

RETAIL SUPPLY CHAIN RESPONSIVENESS – A SYSTEMATIC LITERATURE REVIEW AND FUTURE RESEARCH AGENDA

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ABSTRACT

Purpose

Today's competitive business landscape requires addressing changes in market and customer requirements promptly and properly. As a result, responsiveness, in this paper defined as the ability to react in order to meet changes in customer demands, has become a major research topic in the logistics and supply chain management (SCM) literature.

Although it is widely accepted that sources of supply chain responsiveness could be found in the entire supply chain, existing research on responsiveness (and related concepts such as flexibility) have had a strong focus on manufacturing activities as a major mean to facilitate responsiveness in the supply chain. This can be to a great extent linked to the overall developments in the flexibility literature, in which historically, manufacturing flexibility has been regarded as a major contributor to the overall supply chain flexibility, and performance. Thus, we argue that there should be much room for studying the concept in other industries such as retail, wholesale and services.

As the focus in the literature has so far been given to responsiveness in manufacturing companies, we argue that more research on retailers' responsiveness is needed. The "general" literature on supply chain responsiveness that is geared towards a manufacturing context, gives little guidance and structure to retailers' specific involvement in supply chain responsiveness. Thus, as a starting point for this paper, we question the comprehensiveness of the established models in responsiveness, as they are not necessarily applicable to non-manufacturing contexts. We also assume that there are specific characteristics of retail supply chain responsiveness – compared to general supply chain responsiveness – that call for examining the relevance of the existing frameworks in retailing. Specifically, the absence of manufacturing calls for an understanding of alternative means of the retailer to achieve responsiveness.

The purpose of this paper is to, through a systematic literature review, explore the existing research on retail supply chain responsiveness, and to propose a future research agenda in this area.

Design/Methodology/Approach

This study has adopted a systematic literature review approach. Given the relatively sparse existence of research and our exploratory purpose, the review can be described as inductive, aiming at improved understanding of existing research. The following five steps, in accordance with the existing literature on systematic literature review approach, can describe the review process:

1. Question formulation
2. Locating studies
3. Study selection and evaluation
4. Analysis and synthesis
5. Reporting and using the results

Search strings with “retail” combined with “responsiveness”, “flexibility” or “agil*” were used in two different databases. Figure 1 shows the selection process from 657 hits to the 42 articles that were read in full.

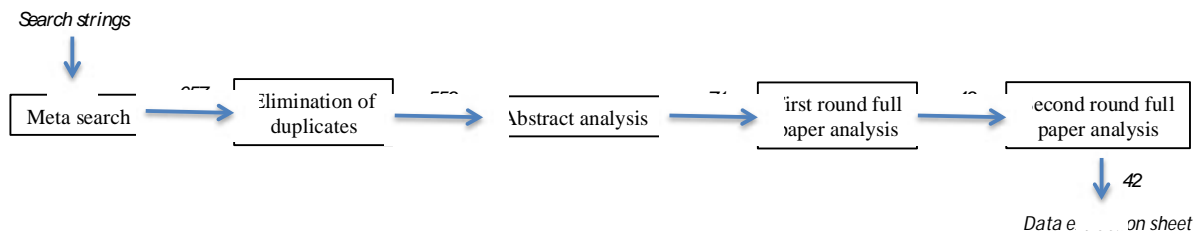


Figure 1 The article selection process

Findings

The reviewed articles can be grouped into 6 loosely defined categories, see Figure 2.

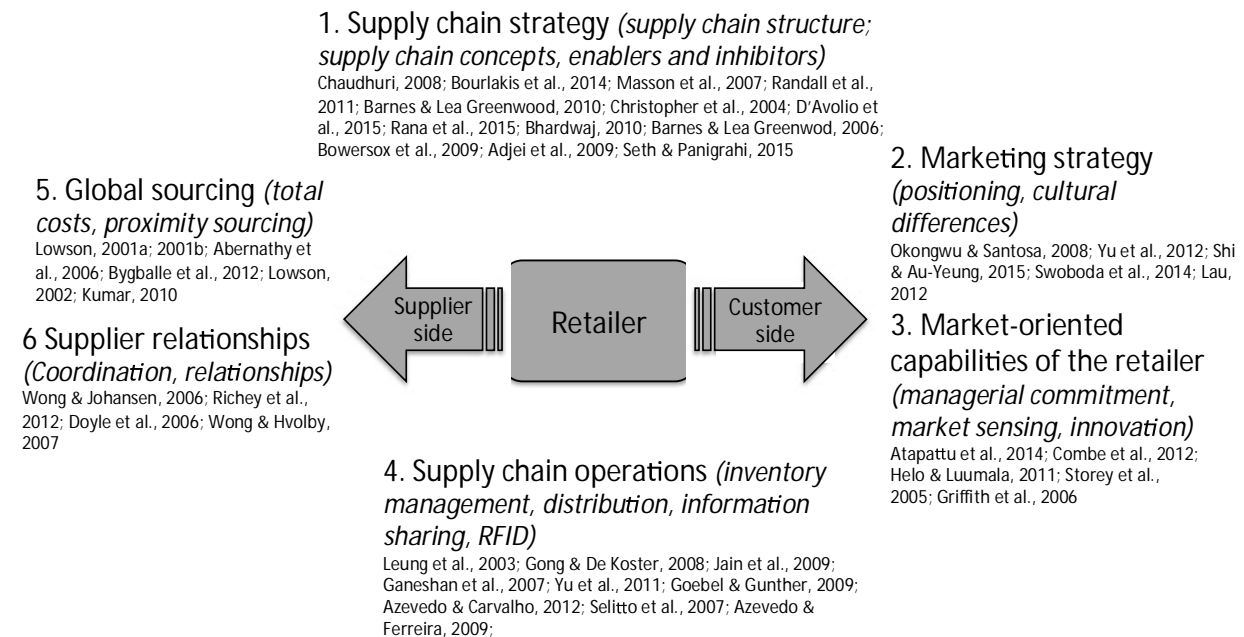


Figure 2 Reviewed articles grouped into 6 themes

Research limitations/implications

The findings presented in this paper reinforce a number of future research areas to be addressed. *First*, a future research area that deserves more attention from a retail research perspective is the integration of information and capacities among supply chain members so that the overall responsiveness of the entire supply chain could be improved. The supply chain-wide orchestration of capacities and information is in the very heart of the traditional SCM philosophy and retailers are in pole position to take the initiative for increased supply chain-

wide responsiveness. Of particular importance from the retail perspective is how retailers can leverage their position close to the end customers, being the “match-makers” between supply and customer demand.

A *second* future research area is how cross-sector learnings on retail supply chain responsiveness can be achieved. Although all retail sectors are different from each other, and “one size doesn’t fit all”, there seem to be an exaggeration of the differences among retailers, which may hamper learning and development in the research field. For instance, literature targeting the fashion sector often presents the peculiarities of this sector, but fails (or avoids) to explain why the research is not generalizable to other sectors.

As a *third* promising future research area, the findings reveal that relatively few articles are anchored in more rigid theory. Here opportunities for improved sharpness and further development are still open. Promising combinations that are briefly suggested in literature are dynamic capabilities and coordination theory. Another interesting theoretical ground would be power. Both in articles on general supply chain strategy but also in articles discussing supplier-retailer relationships the question of power emerges. More research is needed from a power perspective. In addition to the lack of grounding in more rigid theory, a number of more common retail research topics are not related to research on retail supply chain responsiveness. For instance, juxtaposing research on retail responsiveness with retail research themes such as forecasting and in-store logistics could help to anchor existing research on retail responsiveness.

Original/value

The systematic literature review presented in this paper has explored the relatively sparse research done on retail supply chain responsiveness. From a theoretical standpoint, this paper contributes by analysing the existing literature on retail supply chain responsiveness, specifically in terms of theoretical bases and major research themes. Two major differences between general literature on supply chain responsiveness and retail supply chain responsiveness have emerged during the research. *First*, as retailers normally do not own or control manufacturing capacity, this capacity cannot be used (by the retailer) as a tool for responsiveness creation. As a result of this, retailers become highly dependent on manufacturers for creating this type of responsiveness. The absence of manufacturing gives that the very core of retail supply chain responsiveness tends to be geared towards marketing-related issues such as customer segmentation and knowledge and adaptation to local culture and customers. *Second*, retailers have a unique position close to the end customers, which means a potential for rich information and in-depth understanding of end customer needs and requirements. The ability to sense and capture end customer demand, i.e., “*being close to the customers*” is often discussed as a core competence for the retailers. As the power of the end customer is expected to increase, the role of the retailers is likely to be even more important in the future.

Keywords: retail, responsiveness, flexibility, agility, market-orientation