Adoption & Implementation of Supply Chain Management in Fast Food Industry in Pakistan

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Abstract— The study aims to identify the degree of impact of adoption variables that includes strategic purchasing, customer focus, environmental uncertainty, top management support, competitive priorities and information technology on supply chain management in fast food market. For the adoption and implementation of supply chain, the issue is that we don't understand how strategic purchasing is impacted by different factors and how adoption factors impact buyer-supplier relationship. This study initiates and unites various supply chain schemes and factors to check the adoption and implementation of supply chain management in Pakistan for local and international fast food chains including the problems being faced and outcomes. Questionnaire was used to collect data from the respondents. Our unit of analysis is individual that is persona involved in managerial decision making. We collected the data from the managers of 105 multinational corporations and local firms of Rawalpindi and Islamabad. Study explores that customer focus, information technology and strategic purchasing are dominant factors in adoption of supply chain in both MNCs and local fast food chains. Results guide us toward the elements that come in the orbit of supply chain management in fast food in context of Pakistan.

Key words: SCM, Strategic Purchasing, MNCs, Adoption, Implementation, Adoption Factors

I. INTRODUCTION

The term fast food is used for the food which can be prepared and served quickly than any other food. Generally it is prepared in restaurants in minimum time and served to customers for take away, carry out and dine in. 'Fast food' this term was first used by Merriam-Webster in year 1951 mostly fast food restaurants needs small capital to start it (Kahn et al 2012). The fast food industry originally conceived in southern California during 1940's with economic evolution of eating out, globalization, and urbanization, changing life style and working habits of consumer move towards fast foods. Literature on fast food emphases on the need for collaboration among successive actors; from primary producer to end consumer; to better satisfy consumer demand at low cost with good service. Supply chain is core of business. In Pakistan Multinational fast food companies have started shaping up supply chain department in realistic way since 4 to 5 years ago.

In Pakistan first Multinational fast food chain was opened in 1990's that was KFC and just after one year MacDonald's and pizza hut was opened in Pakistan. As women take up paid employment outside the home, there is less time to cook food at home. This is an important factor that raises demand for fast food in Pakistan (Baig & Saeed, 2012). In Pakistan change in consumer preferences changes in consumer taste which results in change in consumption pattern that leads to result in demand for expensive food. Chicken sandwich Hamburger, taco salad and pizzas are important items in fast food basket of Pakistan (Zafar et al, 2002). In the report by Economist intelligence (2004) the demand of food is changing from unprocessed to processed food in Asia. In Pakistan one quarter of population has potential for fast food due to increase in purchasing power of consumers (Ehsan, 2012). There are two kinds of local fast foods in Pakistan one who bench mark multinational and try to compete them but others focus on their product only with limited product line and resist changes.

Inflation and Fluctuation in market prices cut profits. Because fast food restaurants can't change their menus every month so they bear loss, due to change in prices by govt. Government support for fast food business in Pakistan is minimal despite the fact that 16% tax is imposed by Govt. Globalization itself is a problem for multinational fast food chains because it is difficult to incorporate a multinational brand into local taste and culture (Baig & Saeed, 2012). For the adoption and implementation of supply chain, the issue is that we don't understand how strategic purchasing is impacted by different factors and how adoption factors impact buyer supplier relationship. We cannot address these opportunities and threats until we know how these variables are related to each other. SCM approaches of local and multinational food chains in Pakistan neither have been explored academically nor studied before to best of our knowledge. To what extent supply chain is being adopted in fast food in Pakistan? We want to find problems in implementation & factors which are affecting supply chain management in this sector because there is a big gap in applied research.

Scope of study includes the Supply chain management in Multinational chain and in local chains and the difference between local chains and multinational chains. Study will reveal the factors that affect supply chain management and to which extent Supply chain management is priority among local and multinational firms. This study helps us to understand that how the concept of Supply chain is taken by local and multinational firms and to which extent it is applicable in Pakistan. We are studying role of technology in supply chain or to what extent technology is being used in managing supply chain. Scope tells us how environmental uncertainty affects strategic purchasing. It will explore the role of top level management in decision making for strategic purchasing. Scope reveals the competitive priorities of local and multinational firms. It has come to our knowledge to now, to what extent competition improves supply chain management. Scope covers the nature of buyer's-supplier relationship.

A. Objectives of the Study are as Follows

- To find out the impact of Adoption variables (Strategic purchasing, customer focus, environmental uncertainty,

top management support, competitive priorities & information technology on Supply chain management.
- To find out whether these variables have direct impact on supply chain management or not.
- To check adoption and implementation of supply chain management in Pakistan for local and multinational fast food chains.
- To find out factors that affect supply chain management.
- To explore the difference between supply chains of local and Multinational fast foods.
- To test empirically hypothesis about adoption and implementation factors in context of fast food industry in Pakistan.

II. LITERATURE REVIEW

Supply chain is an emerging concept in the business dynamic environment. This paper compiles the necessary characteristics that are important part of a successful supply chain management. Traditional concept of supply chain deals with some traditional roles of supply chain such as speed or cost (Ketchen and Hult, 2007). Supply chain manages and controls the inventory throughout the supply chain from supplier to final customer. Supply chain management is defined as "an integrative philosophy to manage total flow of distribution channel from supplier to ultimate user (Ellram and Cooper, 1990). Supply chain management covers a broader area as compared to supplier management, so supply chain management should not be mixed up with supplier management (Davis, 1993).

Supply chain deals with all process excellence and introduce with a new way to manage the business and relation with all other supply chain members. (Lambert and Cooper, 2000). The supply chain management concept derived from logistic (Davis & Tom, 1993) logistic continue significant impact on supply chain management concept. The core purpose of supply chain management implementation is to availability of stock and reduction in inventory. Supply chain management is complex with several activities (inventory, logistics, and procurement, planning, performance and intra-and inter-organizational relationships) usually spread over more than one functions or organizations and sometimes spread over long time (Arshinder and Kanda and Deshmukh, 2008). Supply chain management includes all activities associated with transformation and flow of goods from the raw material to the end user, as well as associated with the flow of materiel information and information flow both up and down the supply chain (Ballou and Srivastava, 2004).

Bechtel and Jayaram (1997) identifying the basic schools of thought, and the major contributions and primary assumptions of SCM that must be challenged in the future. Cross-functional integration of key business process within and across the network of firm is required for successful supply chain management (Lambert, 2000). Although some firms started supply chain management by integrating within their organization before expending to other firms, but the original scope of supply chain management across the organization. Implementation and integration of supply chain management required some level of coordination across organizational integration entail process integration, function integration and within and across the supply chain management (Cooper, Lambert and Pagh, 1997). High orientation of supply chain disruptions can reduce the impact and likelihood of supply chain disruptions further (Bode et al., 2011). Many enablers support the integration and IT enablement of supply chains. These enablers support the process of IT enablement as well as influence one another (Jharkharia and Shankar, 2004). Product that is used by end user passes through many entities that contributed in value chain of product before consumption. SCM's overall performance depends on supply chain partners may acts as a part of cohesive system and coordinate with each other. Study on supply chain coordination is still in its infancy (Arshinder and Kanda and Deshmukh, 2008).

Continuous cooperation and coordination among supply chain members are essential for risk evasion, reduction; management and mitigation such that the value and benefits created are maximized and shared fairly (Kleindorfer & Saad, 2005). Different scholarly research has shifted with time after one another of many organizational theories and management of supply chain elaborates these theories. Supply chain is emerging concept still and successful in terms of practice and theories simultaneously (Storey et al, 2006). Application of supply chain theories provides an opportunity to better understanding of supply chain management that's why some supply chain are successful and some failed (Ketchen and Hult, 2010). Strategic choice entails how to incorporate the market tools and mechanism in organization. Supply chain networks permit organizations build new strategy which helps to create new structure to implement them. Multi-firm network provides an opportunity to organizations to gain competitive advantage through strategic choice (Miles and Snow, 1992).

Resource-based views include maintaining the sustainable competitive advantage through planning and controlling of firm resources. Resource-based supply chain provides additional values in manufacturing process. Some networks develop their process through proper information sharing (Barrat and Oke, 2007). Transfer of information both internal and external has significant relation with supply chain flexibility. Internal and external knowledge provides source of competitive advantage. Knowledge transfer and supply chain flexibility have significant moderating linkage in product and supply complexity (Blome and Schoenherr and T., Rexhausen, D., 2013). Close relation between supplier and buyer, continuous deliveries of products and services increase supplier respond time and supplier flexibility (Das and Handfield, 1998).

A. Antecedent (Determinants) of Supply Chain Management

1) Environmental Uncertainty

Responses and perception regarding environmental uncertainty are surfacing quickly at all level pressure groups, business organizations, public policy maker and consumers. Environmental uncertainty to describe both an environmental and an individual, to assess the organization uncertainty indexes are developed that reflects the variability in environment (Downey and Hellriegel and Slocum, 1975). Social, political, economic and technology

(STEP) are variables that comprise the environment because of lack of knowledge regarding current circumstances (Ondersteijn et al., 2006). Three basic dimensions of environment fall: resource availability (available resources to the organization from environment), complexity (degree of complex knowledge to understand the environment), instability (level of abrupt change in environment), (Sharfman and Dean, 1991). Systemic and complicated nature of environment may reason in higher level of uncertainty (Lewis and Harvey, 2001). Products and process development may have low impact to perceived uncertainty in the supplier, government, financial and union domain (Buchko, 1994). Environmental uncertainty describes as the less availability of information about the external environment and information are acquired by incorporating the complex environment variables and perceived. Major source of environmental uncertainty are competitors' and products demands (Yanes-Estévez and Oreja-Rodríguez and García-Pérez, 2010).

2) Customer Focus

Current market is more dynamic than ever and changed rapidly because fast change in procedures. Continuous relationship with customer gives a sense of security, feelings of trust, reduces the cost and in the last minimum purchasing risk because long term relationship with customers (Gronroos, 2004). To remain strategically successful in competition, customer focus is an imperative for organization (Christensen and Bower, 1996). Organizations use several tools and methods to remain competitive in market, but a competitive advantage means customer-focus (Lengnick-Hall, 1996). Customer focus practices include the meaning to build a tie between the customer satisfaction and organization internal process. Customer focus was considered the initial point of quality management (Sousa, 2003). Customer focus relates the customer point of view and entertains their grievances and focuses on after-sale services. Continuity innovates the process of superior product development and gauges the level of customer satisfaction regularly (Nwokah and Maclayton, 2006). Product development should be synchronized with current market data, so that products match with the current customer requirement.

3) Top Management Support

Currently top management takes great interest in procurement and material management. To anticipate the pressure, procurement manager advanced their human resource and buying individual through their refreshing and development courses (Hahn et al., 1990).

4) Supply Strategy Purchasing

Implementation of strategic supply chain partnership mean strategic information sharing and operational information sharing among the supply chain members. (Youn et al., 2011). Retail supply chain strategy benefits are building and enhancing of relationship among the other channel partners and retailers (Mentzer et al., 2001). Strategic supply chain management helps to get efficiency in one time shipment, curtail total cost operations (TCO) which leads to improve the position of organization financially as well as assists the better customer satisfaction. Several organizations advance their supply chain management by close relations with buyer-supplier, although many other sector demands for strategic supply chain (Yeung, 2007). Strategic supply represents the importance of collaboration of organizational internal units and as well as external supplier that helps the organization to create the value for customer (Cousins and Spekman, 2003).

5) Competitive Priorities

Customer service includes complying with customer needs and wants. Cost includes management of cost of product effectively (Phusavat and Kanchana, 2007). Due to global competition consumer demands for customized goods and product life cycle short and flexibility is emerging concept in competitive priorities (Vokurka and Fliedner, 1998). Cost is not a single competitive priority to compete. Alignment between competitive priority, business environment and supply chain has impact on organizational performance. There is a close relationship between competitive priorities and business environment (Chi and Kilduff and Gargeya, 2009). A competitive priority includes selection of the procedure of manufacturing or basic competitive capabilities (Naqshbandi and Idris F., 2012).

6) Information Technology

For effective supply chain needs to develop a connection among the member of channel, uninterrupted flow of supply and demands required secure information from every buyer seller transaction. Information technology links with supply chain to manage various supply chain task such as delivery planning and controlling, order fulfillment and inventory management (Bagchi and Larsen, 2002). Information technology plays change agent role in supply chain management (Walton and Gupta., 1990). Organizations invest in IT to support and facilitate the purchasing function. IT helps to promote the inter-department relations and to expedite intra-firm operation, and inter-organization communication (Sriram V,et al, 1997). Informational technology may prove competitive advantage for organization (Barney, 1991). Firm supply chain coordination improves by adopting information technology (Kim and Cavusgil and Calantone, 2006). Integration for information technology assists to enhance collaboration among the supply chain partners (Greis and Kasarda, 1997). Proper information sharing contributes in effective supply chain management (Akkermans, Bogerd and Vos, 1999).

B. Factors Related to Implementation of SCM

1) Supply Network Structure

To improve the supply performance, there is need of supply network strategy across the supply network. Organizations should control networks in which they operate so that essential for organization to understand and develop network management roles (Harland and Knight, 2001). Cost is always initiative for supply network. Supply network is helpful in pre-initiative, ongoing initiative, post-initiative stages of initiative supply chain (Holmen and Pedersen and, Jansen, 2007). Supply network interconnects entities and main purpose of these entities to procure, use and manage the resources to provide better packages of goods and services. Supply network notion is difficult as compared to supply chain because it includes complexity of network involvement (Lamming et al., 2000). To make whole system effective and efficient long term relation and coordination

with supplier networks is important (Gadde and Snehota, 2000). Supply network defines a connected exchange relationship which is meaningful, and it may be changed over the time (Andersen and Christensen, 2005). Supply network is essential for close relation among technology, production and knowledge (Kinder, 2003).

2) Buyer Supplier Relationship

a) Supplier Base Reduction

Supplier base should be reduced to make effective and efficient supply chain management and curtails the supplier base to control and manage the supply. Supplier play role in the performance of supply chain as a whole. Supply base reduction has considered initial step in effective supply chain. Supplier performance effects supply chain for short term to achieve the goals and objective of supply chain and on the other side supplier capability have long term effect on supply chain (Sarkar and Mohapatra, 2006). Purpose of supplier base reduction is to relying on one firm perhaps or small number of firms. This shift is important for supply chain and not optional (Parker and Hartley, 1997). Optimal number of suppliers should be determined by critically rather than determined through some traditional approaches (Kauffman and Leszczyc, 2005). There are three main bases to reduce the number of suppliers: expensive supplier development, developing the long term and manageable relation and short number of supplier source of rewards (Dowlatshahi, 1998).

b) Long Term Relationship

In supply chain management, trust plays an important role because in two party relationships, higher level of trust results in terms of constant cooperation, reduction in likelihood of uncertainty, communication and better interaction. There is a positive relation between cooperation and trust (Wu and Weng and Huang, 2012). Alliance with suppliers, organizations develop the long term relationship and work with supplier more closely (McCutcheon and Stuart, 2000). Successful Partnership required three characteristics: partnership attributes, communication behavior and conflict regulation techniques (Mohr and Spekman, 1994). There is correlation between overall supplier performance and partnering element of relationship such as long term commitment and cooperation. Many researchers look at specific aspects like cooperation, collaboration and supplier relationship (Field and Meile, 2008).

c) Communication

Use of EDI (Electronic Data Interchange) is low from last four decades, now its importance is accelerating (Walton and Gupta, 1999). With the development of internet, there are so many opportunities to manage the buyer-supplier relationship (Da Silveira and Cagliano, 2006). Integration through communicative process is innovative technique has resulted competitive advantage to maintain the existence of firm's supply chain inter-firm communication imperative (Anderssen, Baldwin and Ridgway, 2010). Close firm coordination is required to maintain the process to serve the purpose of supply chain.

d) Cross Functional Team

Nature of technology is more dynamic, rapid development causes tuff competitive environment without limit. Cross functional team includes coordination among the firm resources, skill, technology and information to help the integration process. Knowledge about the common barrier in creating cross functional team provides opportunities to higher level management to take the action and anticipate the barrier (Pati P., 1998). Integrating the purchasing, development, logistic, product design and marketing much more to satisfy the customer requirements. Integration of these causes high performance by lowering the production cost and risks (Wu Y.W et al., 2004). Some level of coordination required between the organizations beyond the logistics management. To make in operation, supply chain management needs some level of coordination from and within organization (Cooper et al., 1997).

e) Supplier Involvement

There is significant relationship prevailed among the cost and price activities and supplier involvement. To improve the purchasing function, it needs to continue coordination among supporting function such as information technology must be at right position (Zsidisin A.G., Ellram, 2001). The purpose to form the partnership is to get advantage of supplier technology capability in product development and manufacturing (Dowlatshahi, 1998). Alliance supports to share the information and achieving common goal. Selected supplier involvement results in reducing cost, improvement in customer satisfaction and anticipating the changing technology (Zsidisin and Ellram, 2001).

3) Logistic Integration

Marketing and logistics management were united but with the development, separated into two disciplines. Logistic includes movement of goods and information along with services. There is inconsistency between marketing and logistic on some issues such as purchasing, distribution, sales and promotion (Sevensson, 2002). To maintain the strategic fit between firm strategy and structure, logistic integration is essential. Logistic environment have dynamic characteristics such as logistics capabilities, technology and management techniques, that makes logistics to coordinate with every level of supply chain management (Stock et al., 1998). In logistic, organization implements the supply chain concept and receives extra-ordinary results (Sandber, 2007).

III. METHODOLOGY

A. Conceptual Frame Work of Study

The framework of the study is based on paradigm of strategic management that emphasis on collaborative advantage.

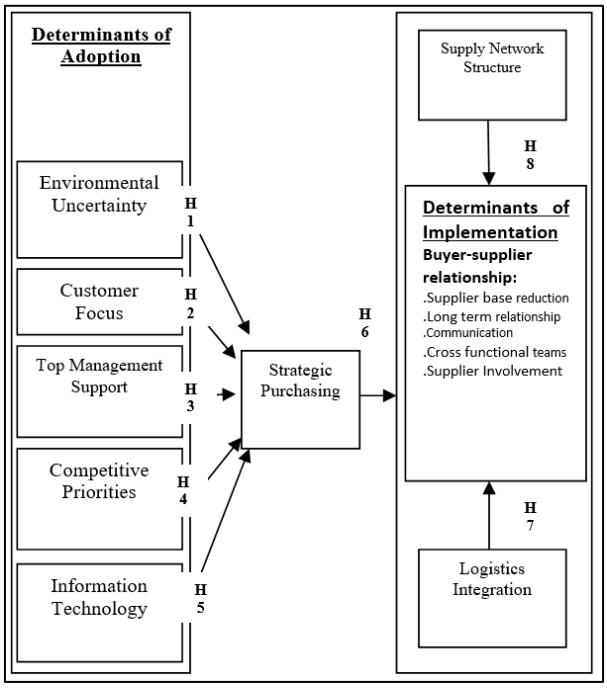

Fig. 1: Antecedents of Adoption & Implementation of SCM

According to requirements of study our unit of analysis is individual that is persona involved in managerial decision making. We collected the data from the managers. There are several methods of data collection. These methods include observations, questionnaire, interviews & physical measurements etc (Sekaran, 2006). We measure it by questionnaire developed by Paulraj (2004).

B. Hypothesis Development

Specifically the study will investigate the following research hypothesis,

1) H1=Environmental Uncertainty has positive relationship with Strategic purchasing
2) H2=Customer Focus has positive relationship with Strategic Purchasing
3) H3=Top Management Support has positive relationship with Strategic Purchasing
4) H4=Competitive Priorities have positive relationship with Strategic Purchasing
5) H5=Technology has positive relationship with Strategic Purchasing
6) H6= Strategic purchasing has a positive relationship with Buyer Supplier Relationship
7) H7=Logistics has positive relationship with Buyer-Supplier Relations
8) H8=Supply network structure has positive relationship with Buyer- Supplier Relations

IV. DATA ANALYSIS & RESULTS

Firm Descriptive			
		Frequency	Percent
	Multinational	58	55.24
	Local firms	47	44.76
	Total	105	100.0

Table 1:

Because of purposive sampling we kept multinational corporations and local firms as even as possible so that we can get good comparison of SCM practices between them.

Variables	Cronbach's Alpha	No. of Items
Environmental uncertainty	0.81	5
Customer focus	0.93	4
Competitive priorities	0.88	4
Top management support	0.88	4
Information technology	0.96	4
Strategic purchasing	0.84	5
Supply network structure	0.85	3
Logistics integration	0.91	2
Buyer-supplier relationships	0.70	8

Table 2: Reliability Analysis

The cronbach's alpha of all the variables is more than .7 so the scale used is reliable.

– Construct Reliability

Construct reliability explains the consistency of the construct. Cronbach's alpha value is used to represent the reliability. It ranges from 0 to 1. As per Hair et al. (2006), Cronbach's alpha values above 0.7 are considered acceptable.

Variables	Mean score	S.D
Environmental uncertainty	4.31	.56
Customer focus	4.66	.45
Competitive priorities	4.48	.48
Top management support	4.39	.50
Information technology	4.02	.99
Strategic purchasing	3.90	.75
Supply network structure	4.47	.49
Logistics integration	4.38	.67
Buyer-supplier relationships	3.95	.40

Table 3: Sample Characteristics

Mean score of environmental uncertainty is indicating that multinational and local firms perceive there is high uncertainty in terms of demand fluctuation, supplier consistency and technological changes.

Mean score of customer focus is indicating that multinational and local firms are customer oriented. They show high concern in anticipating and responding to customer's evolving needs and wants, developing, satisfying customers and quality/service feedback of their offerings. High score on competitive priorities is showing that firms put more emphasis on quality performance, customer service and innovation rather than price. Firms are well aware that in order to compete they need to respond to customer's needs and wants and challenging environment.

High score on top management support is showing that firm's top management supports the purchasing function and considers purchasing a vital part of their organization, top management also supports the information sharing between the organization's departments to create synergy.

High score on information technology indicates that firms understand the importance of information technology in better running the supply chain activities. Firms understand the need of real time information of inventory level, product availability and shipment status.

High score on strategic purchasing indicates that firms are well aware of the fact that to survive in a competitive environment they need to develop competitive advantage and strategic purchasing helps in building competitive advantage.

High score on supply network structure indicates that firms develop network structure with their suppliers that are based on interdependence rather than power. Firms develop strong relations with supply chain members. In a network structure there is mutual development for both the parties.

High score on buyer-supplier relationships indicates that firms understand that firm's quality of buyer-supplier relationships is very important for their business. Firms understand the multiple benefits of relying on small number of high quality suppliers that is reduced inventory cost, economies of scale, reduced lead time and learning curve effect. Firms understand the multiple benefits of long-term relationships that are increased coordination between buyer and supplier, sharing of risk and reward and positive impact on a firm's supplier performance. Supplier's quality performance increases when communication occurs among firm's department and suppliers. Firms understand that cross functional teams help in selecting the suppliers and product design. Firms also understand that supplier involvement in product design reduces the supplier's quality problems.

High score on logistics integration indicates that firms understand that quantity of goods should be in the right place at the right time for effective supply chain management.

Variables	Mean score F-test MNC Local		F-test	Significance
Environmental uncertainty	4.55	4.02	28.132	.000
Customer focus	4.78	4.51	9.667	.002
Competitive priorities	4.58	4.35	6.233	.014
Top management support	4.60	4.12	30.630	.000
Information technology	4.64	3.26	97.141	.000
Strategic purchasing	4.26	3.46	41.378	.000
Supply network structure	4.60	4.31	9.140	.003
Logistics integration	4.72	3.95	48.363	.000
Buyer-supplier relationships	4.09	3.78	18.09	.000

Table 4: ANOVAs Table

Mean score of multinational corporations on all aspects of supply chain management is higher than the local firms. The difference in mean score is may be due to the better understanding of supply chain management.

Multinational corporations perceive there is more uncertainty in the environment than the local firms. The difference in perception is may be because they better understand the outcomes of uncertainty in the environment: loss of customers due to the delay in customer's orders that arises from the lack of resources and poor management, shortage of supplies and inability to cope with fluctuation in demand results in delay of customer's orders, technology uncertainty puts the firm behind in meeting the customer's evolving demands. Multinational corporations are more customer-oriented than the local firms. The reason behind this difference is may be because the multinational firms better understand the benefits of customer retention and customer life time value.

Competitive priorities are more important for multinational corporations than the local firms. Quality, service and innovation are more important than price for multinational corporations than the local firms. Top management of multinational corporations is more eager to involve in purchasing department and support their efforts than the local firms.

Paths		Hypothesis	Regression Coefficients	P-Value	Results
Environmental uncertainty →	Strategic purchasing	Ho1	0.17	0.82	
Customer focus →	Strategic purchasing	Ho2	0.23***	0.02	Accepted
Competitive priorities →	Strategic purchasing	Ho3	0.24	0.19	
Top management support →	Strategic purchasing	Ho4	0.11	0.331	
Information technology →	Strategic purchasing	Ho5	0.49***	0.000	Accepted
Strategic purchasing →	Buyer-supplier relations	Ho6	0.16***	0.001	Accepted
Supply network structure →	Buyer-supplier relations	Ho7	0.11	0.09	
Logistic integration →	Buyer-supplier relations	Ho8	0.16***	0.005	Accepted

Table 5: Paths Analysis

Note: *** p values ≤ 0.05

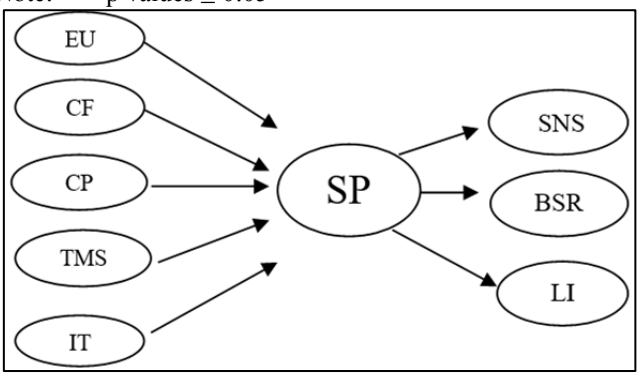

Fig. 2:

Index	Values
GFI	.954
AGFI	.707
CFI	.949
TLI	.739

Table 6: Model Fit Summary

The value of $\chi 2/df$ is 3.4. It is greater than 3. Joreskog & Sorbom (1993) argue $\chi 2/df$ value should between 0 & 3 is acceptable. The values of GFI (Goodness of fit index) & AGFI (Adjusted goodness of fit index) are .954 & .707 respectively. GFI & AGFI range is 0 to 1. Value near to 1 indicates a perfect fit. Further, TLI (Tucker-Lewis Coefficient) and CFI (Comparative fit index) are .739 and .949 respectively which are close to the benchmark value of 0.9.

V. DISCUSSION

A. Environmental Uncertainty

The first hypothesis is rejected. It means there is no relationship between environmental uncertainty and strategic purchasing. When we study effect of environmental uncertainty on strategic purchasing via path analysis the results remain insignificant. It is concluded that EU is not cause for strategic purchasing in context of Pakistan. We analyze uncertainty of three types, supply uncertainty, demand uncertainty and technology uncertainty. Supply uncertainty is low in Pakistan because raw materials are easily available. Technology is not highly involved in processes so its uncertainty does not lead to results in decisions of strategic purchasing.

The main advantage of SCM is that it reduces all kinds of uncertainty. Reduced uncertainties make supply chain efficient. Our base article is of manufacturing supply chain but our area of study is service supply chain. The element of uncertainty is relatively high in service supply chain because off discard of perishable goods. The insignificant results show that we are far behind in understanding concept of supply chain management and to get benefit in real terms we should focus all dimensions of supply chain management not taking it just as purchasing. The results of the study match with the study of Ruteri (2009). The similarity exists between two studies that both are developing countries and supply chain professionals have not clear concepts about supply chain management. (Ruteri et al. 2009)

B. Customer Focus

The second hypothesis is that there is a positive relationship between customer focus and strategic purchasing which is accepted. Companies which are responsive to customer need have more proactive and focus on market orientation approach that results in innovation and adoption of new approaches (Ruteri et al. 2009). Hence more customer focus results in visionary decisions that lead to strategic purchasing. Almost both multinationals and local firms are trying to satisfying customers. For hundred percent customer satisfaction they focus on strategic purchasing. They plan their business according to the need of customer. Hence it is proved that customer focus is a factor that leads to adoption of SCM in Pakistan. The element of customer focus high in multinational because they are more concerned and takes rapid follow up about their product and quality feedback. According to them, customers play role as design engineer and inventory manager. From the core of study it is concluded that customer is a reason that leads to think professionals in strategic way that is long term or strategic purchasing with supplier that results in good buyer-supplier relationship more than buy and sell only.

C. Top Management Support

The third hypothesis top management support has a positive impact on strategic purchasing is negative. The results of our study do not match with the study of Paulraj (2004). The results are highly insignificant because top management are less visionary .To the best of our knowledge top management is target oriented in multinationals and profit oriented in local chains. Due to this reason top management is not responsive to strategic purchasing. However Anova shows there is significant difference between local and multinationals chains. It means to some extent the top management is concerned with strategic purchasing. The results of our study match with the study of Bechtel & Jayarm (2012) that tells the lack of top management support is important barrier in implementation of supply chain management? Top management is less supportive because of lack of financial resources (Betchel et al 2012).

D. Competitive Priorities

The fourth hypothesis stated that competitive priorities has a positive relationship with strategic purchasing is rejected. The reason behind is that companies focus on price rather than quality. They compromise on service to cut prices. Local chains avoid innovation because of risk factor. Results of this hypothesis are negative because companies are using pricing as a competitive tool. Six fundamental criteria were identified for competitive priorities that are quality, flexibility, customer focus, delivery, knowhow and cost (Pheasant and Kanchana, 2007). But companies in Pakistan primarily are cost conscious and customer focus. However ANOVA shows that MNCs may be giving more importance to this factor as compared to local. The negative sign shows that local vendors want reduced prices not better customer service or innovation.

E. Information Technology

The fifth hypothesis that information technology has a positive impact on supply chain management is accepted. Information technology is used by both local as well as multinational chains. Orders are electronically purchased via information technology. Our literature supports that for effective supply chain connection between channel members is needed, uninterrupted flow of supply and demand require information for every buyer-supplier transaction. (Bagchi and Larsen, 2002). The results of our study match with the study of Patterson, Grimm & Coursi, (2012). It reveals information technology is important factor in adoption of SCM. ERP is widely used by MNCs and local chains however managers also replied information technology as "not applicable" because of the difficulties in implementation. The benefits of adoption of information technology are cost saving as improvement in logistics measures, integration of supply chain and overall performance of supply chain. Information sharing and communication improve commitment and trust that results in long term relation and strategic purchasing. Other than long term relationship we also have opportunity of reduce inventory carrying cost and inventory accuracy with the

adoption of information technology in supply chain management (Patterson et al., 2012).

F. Supply Network Structure

The sixth hypothesis supply network structure has a positive impact on buyer supplier relationship is rejected. Research shows that food chain firms give little involvement to suppliers in their product design and never share sensitive financial information with suppliers. The results of study match with the study of Ruteri (2009). His study shows that food processors are without any strong relationship with their partners. They have just buy-sell relationship.

G. Strategic Purchasing

The seventh hypothesis strategic purchasing has positive impact on buyer-supplier relationship is accepted. The study shows this hypothesis supports theory of collaborative advantage. Our results match with the results of Paulraj (2004). The relationship between strategic purchasing and buyer supplier relationship are directly proportional to each other. Our results match with the study of match with (Martha et al., 1998). He said that purchasing and logistics play vital role in establishing supply chain management. They provide leadership in formation of SCM. Purchasing professionals play integrating role in implementing supply chain management. Purchasing and logistics play boundary spanning role outside the firm and inside the firm. Both play role in forming relationship with the suppliers. Purchasing deals with planning and logistics deals with the customer both are tie together (Martha et al, 1998). Paulraj (2004) considers buyer supplier relationship as core of supply chain. BSR is affected by strategic purchasing. Data shows there is positive relationship between BSR and strategic purchasing. Hence it is proved in context of Pakistan.

H. Logistics Integration

The eighth hypothesis logistics integration has a positive relationship with BSR is accepted. Logistics activities are closely coordinated. The data shows interesting fact that magnitude of logistics may be differ in Pakistan as compared to developed countries but it has strong integration and synchronization with supply chain. Logistics integration strengthened buyer supplier relationship. The results of the study shows that information technology and logistics have combine effect on supply chain management that is proved by the study of Patterson, Grimm & Coursi (2012).

VI. Conclusion

Anova table is used for comparison. Here it shows the differences between MNCs and local food chains. In our study results shows that there is significant difference between multinational's and local chains in Pakistan. Environmental uncertainty is perceived greater in MNCs as compared to local fast food firms. The reason behind that is Managers have clearer concept of EU so they give it high importance and work to reduce all kinds of uncertainty. On the other hand local firms decision makers have less knowledge about uncertainty they are little conscious about, However MNC,s perceive EU and make strategies and back up plans to reduce it.

The data shows that MNCs are comparatively more customers focused in their operations and strategies. They plan their business according to the need of customers. As competitive priorities are concerned local chains is less competitor conscious and use price only as a competitive tool. However multinational fast food firm see all dimensions of completion including price .which are service, quality, flexibility. The results show that they use environmental scanning and find out their competitive edge.

The beauty of our research is that overall its results match with the study of Paulraj (2004). But it gives real picture of developing countries. It shows differences which variables are strongly affected .the research explore that customer focus, information technology. Strategic purchasing are dominant factors in adoption of supply chain in both multinational's and local food chains. BSR and logistics integration lead to implementation of supply chain. However the impact of environmental uncertainty, competitive priorities, top management support and supply network structure are dominant only in MNCs. .Data shows they have less impact and results of these variables are insignificant in context of Pakistan. The study tells us the implications of Paulraj (2004) research of manufacturing industry in service industry. Managers and supply chain professionals should focus on all dimensions of SCM. Customer focus, information technology and strategic purchasing are significant factors in both MNC,s and local food chains. However EU, Top management support and competitive priorities are factors that are not triggering adoption of SCM by focusing these factors managers can made efficient supply chain in developing countries.

Our observation revealed that concept of understanding of SCM in fast food industry is low. Scientists should work on the dimensions of supply chain in developing countries. The researchers also can work on the outcomes of implementation of supply chain. And effect of buyer supplier relationship on supplier performance and buyer performance.

VII. Limitations & Future Research

The result of study suggests that there is difference between Service supply chain and manufacturing supply chain. A lot of efforts are needed to address problems in fast food and to get benefits from processors of supply chain management. The data shows that developing countries are far behind in understanding supply chain management. The data shows that MNCs are comparatively more customers focused in their operations and strategies. They plan their business according to the need of customers. Data shows they have less impact and results of these variables are insignificant in context of Pakistan. Managers and supply chain professionals should focus on all dimensions of SCM.

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