell (1998) found that customers associated more stress with grocery shopping than with other forms of shopping. Further, the food industry is changing rapidly as new retail formats develop (e.g. warehouse club stores) and capture market share from traditional formats. Finally, expansion of new product categories (e.g. organic/natural) and development and growth of relatively new food retailing players (e.g. Wal-Mart and Whole Foods Market) have created more customer choices.

Virtually most of the previous literature review on customer satisfaction was concerned with evaluative responses to the usage and consumption of products and services. In contrast, only limited studies have been devoted to satisfaction and dissatisfaction with other aspects of the marketing system, notably retailing establishments. Despite the growth of new product categories and new industry players, few studies have investigated customer satisfaction within the retail food industry. Yet, satisfaction is increasingly more important given the highly competitive

environment in food retailing Carpenter and Moore (2005) acknowledge that the changing competitive landscape within the grocery industry makes it critical for retailers to better understand grocery customers. Retailers require knowledge not only of consumer satisfactions and dissatisfactions with the products their outlets offer, but also with other facets of shopping, buying and interacting with the outlet itself. As Tauber (1972) has suggested, some of the non-product satisfactions offered by retail outlets may be as significant as, product-related satisfactions in determining customer patronage. Research on retail patronage has been difficult to assimilate and thus difficult to translate into meaningful retail strategies and directions for future research. This is partly due to lack of a unifying theory or model that can be used to relate the various aspects of patronage behavior that have been studied.

Currently in India on one hand organized retailers are making a foray into the grocery market at a rapid rate and posing a threat to the livelihood of kirana shopowners; and on the other, there is the highly price-sensitive consumer forcing market players to operate on thin margins. As such, the purpose of this research is to compare and contrast customer perceptions of conventional food stores to modern formats by examining satisfaction levels with each store format, and investigating the relationship between satisfaction and store attributes, such as product assortment, store service, offers and discounts etc.

Further, an attempt has been made to present a detailed review of literature pertaining to the importance of supply chain management in modern organisations today. These organisations maybe of varied nature, type, classification, ownership and so on. Particularly, the factors which contribute to the successful implementation of the supply chain management in organizations figured out predominantly in the research across the world. Besides, the studies covered also reflected upon the importance of the supplier and buyer relationships, the importance of information technology and the connectivity between information technology and supply chain effectiveness.

As regard research rigor, a detailed picture about the research method utilized for the collection of the data and for analysis of the data collected. Specifically, the research design which forms the backbone of the study has been elaborated, focusing on the sampling design, the methods and tools of data collection, the scales adopted and used in the study, the reliability details of the scale and the statistically design used in this study

Results pertaining to the SCM practices were reported. Firstly, the SCM practices, which were classified into practices related to SCM agreement continuum and SCM adoption continuum, have been

dealt with one by one. Secondly, each of these classified SCM practices has been analyzed in relation to the type of outlet in which such practices were carried out and also followed by analysis according to the designation of the SCM functionaries in these outlets under study. Thirdly, the relationships between SCM practices and SCM effectiveness have been analyzed to understand what practices are critical determinants of SCM effectiveness in the outlets under study. Thus, all the null hypotheses tested in this chapter stand rejected and the alternative hypotheses have been accepted.

Pursuant to the results, the discussions about the results presented, while providing justifications and support from other sources for the results. Interestingly, the SCM practices in all the retail outlets in the twin cities of Hyderabad and Secunderabad are in variant. Similarly, their effectiveness also is in variant. Interestingly, the relationships between practices and effectiveness had taken a different direction. That is, the SCM agreement had predicted 53 percent of change in effectiveness of SCM. Whereas SCM adoption related practices have predicted 55 percent of change.

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Lastly, implications for SCM practices and their effectiveness and implications for future research directions also have been drawn.