
Book Review I

Supply Chain Management for Retailing

Tata McGraw Hill Education Private Limited,
First Edition 2010. pp 431. Price Rs 250

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Retailing can be considered as old as mankind. With the increase in population and commerce, channels were needed to reach the ultimate consumers. They were also needed to expand one's business, to generate volumes and thereby aim at economies of scale. The major contributors to our Gross Domestic Product (GDP) include Services (52%), Manufacturing (25%) and Agriculture (23%). Retailing will fall under Services and enjoys a major share under this head. It also is a major area for entrepreneurship and self employment. What started as a Mom & Pop Store today has seen a paradigm shift. At least in India, Organized Retailing is comparatively a new scenario. A recent study revealed that around 7 % of India's population presently frequents organized retailers. The low acceptance is because of the belief that it is being targeted to upper income groups and is an urban phenomenon. How far is this true?

Retail Management has become a specialized subject now. It is no more a small part of Marketing Management or more so on managing Channels of Distribution. This is mainly on account of growing population which is becoming more demanding. They are not interested any more in procuring their daily or monthly requirements from a typical grocery shop which was mostly unhygienic, lacked the ambience which customer's are expecting and of course the choice which they want. In a Seller's Market an average Retailer always treated a customer shabbily. All these things are of the past as new paradigms have emerged in India also. Retail Management covers a wider gamut right from selection of location, from a

general store to a specialty store, use of technology to customer loyalty programs. It is interesting to see growth of Retail Chains in rural areas of India thereby benefiting the consumers thereof.

Rajesh Ray has done a good job in focusing on Supply Chain Management aspects of Retailing. He has the necessary credentials to write this book as an Engineer and MBA. In addition, he is a Managing Consultant and Product Lead (Supply Chain Management) IBM India based in Kolkata. This brings in the right amalgam of theory & practices in this book.

After a brief introduction to Retailing, the book has been divided in 6 parts and 15 chapters. Part 1 deals with Merchandise Planning which includes chapters on Category Management and Merchandise Budgeting, Assortment and Space Management and Retail Pricing. Part 2 deals with Retail product which includes Retail Product Lifecycle Management, Part 3 deals with Retail Distribution and Replenishment, Retail logistics and Contemporary Issues. Part 4 deals with Managing Retail stakeholder Relationship covering Retail Supplier Relationship Management and Retail Customer Relationship Management. Part 5 deals with Category and Format specific Supply Chain Issues and separately covers Food and Grocery, Apparel and Footwear and other categories of supply chain aspects. This chapter gives it a more practical outlook offering specialization. Part 6 deals with use of Information Technology for Retail.

The book is written more in a text book format relevant to those who are studying for

specialization in Retailing. The USP of the book is in large number of practical illustrations given from Indian context. At the end of every chapter he has given review questions, objective type questions and assignments thereby making it useful also to faculty to use this as a recommended text book.

What makes this book special and useful? I would list out the following:

- The book gives large number of tables, illustrations and flow charts making it easily digestible.
- He has given case studies of virtually every known organized retailer in India in box thereby highlighting the same.
- He has covered format specific retailing of food & grocery, apparel, footwear, consumer electronics, ice creams and so many others in separate chapters. This will be very useful to aspiring students to understand the nuances of supply chain management requirements of different segments to chart out a career in these different areas.
- A proper index has been given at the end.

Then what is missing in the book? As such not much but we would like to recommend the author to elaborate in next editions following details:

- Few years back, Wal-Mart became the largest business in the world in Fortune 500 list against giant manufacturing and service organizations. They held this position for two years. Readers would like to know what made them reach the top position. Was the success due to their efficient supply chain management or the philosophy of every day low prices (EDLP)? A detailed case study will be welcome.
- In last 2-3 years, several organized

retailers like India bulls, Pyramid and few others in India have closed down their shops. A critical analysis of their failure will provide guidelines to others to avoid making the same mistakes.

- The write-up on customer relationship management (CRM) looks scanty. How to retain customers, how to measure customer satisfaction and creating loyal customers should be dealt in more details.
- Several problems peculiar to retailing like shop lifting, returned merchandise, expired products like medicines and others should be highlighted.
- The shelf space is getting limited while the number of brands is on the rise. How to tackle this problem?
- The major investment in organized retailing involves real estate costs which are sky rocketing. Will this make organized retailing a non-profitable business or with long pay back period? This needs to be highlighted.
- How internet marketing will pose a competitive threat to organized retailing in future?

Finally, the question remains whether organized retailing will kill the corner grocery store. By a rough estimate, India has close to 40 lakh retailers who may be registered with some government authority under shop & establishment registration. However, there are close to 5 crore unorganized retailers in India. Will they eventually die down against organized retailers?

We congratulate the author for bringing out a good text book and wholeheartedly recommend it for use by students in this course.

**- Dr. Dilip M. Sarwate, Professor
Emeritus, Indira Institute of
Management, Pune**

