GLOBUS

Cosmos An International Journal of Management
A Refereed Research Journal
Vol 10 / No 2 / Jan-Jun 2021 ISSN: 2278-1218

ROLE OF SUPPLY CHAIN MANAGEMENT IN RETAIL SECTOR OF INDIA

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Paper Received: 15.06.2021 / **Paper Accepted**: 30.07.2021 / **Paper Published**: 01.08.2021

Corresponding Author: Menka; doi:10.46360/cosmos.mgt.420211011

Abstract

The management of the supply chain is a vast and complicated endeavor, and its successful operation is dependent on the contribution of every participant, from the suppliers to the manufacturers and beyond. As a consequence of this, efficient management of the supply chain also includes management of change, cooperation, and risk management in order to establish alignment and communication across all of the organizations. In addition, the concept of supply chain sustainability, which evaluates environmental, social, and legal issues in addition to sustainable procurement, as well as the closely related concept of corporate social responsibility, which evaluates the effect a company has on the environment and social well-being, are both major areas of concern for the businesses of today.

Keywords: Supply Chain Management, Technology, Retail, Industry.

Introduction

The term "supply chain management" (SCM) refers to the vast range of operations that are required to plan, control, and execute the flow of a product in the most streamlined and cost-effective manner possible, beginning with the acquisition of raw materials and manufacture and continuing all the way through distribution to the final client. SCM refers to the integrated planning and execution of the processes that are necessary to optimize the flow of materials, information, and financial capital in the areas that broadly include demand planning, sourcing, production, inventory management and storage, transportation - or logistics - and return for excess or defective products. SCM also encompasses the return of products that are either defective or have been produced in excess. In order to achieve this goal of gaining a competitive advantage, these efforts make use of both corporate strategy and specialist software.

Review of Literature

According to Raya Sharifi's (2013) [5] research, addressing issues of sustainability in the operations of the supply chain can be a question of the long-term survival of food merchants' businesses. Taking action across the value chain to address behaviors of production and consumption that are not sustainable has, however, been a persistent problem. This is true despite the fact that it may be viewed as either a danger or a business opportunity. This thesis examined the sustainable supply chain management (SSCM) practices in the food retailing industry as a strategy to build ecologically and socially responsible food supply chains. SSCM stands for sustainable supply chain management. These practices include methods of managing supplier relationships and associated institutions (private eco-branding mechanisms and third-party sustainability certifications), with the goal of promoting a supply of products that have been produced in a sustainable manner. The Sustainable supplier Chain Management (SSCM) practices of Swedish and West European food retailers who are well-known for their active engagement with sustainability efforts in their supplier chains have been researched. The overarching research design can be best defined as a multiple embedded case study approach, and the primary source of empirical evidence was composed of 28 semi-structured interviews. Building on the insights provided by the New Institutional Economics theory and the wider field of institutional analysis, as well as the perspectives provided by a Dynamic Capabilities theory, this study develops a dynamic and contextual perspective on the SSCM phenomena. This is accomplished by examining the phenomenon from both an internal and external perspective.

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This shifts the focus of research in the field of SSCM from merely compiling an inventory of SSCM activities to putting more of an emphasis on theory-building. To be more specific, this research demonstrates that a corporation's choice of relationship management practices with suppliers and associated institutions, with the goal of influencing and controlling product compliance with environmental and social criteria, is contingent on the following factors: 1) the contextual realities of the broader institutional field; 2) the specificity of the supply chain/transactional context; 3) the interplay between these two contexts; and 4) the design of the existing sustainable business model. This study provides more evidence that third-party sustainability certification plays an important role as a critical market institution in facilitating retailer engagement with sustainable supply chain management practices. On the other hand, it demonstrates that current sustainability certifications do not necessarily make it possible for retailers to build supply chains that are based on sustainability in a way that is both competitive and low-risk. As a result, merchants are working to build unique institutions such as retail-driven certification programs and private eco-branding. When only pre-existing third-party certifying institutions are employed, these schemes have a less impact on the availability of a supply of green products. However, these schemes have a higher impact when combined. Opportunities for building dynamic capacities, and hence a continuous competitive advantage, can be found through the use of private eco-brands as well as through the use of new certifications. However, in the process of building new institutions, retailers continue to place a significant amount of reliance on already established third-party sustainability certifications. These retailers utilize auditing techniques and the tacit knowledge connected with certification development. On the basis of these data, it may be deduced that the presence of numerous certification systems does not necessarily provide an issue. They might even be beneficial from an SSCM point of view, in the sense that they might inspire merchants to get involved in greening the supply chain for the products they sell. A number of advancements in supply chain management are described in the available literature. In the current market, flexibility is seen as a significant difference that companies may provide their customers. There have been multiple publications that have already underlined how important it is to have flexibility, but not much focus has been paid to how operational activities might incorporate flexibility into their supply chain procedures. In order to attain flexibility in supply chain management, the focus of this article is placed on the dyadic interaction between the buyer and the supplier, as well as on the marketing activities and manufacturing processes. These facets are demonstrated with three case studies, each of which examines supply chain structures in a different form of market in order to draw comparisons between the two types of markets. In conclusion, an analysis of the function that flexibility plays and how this can result in a competitive advantage is carried out.

According to Khaled Abdou's research in 2003 [6], the Fashion and Apparel Supply Chains operate in an extremely dynamic environment that is continuously seeking improved quality, increased product availability, expanded assortments, and decreased delivery times. After that, having effective Supply Chain Management might be the deciding factor in whether or not a business is successful in the market. This thesis examines the peculiarities of this particular business at a variety of different levels, taking into account the aforementioned environment. This study presents a reference framework for the defining and subsequent optimization of the physical and informational flows. It does so by beginning with an examination of the entire Supply Chain, with the intention of locating the regions and processes that are the most important to focus on. The model also incorporates all of the cost and revenue items associated to the processes that are typical of a Fashion Supply Chain that collaborates with a large network of directly-operated or franchised mono-brand stores. These processes are characterized by the fact that they are representative of a fashion supply chain. The conventional model, which was solely focused on a brick-and-mortar firm, has been rendered obsolete in recent years as a direct result of the proliferation of e-commerce. Because of this progression, businesses were compelled to implement a new integrated approach, which is known as Omni-Channel Retailing, in order to satisfy the demands of their customers and provide a broader variety of products. With these new points of view, the framework has been updated and expanded so that it can now not only represent the physical network but also the mobile purchasing channels. This will enable us to examine the potential effects that this newly integrated strategy may have on the performance of a conventional supply chain. As a result of all of these analyses, it became clear that the process of Replenishment, also known as the definition of the delivery times and quantities from the central warehouse to the entire network of stores and customers, is the one that is considered to be the most important for a business that operates in this industry. Bees Algorithm, a heuristic optimization method, was chosen to solve this problem. This method, along with the reference framework, represents a useful Decision Support System for fashion companies in the definition of the purchasing quantities and operations plans well in advance of the sales season. Bees Algorithm is a heuristic optimization method. Bees Algorithm is a heuristic optimization method.

Difference Between Logistics and Supply Chain Management

Management of the supply chain and logistics are phrases that are frequently interchanged and/or used interchangeably. Nevertheless, supply chain management includes logistics as one of its components. The goal is to transport a product or material in the most effective manner possible so that it can reach the appropriate location at the appropriate time. It is responsible for managing activities such as the packaging, shipping, distribution, warehousing, and delivery of the product.

In contrast, supply chain management (SCM) entails a wider variety of tasks, some of which include strategic sourcing of raw materials, getting the best pricing on goods and materials, and coordinating supply chain visibility efforts across the supply chain network of partners, to mention a few examples. SCM also entails a wider range of activities than traditional sourcing, which entails a smaller number of tasks.

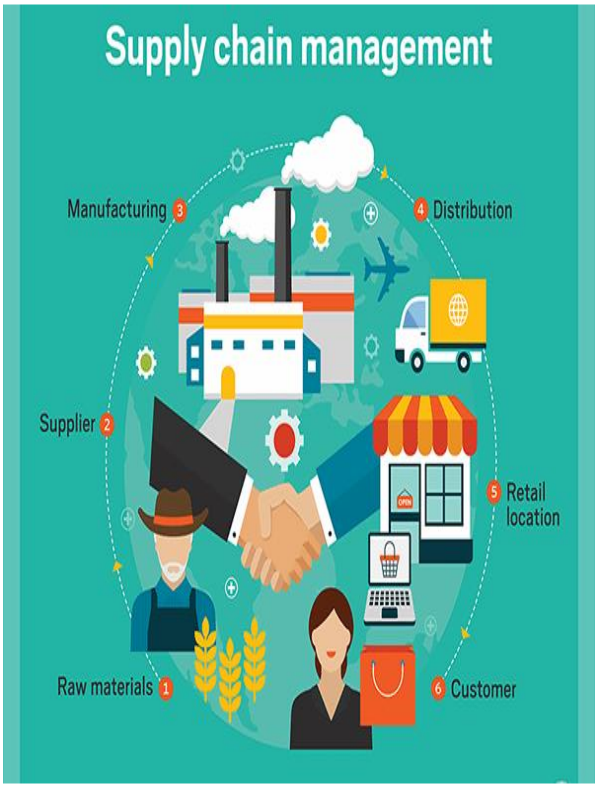
Advantages of Effective Supply Chain Management

Management of the supply chain can result in increased efficiency, increased revenues, decreased costs, increased collaboration, and other benefits. SCM enables businesses to more effectively manage demand, carry the appropriate quantity of inventory, deal with disruptions, keep expenses to a minimum, and meet the need of customers in the most efficient manner possible. These benefits of supply chain management can be attained by utilizing the appropriate tactics and tools to assist in the management of the increasing complexity of today's supply chains.

Complexity of Supply Chain

A corporation, the people who provide it with goods or services, and its end users are the three most fundamental components of any supply chain. This is one possible configuration for the chain: raw material producer, manufacturer, distributor, retailer, and retail client.

A more complex or extended supply chain will likely include a number of suppliers and suppliers of suppliers, a number of customers and customers' customers -- or final customers -- and all of the organizations that offer the services required to effectively get products to customers. These organizations include third-party logistics providers, financial organizations, supply chain software vendors, and marketing research providers, among others. These organizations also make use of the services provided by other vendors.



The existence of all of these firms, which more closely resembles the idea of an interconnected web than it does a linear chain, provides some understanding as to why supply chain management is so difficult. This complexity also hints at the types of problems that can arise, such as demand management issues, such as a release of a new iPhone that chokes demand for old iPhone cases; natural supply chain disruptions, such as the halt of transportation in the United States in 2015 due to extreme winter weather, or California's drought and its effect on crops; and political upheaval, such as the strikes in India that throttled movement at the country's largest container port.

The Importance of Using Technology for Managing Supply Chains

Technology plays an essential role in the management of supply chains in the modern day, and ERP providers provide modules that concentrate on pertinent areas. There are additional vendors of business software that concentrate primarily on supply chain management. The following are some key areas to take attention of:

• Planning software for the supply chain that can be used for activities such as demand management.

• Software for the execution of supply chains, used for tasks such as industrial operations on a daily basis.

• Software that provides visibility into the supply chain, which may be used for tasks such as identifying and anticipating potential hazards and managing them in a proactive manner.

• Software for managing inventory that can perform activities such as keeping track of inventory levels and maximizing their efficiency.

• Software for logistics management and systems for transportation management, which are used for tasks such as managing the transit of goods, particularly across worldwide supply chains.

• Systems for the management of warehouse operations, including all activities linked to warehouse operations.

• Infor, JDA Software, Oracle, and SAP are well-known software companies that specialize in the supply chain. The increasingly global character of today's supply chains, along with the advent of e-commerce and its emphasis on virtually instantaneous small deliveries delivered directly to consumers, are posing issues, in particular in the areas of logistics and demand planning. There are a number of techniques, such as lean, as well as more contemporary methods, such as demand-driven material requirements planning, that have the potential to be useful.

Technologies, in particular big data, predictive analytics, internet of things (IoT) technologies, supply chain analytics, robotics, and autonomous vehicles, is also being used to help tackle modern difficulties, particularly those in the areas of supply chain risk and disruption and supply chain sustainability. This is one example of how technology is being used to help solve modern problems. As just two instances, the Internet of Things can help with transparency and traceability, which can aid to help raise food quality and safety by utilizing sensors to monitor the temperature of perishable food while it is in transit. This can help improve food quality and safety. And analytics can assist determine where in densely populated places smart lockers should be placed in order to reduce the number of delivery of single items and consequently the amount of greenhouse gas emissions.

Conclusion

The retail sector in India is the largest industry overall, contributing more than ten percent to the Gross Domestic Product and providing employment for something in the neighborhood of eight percent of the labor force. The retail industry in India has emerged as one of the most dynamic and fast-paced industries thanks to the numerous new companies that have entered the market in recent years. However, in order to compete with other businesses and reach a point where they are profitable, each of them has had to make significant initial investments. This has prevented them from achieving success thus far. The retail industry in India is progressively inching closer and closer to becoming the next industry to experience a boom.

A revolution in shopping is about to begin in India as a result of an attention-grabbing change that has occurred in the overall concept and idea of shopping. This transformation has occurred in terms of format and customer buying behavior. This may be seen in the shape of bustling shopping centers, multi-storied malls, and the enormous complexes that offer shopping, entertainment, and cuisine all under one roof. Modern retailing has penetrated the retail market in India. A large young working population with a median age of 24 years, nuclear families in urban areas, together with an increasing working women population and new opportunities in the services sector are going to be the important determinants in the growth of the organized Retail sector in India. This is because India has a large young working population with a median age of 24 years. Newer businessmen will have an easier time breaking into the India retail industry if the growth pattern in organized retailing and in the consumption made by the Indian populace follows a rising trend.

The large number of people who fall into the middle class in India as well as the country's nearly undeveloped retail sector are the primary draws for multinational retailers that are looking to expand into additional markets. This, in turn, will help the retail business in India expand at a more rapid rate. It is anticipated that the retail sector in India will rise by 25% annually. By 2016, India's modern retail industry might be worth between 175 and 200 billion US dollars. In India, the Food Retail Industry takes up the majority of space in the shopping basket. The mobile phone retail industry in India is already worth 16.7 billion United States dollars and is expanding at a rate of more than 20 percent annually. The increasing size of the market, the trend toward more business-friendly laws from the government, and the development of new technology that make business operations easier all point to a bright future for the retail industry in India.

Conflict of Interest

There is no conflict of interest between the authors in this manuscript.

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