

# ABSTRACT

The increasing population of sophisticated consumers is demanding for more quality, variety and service but for less money and time. This emerging pattern of consumers demanding more for less - is an issue facing the increasingly competitive grocery industry today. The increasing number and importance of large multi-national retailers in Asia during the last 5 years is further challenging the grocery business. Certainly, the ambience of the front store of a Tops or a Carrefour is as appealing as in shops anywhere. But peer into the back room, go round the yard, follow the delivery trucks and we are back in the sixties. When there are pallets, they are of different sizes. When they are not any, cases of goods are thrown down from trucks only to land on their corners. Meanwhile, integrated links in the manufacturing – distribution chain remain in their infancy in Malaysia. The traditional supply chain can no longer support the industry in the most efficient manner in today's market. This study is an attempt to examine the structure and inefficiencies within the present supply chain in Malaysia and the changes that are likely and necessary to meet industry challenges in the near future.