

Managing Supply Chain Vulnerability Factors in FMCG Sector

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ABSTRACT

The FMCG sector currently valued at USD 230 billion and is expected to grow at a CAGR of almost 27.9%. This rapid expansion is achieved by high demand, low profit margins, shorter shelf lives and impulsive purchases. In contrary, the industry is vulnerable to supply chain risks that disrupt operations and impact the profitability. This makes it difficult to manage supply-demand conundrum and hence it is imperative to identify and mitigate the possible risks and ensure uninterrupted supply with high customer satisfaction. This study examines existing literature which include research papers and industry publications to determine the most significant vulnerability factors within the FMCG industry. By consolidating the vulnerability factors, a holistic understanding of supply chain risks is provided. Further, this study incorporates an expert opinion survey to assess and rank the identified vulnerability factors that have the prominent impact on the supply chain operations using AHP methodology. The findings of this research aim to provide insights to organizations and other SME's towards developing resilient supply chains that are capable of adapting to different market conditions but still keeping operating costs at lower end while still focusing on improved customer satisfaction. Focusing on the important supply chain vulnerability factors and planning suitable mitigation strategies, this research help organizations to achieve sustainable competitive advantage in the FMCG industry.

Keywords: FMCG Supply Chain; Supply Chain Risks; Vulnerability Factors; AHP Methodology

