

Evolving Supply Chain Relationships in the Finnish Fast Moving Consumer Goods Sector

The Finnish fast moving consumer goods sector has been under a constant state of change during the last decades; particularly supply chain relationships – which in this study refer to the relationships between retailers and manufacturers – have changed fundamentally.

The objective of this study was to increase knowledge concerning the development of supply chain relationships in the Finnish fast moving consumer goods sector. The study focused on so-called social structures between a manufacturer and a retailer. It was assumed that supply chain partners are involved in a network of values, norms, and beliefs, which they have at least partly created themselves. The main interest was to evaluate how these social structures (i.e. values, norms and beliefs) are formed and how they affect the behavior of supply chain partners.

A qualitative case strategy and single-case design were used in this study. The case relationship was chosen so that it would represent a typical exchange relationship in the Finnish fast moving consumer goods sector. Managers

on both the manufacturer and the retailer side were interviewed and documents were also collected from both companies. Data collection was done retrospectively and main data sources were personal interviews and available company documents. The studied time-span was the years 1990–2000.

Based on the empirical results, it seems that during the 1990s the relationship type between the manufacturer and the retailer shifted from a competitive situation towards a more cooperative one. It seems that there was a new logic of doing business that could be characterized by greater flexibility and openness towards partnership orientation. Also it seemed that information became the key to success. The empirical results clearly show that events in a business environment context had an impact on the relationship between the manufacturer and the retailer. It seemed that the rate of change in both the output markets and the competitive environment increased perceived uncertainty. As output markets i.e. end-consumers' needs and buying behavior became more dynamic and complex, counterparts had difficulties to determine optimal assortments and pricing. Increased competition led to the higher perceived uncertainty among the exchange counterparts. And as the perceived uncertainty increased, there was a greater need for gaining information from associated channel members and performing some level of joint planning. ■