**LITERATURE SURVEY**

**INVENTORY MANAGEMENT SYSTEM FOR RETAILERS**

Inventory management refers to the goods or resources used by a firm for the purpose of production and sale. For any organization Decision is important task which they have to make in the interest of their organization. Most common issue to all organizations is the allocation of resource. For the achievement of their business’s objectives organizations have to acquire, allocate and control the factors of their production.

Inventory control is one of the key activities of business logistics. To hold inventories at the least possible cost, given the objectives to ensure uninterrupted supplies for ongoing operations is the main purpose of inventory control. Management has to find a suitable compromise between the different cost components like the costs of supplying inventory, inventory holding costs and costs resulting from insufficient inventories, while making decisions on inventory. Inventory control consists of so many factors simultaneously for example storage, handling of seasonal products and variation in lead time in reference to date of expiration and application of preservation technology for the economy of the system. In the manufacturing process, supply of goods and service delivery the material management is one of the important stages. Thus by learning, implementing and evaluating we could do our business with managed inventory.

**Gaur, Fisher and Raman (2005)**

In their study examined firm-level inventory behaviour among retailing companies. They took a sample on 311 public-listed retail firms for years 1987–2000 for investigate relationship on stock turnover about gross margin, capital intensity, sales surprise. All observed that stock aggregate turnover for retailing company was positively related to capital intensity with sales surprise while inversely related gross margins.

**Pradeep singh (2008)**

In his study made an attempt to investigate stock with working capital managing Indian Farmers Fertilizer Cooperative Limited (IFFCO) / National Fertilizer Limited (NFL). He concluded that overall position of the working fund of IFFCO / NFL is satisfactory. But there arises need for imrovement in stocking as situation of IFFCO. Although stock were not properly utilized as well as maintained bay IFFCO during investigation period. Also managing organization of NFL surely try to properly utilize stock with try to care stock according to requirements. So that liquidity will not interrupt.

**Capkun, Hameri and Weiss (2009)**

Statistically analysed the association among stock levels with fund situation in manufacturing companies using capital information on large sample on US-based production units over a 26-year period, during, 1980 to 2005. According to them a significant relationship existed between inventory performance along with the performance of its components and profitability0

**Sahari, Tinggi and Kadri (2012)**

They focused on association among the inventory management system and company performance corresponding to fund capability. Therefore according to that reason they looked 82 sample construction company in Malaysia during period of 2006– 2010. Using the regression and correlation analysis methods, they deduced that inventory management is positively correlated with firm performance. In addition, the results indicate that there is a positive link between inventory management and capital intensity.

Panigrahi (2013) According to his analysis inventory management practices used by Indian cement firms and their effects must be on working fund efficiency. The study also investigated the relationship between profitability and inventory conversion days. The study, using a sample of the top five cement companies of India over a period of 10 years from 2001 to 2010, concluded there must be exist inverse relationship among conversion period of inventory and profit margin.

**Edwin Sitienei and Florence Memba(2015)**

Conducted a study on Effect of Inventory Management on profitability of Cement Manufacturing Companies in Kenya. The study concluded that Gross profit margin is negatively correlated with the inventory conversion period, Increase in sales, which denotes the firm size enriches the firm’s inventory levels, which pushes profits upwards due to optimal inventory levels. It is also noted that firms inventory systems must maintain an appropriate inventory levels to enhance profitability and reduce the inventory costs associated with holding excessive stock in warehouses