What theories and questions can be brought to bear in support of achieving consumer-centric supply chains?

Supply chain management (SCM) has been an increasingly important subject of research since the early 1990s, though the term was defined by Booz Allen consultants as early as 1982 (Oliver & Webber, 1982). Even though the concept is increasingly well established in practice, it has proven hard to define exactly what it is and what it includes (eg. Gibson, Mentzer, & Cook, 2005; Larson & Rogers, 1998; Lummus, Krumwiede, & Vokurka, 2001; Mentzer et al., 2001; Naslund & Williamson, 2010; Stock & Boyer, 2009).

One reason for this is that there is still no single theory underpinning SCM. Svensson (2002) proposed that Alderson’s Functionalist Theory of Marketing should apply. Halldorsson, Kotzab, Mikkola, & Skjøtt-Larsen (2007) proposed that principal-agent theory, transaction cost analysis, network theory and resource-based view could each be used, together or separately, to explain SCM depending on the situation. Fayezi, O’Loughlin, & Zutshi (2012) opined that agency theory is the most informative, while Priem & Swink (2012) argued for resource advantage theory over resource-based view. Despite a lack of agreement on the definition and underpinning theory/theories of SCM, research and practice have accelerated.

While most generally accepted definitions include customer satisfaction as an objective (Stock, Boyer, & Harmon, 2009; Stock & Boyer, 2009; Wong, Skipworth, Godsell, & Achimugu, 2012), the definition of that is itself often unclear. It is generally seen to focus only on reduced cost and speedier delivery (eg. Borade & Bansod, 2008; Collin, Eloranta, & Holmström, 2009; Melnyk, Davis, Spekman, & Sandor, 2010).

However, a view is emerging that that the primary purpose of a supply chain is to deliver what customers perceive to be of value – that is, to become consumer-centric – and not simply to assume what is important (Stock et al., 2009; Wong et al., 2012). Recent papers highlight the importance of understanding customer needs (Bustinza, Parry, & Vendrell-Herrero, 2013; Hilletofth, 2011; Jüttner, Christopher, & Baker, 2007; Jüttner, Christopher, & Godsell, 2010; Stank, Esper, Crook, & Autry, 2012). This engages perfectly with Service-Dominant Logic (SDL) and its concepts of value propositions, value-in-context and value co-creation within a value framework (Ng & Phillips, 2013).

The challenge, therefore, is twofold. The first is to establish how in practice SCM can find out what consumers’ “needs-in-context” are, but second and academically more important challenge is to determine what constructs, principles, theories or meta-theories can underpin the practice. What is required to address these two challenges? What research questions should be asked? What theories can be applied to form a new and extended foundation for SCM? Can SDL be incorporated into SCM? (Lusch, 2011). Or is it the other way round? Or, since neither yet has an agreed theoretical underpinning, is it even possible?

This paper will present some initial thinking from the authors’ research and experience, after which we will seek to challenge others to contribute their own ideas in discussion so that we can learn from our fellow conference attendees. Our focus is consumer-centric health supply chains but we believe the concepts to be widely relevant and of general applicability.
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References


