EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON THE PERFORMANCE OF SUPERMARKETS IN LUANDA TOWN, KENYA

BY

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DECLARATION

Student's Declaration

This research project is my own original work and has not been presented for a degree in any other institution.

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Supervisor's Declaration

This Project has been submitted for examination with my approval as the University Supervisor.

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Great appreciation to all the respondents, without feedback it would have been impossible to finalize on this project.

DEDICATION

This Research Project is dedicated to my family and friends. Particular dedication goes to my late father Jeconia Samwel Otengo whose love for education had no bounds. Wish he were alive to share this joy with me. May your soul rest in perpetual peace Mista as you were affectionately called.

ABSTRACT

The growth of supermarkets in Luanda town has not come without any challenges. While most retail outlets tend to cherish competition and encourage growth, it is surprising that two third of these firms drop out of the growth curve of the product lifecycle this is according to Vihiga county government in the ministry of trade which stated that in the past years the growth in retail outlets presence dropped by 25% citing reasons among them insufficient attention to SCM practices. Previous studies reviewed have looked at the relationship between inventory management and performance however none has given it the focus of inventory control systems that this study focuses on and information if inventory control systems is considered is therefore lacking. Moreover studies reviewed have looked at the relationship between relationship management and performance, however the reviewed studies have only either focused on supplier relationship management or customer relationship management and information if the two are looked at together is therefore lacking. Studies reviewed have looked at the relationship between outsourcing and performance however the previous studies have only focused on the outsourced activities and not the outsourcing practices and information if outsourced practices are looked at is therefore lacking. The general objective of the study was to determine the effect of supply chain management practices on performance of supermarkets in Luanda Town, Kenya, The study was guided by the following specific objective determine the effect of inventory control practices on performance of the supermarkets in Luanda Town, to establish the effect of relationship management on performance of the supermarkets in Luanda Town and to establish the effect of outsourcing practices on the performance of the supermarkets in Luanda Town. The study has been anchored on resource dependent theory. The study adopts a correlation research design. The study target populations consisted of 92 employees from customer service, stores and procurement departments of the supermarkets in Luanda Town out of which 48 respondents were drawn using Simple randomly sampling technique. The instrument reliability was evaluated using test retest where a coefficient of 0.87 was established indicating high level of reliability. The instrument was reviewed by academicians in the school of business and economics and practitioners from the supermarkets in Kisumu County for the establishment of content validity. Using multiple regression analysis the study established that inventory controls have a significant effect on performance of supermarkets in Luanda Town ($\beta = 0.144$, $p = 0.006$),, Moreover the study established that outsourcing has a significant effect on performance of Supermarkets in Luanda Town ($\beta = 0.989$, $p = 0.0014$), Lastly the study established that relationship management has a significant effect on performance of supermarket in Luanda Town ($\beta = 0.265$, $p = 0.009$).The study recommends that supermarkets should minimize the cost associated with holding stocks and ordering costs to attain their optimum performance level. Secondly Supermarkets should outsource their noncore business to outside providers that can bring great competitiveness. Lastly, the study recommends that supply chain professionals in the supermarket should embrace collaborative relationships with their suppliers so as to optimize their supply chain costs.

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DEFINATION OF OPERATIONALTERMS

Supply Chain Management Practices	Activities undertaken in an organization to promote effective management of its supply chain.
Performance	Is the outcome of activities of an organization or investment over a given period of time
Inventory Control System	Refers to “all aspects of managing a firm’s inventories: purchasing, shipping, receiving, tracking, warehousing and storage, turnover, and reordering.
Relationship Management	Is a strategy in which an organization maintains a continuous level of engagement with its audience.
Outsourcing	Is a contractual agreement between the customer and one or more suppliers to provide services or processes that the customer is currently providing internally.
Perpetual Control System	Is a method of tracking and recording inventory and costs of goods sold on a continual basis, so that current inventory balance can be calculated in real time.
Periodic Control System	Is where inventory purchases are recorded at specific time intervals and doesn’t keep a continuous, real time record of inventory in stock or goods sold to customers.
Legal Process Outsourcing	(LPO) is the process of assigning law-related tasks to an external firm that is able to handle those tasks efficiently
Business Process Outsourcing	Is a subset of outsourcing that involves contracting the operations and responsibilities for a particular business process to a third-party service provider.
Knowledge Process Outsourcing	Form of outsourcing where knowledge and information related work is carried out by a different company or subsidiary within the same organization to save costs or resources.
Customer Relationship Management	Is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal

	of improving customer service relationships and assisting in customer retention and driving sales growth.
Supplier Relationship Management	Is the systematic approach of assessing suppliers' contributions and influence on success, determining tactics to maximize suppliers' performance and developing the strategic approach for executing on these determinations

ABBREVIATION AND ACRONMYS

SCM	Supply Chain Management
SC	Supply Chain
EDI	Electronic Data Interchanged
JIT	Just in time
WIP	Work In Progress
RDT	Resource Dependent Theory (RDT),
SRM	Supplier Relationship Management
CSCMP	Council of Supply Chain Management Professionals
MRO	Maintenance Repairs and Operating
RDT	Resource Dependent Theory (RDT),

CHAPTER ONE

INRODUCTION

This chapter contains background of the study, statement of the problem, and objective of the study where by general and specific objective are outline, research hypothesis, scope of the study, significance of the study and finally conceptual framework

1.1 Background of the Study

In Luanda town, supermarket sector has experienced a phenomenal growth in the last decade due to changing tastes and preferences of consumers. This poses tight competition among the supermarkets as well as from the traditional standalone retail shops.

According to the publication in business and management review of 2012 there have been reports on supermarkets facing market's threats in the recent times resulting into low returns and sometimes merges, closure and buy out. This has been attributed to stiff competition into the retail sector of which supermarkets are part of with each supermarket chain among other competitor continually agitating for effectiveness and efficiencies in achieving set objective that are near similar in nature. This has made supermarket industry grow in Kenya more competitive for the scarce resources available to high number of competing retailers. Different authors in various ways have defined supermarkets. According to the dictionary of business and finance, a supermarket is defined as a large store selling a wide variety of consumer goods, particularly food and a small collection of household requirements.

According to Kotler and Armstrong (2008). They define a supermarket as a form of grocery self-service store that offers wide variety of food and household commodities prearranged into departments. It sells small quantities of goods and services to consumers for their personal and non-business use.

Survival strategies in the supermarkets therefore focus on firm's strategic position and business operations systems and procedures. This factor affects the value chain systems that in turn influence the overall performance of the supermarket. Furthermore; there are many approaches to achieving competitive advantage. For instance, inventory control, relationship management and outsourcing practices these generic strategies can lead organizations to outsmart the competition.

SCM practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain Bansal and Roth (2000), also describes the latest evolution of SCM practices, which include supplier partnership, outsourcing, cycle time compression, continuous process flow, and information technology sharing. Use purchasing, quality, and customer relations to represent SCM practices, in their empirical study. Carr and Smeltzer (2007) include in their list of SCM practices concentration on core competencies, use of inter-organizational systems such as EDI, and elimination of excess inventory levels by postponing customization toward the end of the supply chain. Carr and Smeltzer (2007) identify six aspects of SCM practice through factor analysis: supply chain integration, information Sharing, supply chain characteristics, customer service management, geographical proximity and JIT capability, (Cook, and Campbell 2006). Carr and Smeltzer (2009) viewed SCM practices in terms of reducing duplication effects by focusing on core competencies and using inter-organizational standards such as activity-based costing or electronic data interchange (EDI), and eliminating unnecessary inventory level by postponing customizations towards the end of the supply chain.

Inventory management is a critical management issue for most firms – large firms, medium-sized firms, and small firms. Effective inventory flow in supply chains is one of the key factors for success. The challenge in controlling inventory is to balance the supply of inventory with demand. A company would ideally want to have enough inventories to satisfy the demands of its customers- no lost sales due to inventory stock-outs. On the other hand, the company does not want to have too much inventory staying on hand because of the cost of carrying inventory. Enough but not too much is the ultimate objective (Coyle, Bardi, and Langley, 2003).

Inventory control is necessary at different locations within an organization or within many locations of a supply chain, to protect production from running out of materials or goods. Adequate inventories kept for instance in manufacturing firms will smooth the production process. It is therefore the mandate of wholesalers and retailers to offer good customer services and gain good public confidence by holding sufficient inventories. The basic objective of inventory control is to achieve a balance between the low inventory and high return on investment (ROT), (Johson et al, 1974). Inventory levels have been seen as one of the most interesting areas for improvement in organization materials management (Kumar Ordamar, Zhang, 2008).

Inventory plays an important role in the growth and survival of an organization in the sense that ineffective and inefficient management of inventory will result to the organization losing customers and sales will eventually decline. Proper management of inventory reduces depreciation, pilferage, and wastages while ensuring availability of the materials as at when required (Ogbadu, 2009).

According to Cavinato (2012), the term Relationship Management refers to the practice and process for interacting with suppliers and customers. Supplier relationship management acts as a focal point between the organization and the final consumers. Organizations that have problems with their supply chain networks or channels can adopt Supplier Relationship Management practice to enhance their supply chain efficiency. Hughes (2010) stated that "inefficient supply chain s were the major cause of poor organizational performance" he insisted that organizations with integrated supply chains recorded high profits than those who paid little attention to supply chains (Rogers, 2001).

Outsourcing ideally requires trust. Rundquist (2007) mentioned that handing over various aspects of business operations to a partner can be difficult for organizations that do not typically view their suppliers as cooperative partners. An important question to ask is whether outsourcing is value enhancing and, in particular, whether the firm that undertakes outsourcing shows higher profitability as a result. Essentially, this question renders down to the transactions cost question regularly posed to university undergraduates: should a firm manufacture its own input by some form of vertical merger or should it seek to obtain possibly more competitively priced inputs on the open market? While the viability of vertical mergers as determinant of profitability is comparatively well researched, less work has been undertaken on the viability of pursuing a less integrated strategy, namely of outsourcing inputs (Bhuyan, 2002).

Heartman and Bengtsson (2007) point out that Business Process Outsourcing (BPO) gives tremendous help to firms to concentrate on the core areas of business. The most important factor in the growth of the BPO market worldwide today, is an increase in the number of enterprises that are reviewing their internal operations is an attempt to fully understand their true competencies. In this process companies are able to focus more on their core special areas to improve performance. Elmuti (2003) finally adds that those companies that are successful in outsourcing share the same success factors. It is also essential that the right partners are selected based on characteristics like credibility, expertise and reliability.

Sitienei and Memba (2015) examined the effect of inventory management on the profitability of cement manufacturing companies in Kenya. Their study findings discovered that inventory turnover, inventory conversion period, and inventory storage costs were negatively related to profitability.

Sekeroglu and Altan (2014) investigated the effect of inventory management on the profitability of firms in the weaving, food, wholesale and retail industries in Turkey from 2003 to 2012. Their study used regression and correlation techniques using the computer software SPSS 20 version to analyze data collected from the income statements of the selected firms. The outcome showed positive relationship between inventory management and profitability in the food industry, but no relationship in the weaving, wholesale and retail industries. In a related study, Tatu and Meba (2015) using a similar techniques examined the effect of inventory management on the profitability of food processing industries in Kenya. Their study findings discovered that inventory management and inventory storage costs were negatively related to profitability.

Previous reviewed studies instance Mohamad, Suraidi, Rahman and Suhaimi (2016) examining the relation between inventory management and company performance considered inventory days as a measure of inventory management. Nyabwanga, Ojera, Lumumba, Odondo and Otieno (2012) establishing the effect of inventory management on performance considered inventory budgets and inventory levels. Anichebe and Agu (2013) investigating the effects of Inventory Management on Organizational Effectiveness in selected organizations in Enugu descriptively assessed the impact of proper inventory management on organizational performances. Edwin and Florence (2015) investigating the effect of Inventory Management on Profitability of Cement Manufacturing Companies in Kenya considered inventory turnover, inventory conversion period, Inventory levels, storage cost, size of firm, gross profit margin, Return on assets and growth of the firm. Sitienei and Memba (2015) examining the effect of inventory management on the profitability of cement manufacturing companies in Kenya focused on inventory turnover, inventory conversion period, and inventory storage costs. These studies have attempted to establish the effect of inventory management on performance using concepts like inventory levels, inventory cost, inventory turnover, inventory conversion period and inventory storage cost. However no previous reviewed study looked at inventory control systems (perpetual and periodic review systems) that this study has considered and information on the effect of inventory control systems if perpetual systems and periodic review are used as metric is therefore lacking and warrants a study.

International, Cheung (2011) studied relationship management as a strategy for supply chain engagement in the civil engineering construction industry in Queensland, Australia. (Paiva, 2013) analyzed the influence of the buyer-supplier relationship continuity on service performance among companies that are users of international maritime transport belonging to the machinery and food industries.

Mettler and Rohner, (2014) studied supplier relationship management in the context of health care by illustrating the impact of the implementation of SRM principles in a leading Swiss hospital. Locally, (Ndambuki, 2014) studied the relationship between supply chain integration and supply chain performance of international humanitarian organizations in Kenya. In their study (Ondieki and Oteki, 2014) assessed the effect of supplier relationship on the effectiveness of supply chain management practices

Previous studies for instance Wangeci (2013) conducted a study on supplier relationship management and supply chain performance in the alcoholic beverage industry in Kenya. Mwirigi (2011) sought to establish the role of supply chain relationships in the growth of small enterprise firms in Kenya considered. Tangus (2015) studied the Effect of Supplier Relationship Management (SRM) Practices on performance on Manufacturing Firms in Kisumu County, Kenya. Samuel (2014) conducted an empirical study on the effect of buyer- supplier partnership on better service delivery within non-governmental organizations involved in humanitarian work, taking the case of World Vision International looked at. Cheung (2011) studied relationship management as a strategy for supply chain engagement in the civil engineering construction industry in Queensland. Mettler and Rohner, (2014) studied the supplier relationship management in the context of health care by illustrating the impact of the implementation of SRM principles in a leading Swiss hospital. Locally, Ndambuki, (2014) studied the relationship between supply chain integration and supply chain performance of international humanitarian organizations in Kenya. Previous studies reviewed although attempted to establish the relationship between relationship management and performance only considered supplier relationship management. However no study reviewed looked at customer relationship management which is another type of relationship management and information if the two types of relationship management supplier relationship management and customer relationship management are used together is therefore lacking and warrants investigations.

Kwong (2012) in his study concluded that businesses are gaining competitive advantage by outsourcing none core activities to a third party thereby expanding the network on different locations and even going internationally. The study also narrowed down to financial performance. A study by Leuschner and. Carter (2013) concluded that outsourcing within the firms enable companies to perform well. However its findings are limited to the quality of work being outsourced.

A study by Sang (2010) on the other hand discovered that rapid expansion of companies' programs and decentralization of their functions are as a result of outsourcing of some of their activities to a third party which leads to maintaining good supplier relationship, effective and efficient internal operation, flexible production processes. A study by Mutual (2012) found out that outsourcing among Kenya supply chain firms has enhanced the performance on cost reduction, company growth, elimination of waste, focusing on strategic course etc.

Previous reviewed study's for instance Kwong (2012) studying concluded that businesses are gaining competitive advantage by outsourcing none core activities to a third party thereby expanding the network on different locations and even going internationally. The study also narrowed down to financial performance. Leuschner and Carter (2013) studying the impacts of outsourcing on firms performance. Sang (2010) on the other hand discovered that rapid expansion of companies' programs and decentralization of their functions are as a result of outsourcing of some of their activities to a third party which leads to maintaining good supplier relationship, effective and efficient internal operation, flexible production processes. Mutual (2012) investigating the effect of outsourcing on performance and Farag and Krishnan (2003) determining the anticipated performance effect of outsourcing on manufacturing firms. Reviewed studies have attempted to establish the effect of outscoring on performance however previous studies have only looked at the outsourced functions and not the outsourcing practices Business Process Outsourcing, Knowledge Processing Outsourcing and Legal Process

Outsourcing and information on the effect of the outsourcing practices and performance is therefore lacking and warrants investigation

Supermarkets in Luanda town have faced stiff competition as each superstores endeavor to outsmart each other. The difference consumers taste for the different brands and the consistent consumer disposable income has ensured considerable growth in the market. The supermarkets compete to win customer loyalty and reference to remain competitive. The upcoming residential estates within Luanda Township and increase of population in the town especially different communities have led to mushrooming of supermarkets in the town to ensure convenience to the shoppers. Modernization and increased branches networks among the supermarkets is the key to increase competition in the market. Each supermarket fights to ensure a memorable shopping experience to their customers to win customers loyalty and consistent shopping visits. A report by Cytonn investment stated that retail stores loses approximately 5 billion annually to shoplifting and political risk. Cutthroat competition by road side hawking had been some major factors leading to supermarkets performing poorly in terms of profitability culminating into poor customer service, low customer good will eventual closure of business or reduction in number of branches. Despite strategic competition enhancement, high growth of this single stop shopping has placed Luanda town as a supermarket hub in comparison to the rest of Vihiga County in supermarkets presence. This growth has not come without any challenges. While most retail outlets tend to cherish competition and encourage growth, it is surprising that two third of these retailers drop out of the growth curve of the product lifecycle this is according to Vihiga county government in the ministry of trade which stated that in the past years the growth in retail outlets presence dropped by 25% citing reasons of poor business management and practices.

1.2 Statement of the Problem

The retail stores business competition has been very intense with firms ensuring survival of their businesses by being strategic in their operations, unique and proactive in their execution and implementation of their business activities. This geared towards being relevant and reliable to customers' need and services. Survival strategies based on supply chain practices have focused on the customers, employees, business system and operations in order to be competitive in the market. The essence of involving supply chain practices is to be unique in a way that is valuable to a wide range of customers. A report by Cytonn investment stated that retail outlets loses approximately 5 billion annually to shoplifting and political risk. Cutthroat competition by road side hawking had been some major leading factors supermarkets performing poorly in terms of profitability culminating into poor customer service, low customer good will eventual closure of business or reduction in number of branches. Despite strategic competition enhancement, high growth of this single stop shopping has placed Luanda town as a supermarket hub in comparison to the rest of Vihiga County in supermarkets presence. This growth has not come without any challenges. While most retail outlets tend to cherish competition and encourage growth, it is surprising that two third of these firms drop out of the growth curve of the product lifecycle this is according to Vihiga county government in the ministry of trade which stated that in the past years the growth in retail outlets presence dropped by 25% citing reasons of poor business management and practices. Insufficient attention to SCM practices such as inventory control, relationship management, and outsourcing are some of the causes of this performance inadequacy others mentioned in the report being low level of supply chain integration, inventory control, supply chain characteristics and customer service management outsourcing practices that have contributed to poor performance of supermarkets. Moreover, frequent changes in consumer trends and short business cycles are also some of the challenges in the retail supply chain requiring agile models. Despite of all this challenges no study has been conducted in Luanda town. It is in this regard that this study proposed to determine the effect of supply chain management practices on performance of supermarkets in Luanda Town, Kenya

1.3 Objectives of the Study

The general objective of the study was to determine the effect of supply chain management practices on performance of supermarkets in Luanda Town, Kenya

The specific objectives of the study were to:

i. To determine the effect of inventory control practice on performance of supermarkets in Luanda Town, Kenya
ii. To establish the effect of relationship management on performance of supermarkets in Luanda Town, Kenya
iii. To determine the effect of outsourcing practices on the performance of supermarkets in Luanda, Kenya.

1.4 Research Hypotheses

The study was guided by the following null research hypotheses:

Ho_1 Inventory control practices have no significant effect on the performance of supermarkets in Luanda Town, Kenya.

Ho_2 Relationship management practices have no significant effect on the performance of supermarkets in Luanda Town, Kenya.

Ho_3 Outsourcing practices have no significant effect on the performance of supermarkets in Luanda Town, Kenya.

1.5 Scope of the Study

The study was mainly focused on establishing the effect of supply chain management practices on the performance of supermarkets in Luanda Town. The geographical scope of the study was on supermarket in Luanda a town in Vihiga County found in Kenya. The study considered data for the period 2017 to 2019.

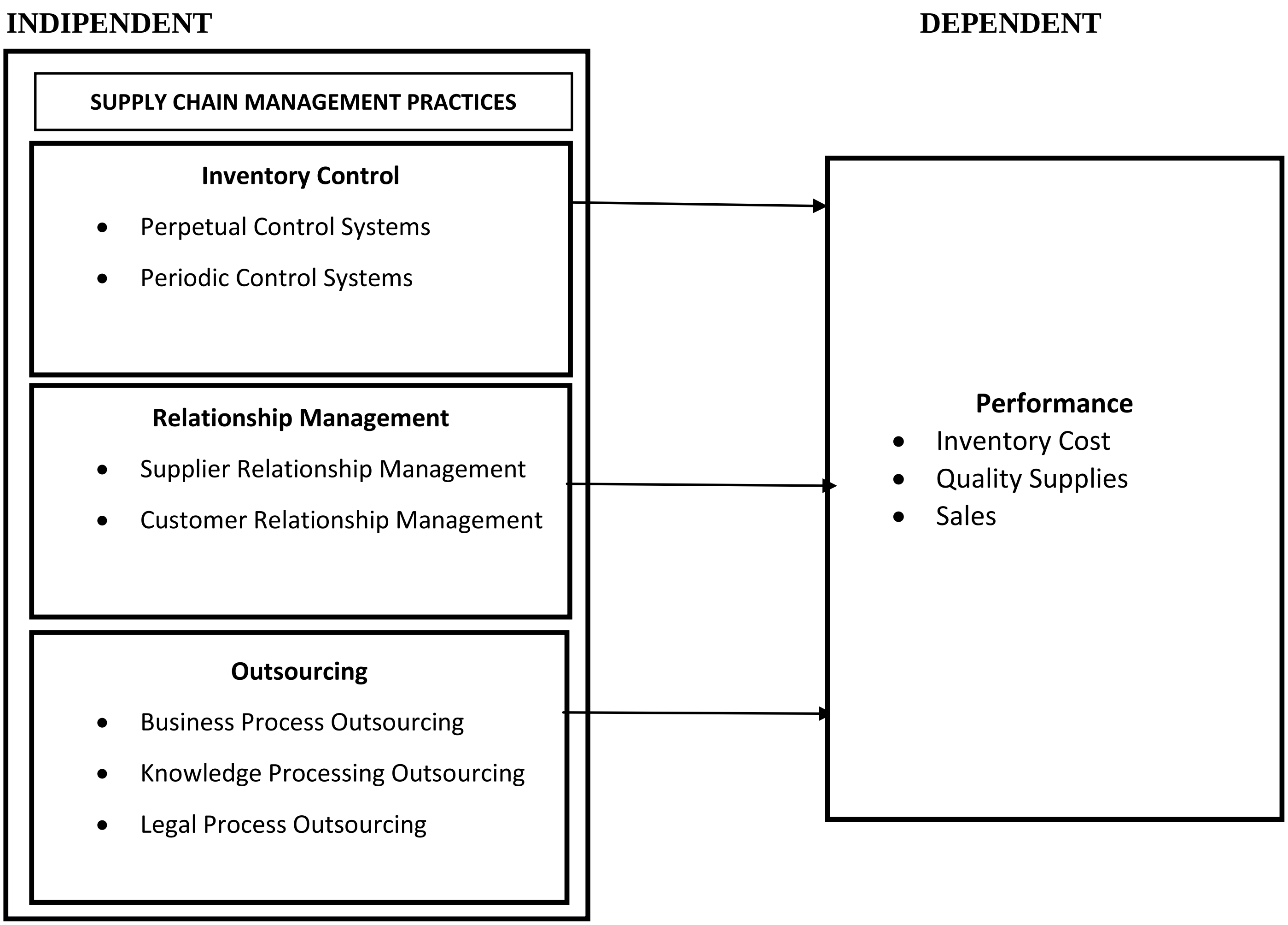
1.6 Significance of the Study

This study may be of great significance to supermarkets, as it may help establish appropriate supply chain management practices that affect their profitability.

The study may also be of significance to various policy-making organizations, which can be the findings to come up with policies on good supply chain practices and decision management.

Finally, the study may be of significance to other researcher, as it will add on to the available empirical evidence on supply chain management practices, firm success and supermarkets performance.

1.7 Conceptual Framework



1Figure1.1Conceptual Framework of the effect of Supply Chain Practices on Performance

(Adopted from Pfeffer and Salancik, 1978; Atrill, 2006)

The study conceptualizes a relationship between supply chain management practices and performance of supermarket in Luanda town. Supply chain management practice comprising of Inventory control practices, relationship management and outsourcing being the independent variable while performance comprising of inventory cost, quality supplies and sale being the dependent variable.

CHAPTER TWO

LITERATURE REVIEW

This chapter also looks into the theoretical literatures as developed by the recent researchers and empirical literature related to past studies and finally summary of literature gaps

2.1 Theoretical Review

The study was guided by the following theories; Economic Order Quantity Model Theory Resource Dependent Theory (RDT), commitment trust theory and the Theory of Customer Service.

2.1.1 Economic Order Quantity Model Theory (EOQ)

This model is an inventory control model and is based on minimization of costs, between stock holding and stock ordering. It requires the determination of economic order quantity (EOQ) which is the ordering quantity at which stock holding costs are equal to stock ordering costs (Saleemi, 1993). It suggests that the optimal inventory size is the point at which stock ordering costs are equal to the stock holding costs. The optimal inventory size is also known as economic order quantity (EOQ). This model helps an organization to put in place an effective stock management system to ensure reliable sales forecasts to be used in ordering purposes (Atrill, 2006). In order to ensure applicability of the EOQ model several assumptions must be taken into consideration. First, the usage of stored product is assumed to be steady. Second, ordering costs are assumed to be constant, i.e. the same amount has to be paid for any order size. Finally, the carrying costs of inventory which are composed of cost of storage, handling and insurance are assumed to be constant per unit of inventory, per unit of time. The EOQ model therefore merely takes variable costs into consideration, although it can easily be extended so as to include fixed costs (Ross et al., 2008). This model has been used in the past by Nyabwanga et al. (2012) in Kenya.

2.1.2 Resource Dependent Theory (RDT)

This theory concentrates on how some firms become reliant on others for needed inputs such as goods and materials, and how firms can manage such relationships (Pfeffer and Salancik, 1978). The asymmetric interdependence that exists in these inter-firm relationships is critical to reduce environmental uncertainty for some firms. As supply chain personnel work together closely, they often become more dependent on each other thus developing partnerships, alliances and cooperation. Thus, RDT has a high level of value in the supply chain context.

The assumptions in this theory include; commitment to partnership for mutual benefits, creating conditions favorable to be depended on by your partners to create a position of strength, trust in the partnership deal. Thus, from the perspective of best value supply chains, dependencies should be used to create mutual forbearance and trust, not to drive aggressive exploitation of one chain member by another.

2.1.3 The Theory of Customer Service

This theory is based on identifying and satisfying your customers' needs and exceeding their expectations. A company must be totally committed to delivering consistently high standards of service to gain and retain customer loyalty. Customer satisfaction and loyalty are inextricably linked to the quality of customer service and, ultimately, to the company’s competitive advantage hence profitability.

Key assumptions of the theory are; build a Customer Service Culture. Indoctrinate new employees into the customer service culture immediately. Provide comprehensive training programs that make them experts in their field. Empower employees to make decisions that lead to customer satisfaction. Reward outstanding employee performance with recognition in the company newsletter, celebratory dinners, prizes and other perks.

Know Your Customers by profiling them. You can ask them directly, through customer comment cards and surveys at your place of business and on your website. In addition to demographic details, learn what they like and dislike, and how your product or service directly benefits them. Note their buying preferences and interests. Consider how your customer perceives quality.

Communication, Establish a continuing dialog with your customers. Keep them informed of special promotions that appeal to their interests. Tell your customers how much you appreciate their business by letter, email or a telephone call. Ask for your customers' opinions on a regular basis to ensure you are consistently delivering good customer service. Pay attention to their changing needs, and introduce new products and services based on customer feedback gathered from surveys. Continually explore new ways to keep your customers engaged. Focus on caring for your existing customers and new ones will naturally follow.

2.1.4 Contractual Theory

For an outsourcing strategy to be implemented, it requires a legally bound contract which sets the institutional framework in which each party's rights, duties, and responsibilities are clearly defined. The goals, policies, practices, and strategies on which the arrangement is based are also specified in the contract. The purpose of the outsourcing contract is to facilitate proper exchange of services between the two parties, prevent misunderstanding, prohibit moral hazards in a cooperative relationship, and protect each party's proprietary knowledge. Properly written contracts prevents risks arising from non-performance and misunderstanding, and also reduces uncertainty likely to be faced by firm decision making process. The contract sets a procedure for conflict resolution (Luo, 2002). Legal experts emphasize the need for comprehensive contract which can serve as a reference point specifying how the client and the vendor relate (Kem and Willcocks, 2000).

2.1.5 Inventory Control Concept

Inventory refers to the value or quantity of raw material, suppliers, work in progress (WIP) and finished stock that are kept or stored for use as need arises (Lyons and Gillingham 1981). Raw material and commodities such as steel and timber that go into find product. Supplies include items such as Maintenance Repairs and Operating (MRO) inventory that do not go into the find product. Work in progress (WIP) is materials that have been partly fabricated but are not yet completed. Finished goods are completed items for find consumer or shipment (Kothari, 1992). Therefore, the concept of inventory management is the art and science of maintaining stock level of a given group of items incurring the least cost consistent with other relevant target and objective set by management (Jessop, 1999).

According to Chase and Aquilano (1995) stated that inventory management system should set policies and control that monitors levels of inventories and determine what level should be maintained, when stock should be replenished and how large orders should be. It is important that managers organizations that deals with inventory, to have in mind, the objective of satisfying customer needs and keeping inventory costs at a minimum level. Drury (2004) asserts that inventory costs include holding costs, ordering costs and shortage costs. Holding costs relate to costs of having physical items in stock. These include insurance, obsolescence and opportunity costs associated with having funds which could be elsewhere but are tied up in inventory. Ordering costs are costs of placing an order and receiving inventory. These include determining how much is needed, preparing invoices, transport costs and the cost of inspecting goods. Shortage costs result when demand exceeds the supply of inventory on hand. The costs include opportunity costs of making a sale, loss of customer goodwill, late charges and similar costs

2.1.6 Relationship Management Concept

According to Cavinato (2012), the term Relationship Management refers to the practice and process for interacting with suppliers and customers. Customers and supplier are the pivot in business.

Croxton and Rogers (2001) concurred that in many fundamental ways, SRM is analogous to Customer Relationship Management. Just as companies have multiple interactions over time with their customers, so do they interact with suppliers when negotiating contracts, purchasing, managing logistics and delivery, collaborating on product design, etc. The starting point for defining Supplier Relationship Management is a recognition that these various interactions with suppliers are not discrete and independent instead they are accurately and usefully thought of as comprising a relationship, one which can and should be managed in a coordinated fashion across functional and business unit touch-points, and throughout the relationship lifecycle (Bresnen, 2000).A study by Goko (2012), found out that that suppliers need to maintain reliable records, errors to be identified early, supermarkets to decentralize their management structures, suppliers should conform to two specifications and that senior level management should be fully committed especially in supplier development programs so as to overcome the challenges faced in supplier quality management

2.1.7 Outsourcing Concept

Outsourcing is a strategic management tool that involves contracting of a company's non-core, non-revenue generating activities to a third party, commonly referred to as service provider. The process of outsourcing entails a long relationship between the supplier and the beneficiary, with a high degree of risk sharing (Corbett, 2004). The essence of outsourcing is to look for expertise to handle certain business functions outside the existing firm. The decision making process that management must undergo when considering outsourcing hinges on a “make or buy” philosophy. Outsourcing emerged from the moribund economy of the 1980s and 1990s, with emphasis on cutting costs driving the primary focus of successful firms. The renewed focus on outsourcing has mainly been driven by changes in information technology, communication and reengineering organizations (Embelton and Wright1998

A number of writers have argued that enterprises will improve efficiency by concentrating on their core functions and outsourcing all peripheral activities to firms that specialize in such tasks (Cannon, 2009; Harrison and Kelley, 2003; Sharpe, 2007; Smith, 2001). The increasing use of contractors, for the supply of components and services, has been one of the notable trends in work organization over the past decade (Mayhew, Quinlan and Bennett, 2006). As Benson and Ieronimo (2006) reported most manufacturing firms surveyed had outsourced at least one activity with most planning further outsourcing within the next three years. This finding is supported by Wooden and Vanden(2006) who found that 90 per cent of the 522 workplaces surveyed had used contractors in the past year.

The concept of outsourcing is not new. Firms have been outsourcing since the early 1900s, although under a variety of labels (Cappelli, 1995; Chandler, 2004). The activities outsourced, however, were not generally central to the core objectives of the firm and usually made a low contribution to the value chain. Conventional wisdom was that outsourcing core activities or technologies would threaten the firms' competitive advantage (Bettis, Bradley and Hamel, 2009). The success of companies like Microsoft, Benetton and Nintendo has, however, demonstrated that a competitive advantage can be achieved through outsourcing arrangements. These firms have outsourced many of the traditionally perceived core competencies including product design, software development and distribution. Many of these firms are new and so are free from historical practices and cultural restraints.

According to Quinn (2000) all firms must re-examine their entire value chain and outsource those activities found not to be at a 'world class' standard. Mature firms are now beginning to appreciate that their current organizational arrangements may no longer be suitable for their key competencies. Indeed, significant advantages, such as lower costs, lower production and market times, and improved innovation, may result from market-based relationships (Stalk, 2008). This has led to an increasing number of firms outsourcing their key competencies and capabilities (Piore and Sabel, 2004).

2.1.8 Performance Concept

Profitability is ability of a company to use its resources to generate revenues in excess of its expenses. In other words, this is a company's capability of generating profits from its operations. Every firm is most concerned with its profitability. One of the most frequently used tools of financial ratio analysis is profitability ratios, which are used to determine the company's bottom line. Profitability measures are important to company managers and owners alike. If a small business has outside investors who have put their own money into the company, the primary owner certainly has to show profitability to those equity investors. There has been a growing number of studies recently that test for measures and determinants of firm profitability. Financial industry's profitability has attracted scholarly attention in recent studies due to its importance in performance measurement (Kallhoefer& Salem, 2008)

In manufacturing, a measure of excellence or a state of being free from defects, deficiencies and significant variations. It is brought about by strict and consistent commitment to certain standards that achieve uniformity of a product in order to satisfy specific customer or user requirements. ISO 8402-1986 standard defines quality as "the totality of features and characteristics of a product or service that bears its ability to satisfy stated or implied needs. The late American Management guru Peter F. Drucker said, "Quality in a product or service is not what the supplier puts in. It is what the customer gets out and is willing to pay for."

Customers judge quality through their perceptions. This makes measuring customer satisfaction difficult because customers cannot clearly specify in numeric values what makes them satisfied. Yet quality is delivered when you achieve the minimum requirement of a specified performance standard. Over the years business has had to find a way to define and measure quality so that companies can make products and deliver services to definable standards their customers will accept.

2.2Empirical Review

2.2.1 Inventory Control and Performance

In the management of inventory, the firm is always faced with the problem of meeting two conflicting needs: - maintaining a large size of inventory for efficient and smooth production and sales operations and maintaining a minimum level of inventory so as to maximize profitability (Pandey, 2008). Both excessive and inadequate inventories are not desirable. The dangers of excessive inventories are that stockholding costs are too high and as a result the firm's profitability is reduced. According to Mohammad (2011) managers can create value for shareholders by means of decreasing inventory levels. However, maintaining inadequate level of inventory is also dangerous because ordering costs are too high.

Khail (2001) stresses that to achieve customer satisfaction, inventory control ensures that purchase order releases are carefully timed from an analysis of demand supply lead time, and minimum order quantities. (Richard 2003) reveals that there is no organization that can thrive and prosper if it neglects customer satisfaction. Customer satisfaction is based on inventory control. Organization which have continuously failed to deliver goods to their customers as well as maintain optimal inventory levels to meet unexpected customer demands are lagging behind the experience curve and this has adversely affected the customer turnover, customers loyalty and customer satisfaction (Morgan, 2009). This therefore indicated there is a significant relationship between inventory control and customer satisfaction.

Mohamad, Suraidi, Rahman and Suhaimi (2016) in a case study of a textile chain store in Malaysia, examined the relation between inventory management and company performance and found that there inventory days was significantly related to return on assets. The study identified that the textile chain store company had unorganized inventory arrangement, large amount of inventory days and lacked accurate stores balances due to unskilled workers. Also, Victoire (2015) investigated the impact of inventory management on profitability in Rwanda using a manufacturing company as case study. The findings indicate that inventory management had significant impact on the company's financial performance.

Locally Nyabwanga, Ojera, Lumumba, Odondo and Otieno (2012) found that small scale enterprises often prepare inventory budgets and reviewed their inventory levels. These results were in agreement with the findings of Kwame (2007) which established that majority of businesses review their inventory levels and prepare inventory budgets. These findings had already been stressed by Lazaridis and Tryponidis (2006) that enhancing the management of inventory enables businesses to avoid tying up excess capital in idle stock at the expense of profitable ventures. Nyabwanga et al. (2012) assert that good performance is positively related to efficiency inventory management.

Anichebe and Agu (2013) Effects of Inventory Management on Organizational Effectiveness in selected organizations in Enugu, was carried out, to assess the impact of proper inventory management on organizational performances in Yemenite, Hardis&Dromedas, and the Nigeria Bottling Company all in Enugu, Enugu State. From the analyses, it was discovered that irrespective of the fact that the organizations studied, painted the picture that they were applying the tenets of good inventory management, they from time to time run into the problems of inventory inadequacy. This consequently affected their production, leading to the scarcity of one brand of their products or the other, thereby affecting their profitability and consequential effectiveness negatively. The Findings indicate that there is a significant relationship between good inventory management and organizational effectiveness. Inventory management has a significant effect on organizational productivity. The study concluded that Inventory Management is very vital to the success and growth of organizations. The entire profitability of an organization is tied to the volume of products sold which has a direct relationship with the quality of the product against this background, the study recommended that Organizations should diversify their inventory system to suit specific needs of production and that management should closely monitor and manipulate their inventory system to maintain production consistency.

Edwin and Florence (2015) The Effect of Inventory Management on Profitability of Cement Manufacturing Companies in Kenya: A Case Study of Listed Cement Manufacturing Companies in Kenya. Given the milestone contribution of the Cement manufacturing firms to the economy of Kenya, this research is necessary to evaluate the effects of inventory management on the profitability of the Cement manufacturing firms in Kenya. A cross-sectional data from 1999 to 2014 was gathered for the analysis of the annual reports for the three sampled firms listed at Nairobi Securities Exchange (NSE). The ordinary least squares (OLS) stated in the form of multiple regression models was applied in the data analysis to establish the relationship between inventory management and firm’s profitability. The variables used include inventory turnover, inventory conversion period, Inventory levels, storage cost, size of firm, gross profit margin, Return on assets and growth of the firm. The results provide a negative relationship between inventory turnover, inventory conversion period and storage cost with the profitability of the company. In addition, inventory level was found to be directly related to firm's size and storage cost. The study recommends that the Cement manufacturing firms in Kenya should strive to ensure that the right stock is kept in their warehouses to hedge against excessive holding cost and stock-outs.

Sitienei and Memba (2015) using similar analysis techniques examined the effect of inventory management on the profitability of cement manufacturing companies in Kenya. Their study findings revealed that inventory turnover, inventory conversion period, and inventory storage costs were negatively related to profitability.

Sekeroglu and Altan (2014) investigated the effect of inventory management on the profitability of firms in the weaving, food, wholesale and retail industries in Turkey from 2003 to 2012. The study employed regression and correlation techniques using the computer software SPSS 20 version to analyze data collected from the income statements of the selected firms. The results showed positive relationship between inventory management and profitability in the food industry, but no relationship in the weaving, wholesale and retail industries. In a related study, Tatu and Meba (2015) using similar analysis techniques examined the effect of inventory management on the profitability of food processing industries in Kenya. Their study findings revealed that inventory management and inventory storage costs were negatively related to profitability.

Previous reviewed studies instance Mohamad, Suraidi, Rahman and Suhaimi (2016) examining the relation between inventory management and company performance considered inventory days as a measure of inventory management. Nyabwanga, Ojera, Lumumba, Odondo and Otieno (2012) establishing the effect of inventory management on performance considered inventory budgets and inventory levels. Anichebe and Agu (2013) investigating the effects of Inventory Management on Organizational Effectiveness in selected organizations in Enugu descriptively assessed the impact of proper inventory management on organizational performances. Edwin and Florence (2015) investigating the effect of Inventory Management on Profitability of Cement Manufacturing Companies in Kenya considered inventory turnover, inventory conversion period, Inventory levels, storage cost, size of firm, gross profit margin, Return on assets and growth of the firm. Sitienei and Memba (2015) examining the effect of inventory management on the profitability of cement manufacturing companies in Kenya focused on inventory turnover, inventory conversion period, and inventory storage costs. Sekeroglu and Altan (2014) investigating the effect of inventory management on the profitability of firms in the weaving, food, wholesale and retail industries in Turkey from 2003 to 2012 looked at the inventory cost. These studies have attempted to establish the effect of inventory management on performance using concepts like inventory levels, inventory cost, inventory turnover, inventory conversion period and inventory storage cost. However no previous reviewed study looked at inventory control systems (perpetual and periodic review systems) that this study has considered and information on the effect of inventory control systems if perpetual systems and periodic review are used as metric is therefore lacking and warrants a study.

2.2.2 Relationship Management and Performance

Trust, commitment, communication and mutual goals are noted to be vital elements that bring about effective supplier relationships. These elements have a positive impact on organizational performance. They not only enhance efficiency and reduction of costs through collaborative engagements with suppliers but also strengthen the supplier's involvement in the overall strategy of the organization (Wangeci, 2013).

Wangeci (2013) conducted a study on supplier relationship management and supply chain performance in the alcoholic beverage industry in Kenya. The specific objectives of the study was to establish the extent of SRM in alcoholic beverage industry; to determine the impact of SRM on supply chain performance in alcoholic beverage industry in Kenya and to determine the challenges faced in implementing SRM in alcoholic beverage industry in Kenya. The study adopted descriptive design to describe the impact of SRM on organizational performance.

The target population and sample was from Procurement staff from alcoholic beverage industries. Regression analysis was used to determine the relationships between the variables. The study concluded that firms in the alcohol beverage industry are moving towards collaborative relationships with their suppliers to improve on their supply chain performance.

Mwirigi (2011) in his study sought to establish the role of supply chain relationships in the growth of small enterprise firms in Kenya. The target population of the study was small enterprises that are loan clients of FAULU Kenya. To understand the role played by supply chain relationships among respondent firms, the study examined various relationships. The research found out that supply chain relationships play a critical role in the growth of small enterprises. They contribute to the growth and profitability of these firms in many ways. Findings of this study indicated that a strong sustainable relationship between an enterprise and its customers on one hand, and its suppliers on the other hand have a bearing on the speed of growth in transactions and profitability. The study concluded that there is need for the process of creation of supply chain relationships to be approached in a more structured way to enhance its role in the growth of small enterprises.

Tangus (2015) studied the Effect of Supplier Relationship Management (SRM) Practices on performance on Manufacturing Firms in Kisumu County, Kenya. Her study found out that trust is a critical factor fostering commitment among supply chain partners. She further discovered that the presence of trust improves measurably the chance of successful supply chain performance. A lack of trust among supply chain partners often results in inefficient and ineffective performance as the transaction costs (verification, inspections and certifications of their trading partners) amount.

Furthermore, other studies have been done on SRM. Samuel (2014) conducted an empirical study on the effect of buyer- supplier partnership on better service delivery within non-governmental organizations involved in humanitarian work, taking the case of World Vision

Internationally Cheung (2011) studied relationship management as a strategy for supply chain engagement in the civil engineering construction industry in Queensland, Australia. (Paiva, 2013) analyzed the influence of the buyer-supplier relationship continuity on service performance among companies that are users of international maritime transport belonging to the machinery and food industries.

Mettler and Rohner,(2014) studied supplier relationship management in the context of health care by illustrating the impact of the implementation of SRM principles in a leading Swiss hospital. Locally, (Ndambuki, 2014) studied the relationship between supply chain integration and supply chain performance of international humanitarian organizations in Kenya. In their study (Ondieki and Oteki, 2014) assessed the effect of supplier relationship on the effectiveness of supply chain management practices.

Previous studies for instance Wangeci (2013) conducted a study on supplier relationship management and supply chain performance in the alcoholic beverage industry in Kenya. Mwirigi (2011) sought to establish the role of supply chain relationships in the growth of small enterprise firms in Kenya considered. Tangus (2015) studied the Effect of Supplier Relationship Management (SRM) Practices on performance on Manufacturing Firms in Kisumu County, Kenya. Samuel (2014) conducted an empirical study on the effect of buyer- supplier partnership on better service delivery within non-governmental organizations involved in humanitarian work, taking the case of World Vision International looked at. Cheung (2011) studied relationship management as a strategy for supply chain engagement in the civil engineering construction industry in Queensland. Mettler and Rohner, (2014) studied the supplier relationship management in the context of health care by illustrating the impact of the implementation of SRM principles in a leading Swiss hospital. Locally, (Ndambuki, 2014) studied the relationship between supply chain integration and supply chain performance of international humanitarian organizations in Kenya. Previous studies reviewed although attempted to establish the relationship between relationship management and performance only considered supplier relationship management. However no study reviewed looked at customer relationship management which is another type of relationship management and information if the two types of relationship management supplier relationship management and customer relationship management are used together is therefore lacking and warrants investigations.

2.2.3 Outsourcing and Performance

Outsourcing is strategic management tools that involve contracting of a company’s non-core, non-revenue generating activities to a third party, commonly referred to as service provider. The process of outsourcing entails a long relationship between the supplier and the beneficiary, with a high degree of risk sharing (Corbett, 2004). The essence of outsourcing is to look for expertise to handle certain business functions outside the existing firm. The decision making process that management must undergo when considering outsourcing hinges on a “make or buy” philosophy. Outsourcing emerged from the moribund economy of the 1980s and 1990s, with emphasis on cutting costs driving the primary focus of successful firms. The renewed focus on outsourcing has mainly been driven by changes in information technology, communication and reengineering organizations (Embelton and Wright1998).

Heartman and Bengtsson (2007) point out that Business Process Outsourcing (BPO) gives tremendous help to companies to concentrate on the core areas of business. The most important factor in the growth of the BPO market worldwide today, is an increase in the number of enterprises that are reviewing their internal operations is an attempt to fully understand their true competencies. In this process companies are able to focus more on their core competencies to improve performance. Elmuti (2003) finally adds that those companies that are successful in outsourcing share the same success factors. These factors include clear understanding of their core activities, conducting adequate research and planning, and most importantly have developed clear objectives, goals and expectations of outsourcing activities. It is also essential that the right partners are selected based on a criteria like credibility, expertise and reliability.

Studies from the Resource Based View perspective suggest that firms base their decisions on whether outsourcing reduces costs or builds strategic advantages (Sharpe, 2007). This has generated much research on how using outsourcing to cut costs or gain strategic advantages affects firm performance. A review of the literature reveals that most empirical research and discussion examine cost cutting and strategic advantages as mutually exclusive motives for outsourcing (Quinn, Doorley, and Pacquette, 2000). Moreover, news releases and the business press often cite both motives as influencing a firm's decision to outsource. In fact, 27.5% of the outsourcing announcements in Sharpe‟s (2007) study's sample explicitly cite both motives for outsourcing. For example, Unilever announced outsourcing its data network operations to cut overhead and increase efficiency in the short run, while enhancing product development and marketing in the long run (Keller, 1992). Similarly, Kodak announced that it anticipated immediate cost reduction and long-term gain in market share by outsourcing certain components in digital camera manufacturing (McWilliams, 2005).

Outsourcing is never a fix for poor internal systems, Wright (2001) stressed. You have to fix your own processes within the company first, before outsourcing, or you will have a bigger headache on your hands than when you started.

Kwong (2012) in his study concluded that businesses are gaining competitive advantage by outsourcing none core activities to a third party thereby expanding the network on different locations and even going internationally. The study also narrowed down to financial performance. A study by Rudolf Leuschner and Craig R. Carter (2013) concluded that outsourcing within the firms enable companies to perform well. However its findings are limited to the quality of work being outsourced.

A study by Sang (2010) on the other hand found out that rapid expansion of companies programmers and decentralization of their functions are as a result of outsourcing of some of their functions to a third party which leads to maintaining good supplier relationship, effective and efficient internal operation, flexible production processes. A study by Mutual (2012) found out that outsourcing among Kenya supply chain firms has enhanced the performance on cost reduction, company growth, elimination of waste, focusing on strategic course etc

Empirical studies on the relationship between outsourcing to cut costs and its expected impact on a firm's value show mixed results. Farag and Krishnan (2003) tested the anticipated performance effect of outsourcing in which firms announced attempts to cut costs by automating an existing business function. Their findings showed significant negative CARs. In another study, Gallivan, and Kim (2006) found a marginally significant positive relationship between outsourcing motivated by cost cutting and CARs.

Previous reviewed study’s for instance Kwong (2012) studying concluded that businesses are gaining competitive advantage by outsourcing none core activities to a third party thereby expanding the network on different locations and even going internationally. The study also narrowed down to financial performance. Leuschner, R and Craig R. Carter (2013) studying the impacts of outsourcing on firms performance.

Sang (2010) on the other hand found out that rapid expansion of companies’ programmes and decentralization of their functions are as a result of outsourcing of some of their functions to a third party which leads to maintaining good supplier relationship, effective and efficient internal operation, flexible production processes. Mutual (2012) investigating the effect of outsourcing on performance and Farag and Krishnan (2003) determining the anticipated performance effect of outsourcing on manufacturing firms. Reviewed studies have attempted to establish the effect of outscoring on performance however, previous studies have only looked at the outsourced functions and not the outsourcing practices Business Process Outsourcing, Knowledge Processing Outsourcing and Legal Process Outsourcing and information on the effect of the outsourcing practices and performance is therefore lacking and warrants investigation

2.3 Summary of literature gaps

Previous studies have attempted to establish the effect of inventory management on performance using concepts like inventory levels, inventory cost, inventory turnover, inventory conversion period and inventory storage cost. However no previous reviewed study looked at inventory control systems (perpetual and periodic review systems) that this study has considered and information on the effect of inventory control systems if perpetual systems and periodic review are used as metric is therefore lacking and warrants a study.

Previous studies reviewed although attempted to establish the relationship between relationship management and performance only considered supplier relationship management. However no study reviewed looked at customer relationship management which is another type of relationship management and information if the two types of relationship management supplier relationship management and customer relationship management are used together is therefore lacking and warrants investigations.

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CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents the research methodology that is applied in conducting the study. In it the research design, target population, sample and sampling technique, data collection methods instruments reliability and validity test as well as data analysis technique have been discussed.

3.1 Research Design

The study adopted a correlation research design. This design enabled the researcher to assess the degree of relationship that exists between two or more variables. It analyzes the correlation between two or more variables (Orodho 2003). This design was important to this study because it enable the researcher to establish the effect of inventory control practices, relationship management and outsourcing on performance of supermarkets in Luanda Town.

3.2 Study Area

The study was undertaken in Luanda town, which is in Vihiga County the Western of Kenya, located along the Kisumu-Busia highway. It is one of the administrative divisions in Emuhaya district initially under Vihiga District until 2007 when Emuhaya district was created. Luanda is located a few kilometers from the Equator at Maseno, its geographical coordinates being 0° 0' 0'' North, 34° 35' 0'' East. The town has an estimated population of 21,000 people and is a significant business point in Bunyore. It is also a transit point for road travelers connecting to various towns in Western Kenya. Major bus routes via Luanda include the Luanda-Maseno-Kisumu, Luanda-Siaya, Yala-Busia, Maseno-Kisumu, Ebwiranyi-Kombewa, Luanda-Emusire, Esiandumba-Akala-Bondo, Kima-Vihiga, Luanda-Kakamega, Mwichio-Emusire and Luanda-Yala through Es'saba, Habuchichi and Ebuyangu.

3.3 Targeted Population

Mugenda and Mugenda (2003) described population as, the entire group of individuals or items under consideration in any field of inquiry and have a common attribute. The target population of this study was staff working in the customer service, procurement and stores department of all the eight supermarkets in Luanda Town.

Table 3.1: Population Distribution

	Supermarkets	Procurement	Stores	Customer Service	Total
1	Pramukh	4	4	4	12
2	Muzna	4	4	4	12
3	Dawaa	4	4	3	11
4	Yogi	4	4	4	12
5	Juniors	3	4	4	11
6	Highway	4	3	4	11
7	Ultimate point	3	4	4	11
8	Ebenezer	4	4	4	12
		Total			**92**

(Survey Data, 2019)

3.4 Sample and Sampling Technique

The sample size for the study was 48 respondents. The target population was first stratified into strata's then randomly from the strata's. Stratified random sampling is defined as a method of sampling involving grouping of a population into smaller categories known as strata. The strata in this study comprised of procurement department, stores department and customer services department according to Kothari (2004) strata should be formed on the basis of the members shared characteristics or attributes and hence this study will only focused on the staff working in the supermarket. A random sample from each stratum will be taken from each supermarket in a number proportional (30% or more from each stratum) to the stratum's size when compared to the population. These strata subsets will then be pooled to form a random sample.

3.5 Data Collection Methods

3.5.1 Data Type and Source

Data for this study was primary data. The data was obtained from the respondent in the three department's i.e. procurement, stores and customer service. Procurement personnel responding to question on outsourcing, store's personnel responding to questions on inventory control and customer service responding to questions on relationship management. This was done to ensure that only those dealing with the functions responds to inquiries allowing the study collect relevant data.

3.5.2Data Collection Procedure

Due to the nature of the respondents, the questionnaires were dropped to the respondents by the researcher. This ensured that the respondents were informed of the purpose of the study and assured of the confidentiality involved in the study. In order to increase the response rate, the respondents were reminded to complete the questionnaires via telephone calls and physical visits were made to pick the questionnaires.

3.5.3 Data Collection Instrument

The primary data was collected using structured questionnaires. The questionnaires consisted of structured questions and the respondent only allowed ticking where appropriate. According to Kothari (2004) primary date is the data collected a fresh for the first time while secondary data is that data that has already been collected and passed through statistical process. A semi-structured questionnaire was used in this study to collect data. Questionnaires are the most commonly used methods when respondents can be reached and are willing to co-operate. These methods can reach a large number of subjects who are able to read and write independently and since the staff working in these supermarkets can read and write, the use of questionnaires was the best method to use in this study. Mugenda and Mugenda (2003) observed that, questionnaires are very economical in terms of time, energy and finances.

3.5.4 Reliability of Research instruments

Reliability refers to the degree of consistency between two measures of the same kind. An instrument must measure consistently for it to be considered reliable. Thus an individual should obtain the same result on another administration of the same instrument (Kothari 2004). Test retest method was used to establish the reliability of the data collection instrument. This required at least 10% of the sample population according to (Mugenda, Mugenda, 2003). This number was drawn from the eight supermarkets participating in the study but using employees from the stores, procurement and customer service department that did not participate in the final study. A correlation coefficient of 0.87 was established and this was a suffice evidence that the instrument was reliable in reference to the works of Orodho, 2004 who suggested a cut of 0.7 or above between the first test and the second test as sufficient measure of reliability test.

3.5.5 Validity of the research instrument

Validity refers to the extent to which the test measures what it is supposed to measure (Kothari, 2004). It is the degree to which result obtained from the analysis of the data represents. The phenomenon under study (Mugenda) and (Mugenda, 2003). In this study, the researcher established content validity which measures the degree to which the sample of the item represents the content that the test is designed to measures. Content validity of the instrument was ascertained through expert review by Academician in the school of business and Economics Maseno University and practitioners from the supermarkets in Kisumu County.

3.6 Data Analysis

According to Cooper & Schindler (2006), data analysis involves decrease of accumulated data to a size that is manageable, coming up with summaries, looking for patterns and applying statistical techniques. Additionally, Kothari (2004) indicates that analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision-making.

The study employed both descriptive and regression analysis. Descriptive analysis was used to establish the composite mean of the subscale which was then used in the regression. Regression analysis was used to establish the effect of the three independent variables on the dependent variables.

The following regression equation model was adopted.

$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$…………………………………………………………………....3.1

Where Y= Performance (mean of inventory cost, sales, quality of supplies)

X_1 Inventory Control

X_2 Relationship Management

X_3 Outsourcing

e = Error term (Assumptions: other variables not included in the study)

3.7 Ethical consideration.

In carrying out this study there was need to ensure that the study does not contravene the ethical issues. Hence the following measures were taken; all the necessary permissions were acquired, the research question had been framed such that inconvenience and embarrassment was not caused to the participant in the research. And finally the consent of the respondent was obtained before they participated in the research.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter presents data analysis, findings, interpretation and presentation. The purpose of the study was to determine effect of supply chain management practices on performance of supermarkets in Luanda Town. The chapter presents findings of the analysis, based on the objectives of the study as explored by the questionnaires where both descriptive and regression analysis have been employed.

4.1. Response Rate

Table 4.1: Response Rate

Gender	Frequency	Percent
Filled and Returned	40	83.3
Unreturned	8	16.7
Total	**48**	**100**

Source: (Survey Data, 2019)

The sample size of 48 respondents was targeted by the study from which only 40 filled in and submitted the questionnaires leading to response rate of 83.3%. In making conclusion for the study, this response rate was satisfactory as per (mugenda and mugenda 1999).The response rate was a representation as a 50% response rate is adequate for analysis and reporting. A rate of 60% is good and a response rate of 70% and above is excellent. The response rate was considered to be excellent based on the assertion.

4.2 Inventory Control Adoption

The study sought to establish the extent inventory control affect supermarket performance. The results were recorded in table 4.2below for interpretation purposes.

Table 4.2: Extent of Inventory Control Adoption.

	Mean
The supermarket review inventory level periodically	4.225
The supermarket carry out inventory tracking	4.201
The supermarket determines appropriate reorder level of stock	4.347
The supermarket uses inventory management techniques to determine inventory level	3.984
The supermarket keeps accurate inventory records	3.968
The supermarket make timely response to customer reference to ensure stock availability	3.862
The supermarket has put in place proper material handling in cases of stock outs	3.545
Composite mean (4.019)	

Source: (Survey Data, 2019)

The table 4.2 above shows that the respondents agreed that supermarket review inventory level periodically with a mean of 4.225. The supermarket carry out inventory tracking with mean of 4.201. Further on whether the supermarket determines appropriate reorder level of stock with a mean of 4.347. The supermarket uses inventory management techniques to determine inventory level with a mean of 3.984.Whether supermarkets keep accurate inventory record with a mean of 3.968. The supermarkets make timely response to customer reference to ensure stock availability with a mean of 3.862. Finally the respondents agreed that the supermarket has put in place proper material handling in cases of stock outs with a mean of 3.545.

4.3 Relationship Management Adoption

The study sought to inquire from respondents the extent to which relationship management affect supermarket performance. The results are recorded in table 4.3 below for interpretation purposes.

Table 4.3: Extent of Relationship Management Adoption

	Mean
The supermarket periodically evaluate the importance of its relationship with customer	4.230
Customer relationship has enable increase sale	4.320
In our supermarket there is evaluation of customer complaint	4.455
In our supermarket we meet customer expectation	4.522
There is interaction with customer to set standards measuring customer satisfaction	4.465
In our supermarket good knowledge of customer desire increases customer loyalty	4.503
The supermarket consider quality as number one criterion in selecting supplier	3.900
There is continuous improvement programs that include supermarket key suppliers	3.763
There is willingness to engage the supplier in future business opportunity	3.443

Composite mean(4.343)

Source: (Survey Data, 2019)

The respondent agreed that supermarket periodically evaluate the importance of its relationship with customer with a mean of 4.230.Customer relationship has enable increase sale with a mean of 4.320.Whether there is evaluation of customer complaint a mean of 4.455. They also agreed that customer expectations are meet with a mean of 4.522.There is interaction with customer to set standards measuring customer satisfaction with a mean of 4.465.The respondent also agreed that good knowledge of customer desire increases customer loyalty with a mean of 4.503. The supermarkets consider quality as number one criterion in selecting supplier with a mean of 3.900. There are continuous improvement programs that include supermarket key suppliers with a mean of 3.763.Finally whether there is willingness to engage the supplier in future business opportunity with a mean of 3.44.

4.4 OutsourcingAdoption

Results on whether outsourcing resulted to supermarket performance were recorded in table 4.4 below for interpretation purposes.

Table 4.4: Extent of Outsourcing Adoption

	Mean
Legal compliance	4.251
Sharing and reducing risk	4.411
Performance per employee has increase due to outsourcing	4.411
Outsourcing has helped this supermarket to improve quality of its product/service	4.621
Outsourcing has helped this supermarket increase its sale	4.324
Outsourcing has helped this supermarket expand into other market	4.600
Outsourcing has helped the supermarket become more competitive in the market	4.240
Outsourcing has helped this supermarket reduce cost	4.200
Outsourcing has enable this supermarket to hire people to do its work affordably	4.354

Composite mean(4.423)

Source: (Survey Data, 2019)

The participant agreed that the supermarket follow due laws on matters related to outsourcing with a mean of 4.251. Sharing and reducing risk with a mean of 4.411.Performance per employee also increased due to outsourcing with a mean of 4.411. Outsourcing helped the supermarket improve quality of its product/service with a mean of 4.621. Outsourcing helped supermarket increase its sale with a mean of 4.324.Outsourcing also helped the supermarket expand into other market with a mean of 4.600.Further on whether Outsourcing has helped the supermarket become more competitive in the market with a mean of 4.240.Outsourcing helped the supermarket reduce cost with a mean of 4.200.Finally Outsourcing enabled the supermarket hire people to do its work affordably with a mean of 4.35

4.5 Regression Analysis

Regression analyses are a set of techniques that can enable us to assess the ability of an independent variable(s) to predict the dependent variable(s). As part of the analysis, Regression Analysis was done. The results are as seen on Table 4.5, 4.6 and 4.7

4.5.1 Model Summary

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.953[a]	.907	.815	.11439

a. Predictors: (Constant), relationship management, outsourcing, inventory control,

Source: (Survey Data, 2019)

Table 4.6 shows that there is a good linear association between the dependent and independent variables used in the study. This is shown by a correlation (R) coefficient of 0.953. The determination coefficient as measured by the adjusted R-square presents a stronger relationship between dependent and independent variables given a value of 0.815. This depicts that the model accounts for 81.5% of the total observations while 18.5% remains unexplained by the regression model.

4.5.2: Analysis of Variance (ANOVA)

Table 4.6: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.384	3	.128	9.793	.047[a]
	Residual	.039	3	.013		
	Total	.424	6			

a. Predictors: (Constant), relationship management, outsourcing, inventory control,

b. Dependent Variable: Performance of supermarkets in Luanda

The ANOVA statistics presented in the table above was used to present the regression model significance. The F-statistics produced (F = 9.793.) was significant at 5 per cent level (Sig. F< 0.05), thus confirming the fitness of the model and therefore, there is statistically significant relationship between inventory control, relationship management, outsourcing and supermarket performance.

An F-significance value of p = 0.047 was established showing that there is a Probability of 4.7% of the regression model presenting false information. Thus, the model is significant as this is less than the set α of 0.05.

4.5.3 Multiple Regressions

The study sought to establish the relationship between the independent variables and dependent variable. The following tables attempted to give the relationship in regression model;

Table 4.7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	14.525	2.340		6.208	.008
	Inventory control	0.144	.224	.146	.643	.006
	Relationship management	0.265	.245	.221	1.080	.009
	Outsourcing	0.989	.388	1.041	5.122	.014

a. Dependent Variable: performance of supermarkets

Source: (Survey Data, 2019)

The regression model indicates that when other factors (relationship management, outsourcing, inventory control) are at zero or held constant, the performance of supermarkets will be at 14.525.

From Table 4.7, the coefficients of the model were all positive for inventory control (0.144), outsourcing (0.989) and relationship management (0.265) all of which were significant at 0.05 significance levels. The findings show that all the variables had a significant effect on performance of Supermarkets in Luanda Town.

Inventory controls was established to be having a significant effect on performance ($\beta = 0.144$, $p = 0.006$).This statistically indicates that a change of one standard deviation in inventory control results in a (0.144) standard deviations decrease in performance of the supermarkets. Ideally if the supermarkets were to adopt more inventory control practices then their performance would be enhanced positively. A p value of 0.006 is a sufficient evidence to conclude that inventory control has a significant effect on performance and therefore the null hypothesis that inventory controls have no significant effect on performance of supermarket in Luanda Town is therefore rejected

Secondly relationship management was established to be having a significant effect on performance ($\beta = 0.265$, $p = 0.009$).This statistically indicates that a change of one standard deviation in relationship management results in a (0.265) standard deviations decrease in performance of the supermarkets. Ideally if the supermarkets were to adopt more relationship management practices then their performance would be enhanced positively. A p value of 0.009 is a suffice evidence to conclude that relationship management has a significant effect on performance and therefore the null hypothesis that relationship management have no significant effect on performance of supermarket in Luanda Town is therefore rejected.

Lastly outsourcing was established to be having a significant effect on performance ($\beta = 0.989$, $p = 0.014$).This statistically indicates that a change of one standard deviation in outsourcing results in a (0.989) standard deviations decrease in performance of the supermarkets. Ideally if the supermarkets were to outsource more of their none core functions then their performance would be enhanced positively. A p value of 0.014 is a suffice evidence to conclude that outsourcing has a significant effect on performance and therefore the null hypothesis that outsourcing has no significant effect on performance of supermarket in Luanda Town is therefore rejected.

These results are in line with the finding of according to Nyabwanga, Ojera, Lumumba, Odondo and Otieno (2012) found that small scale enterprises often prepare inventory budgets and reviewed their inventory levels. These results were in agreement with the findings of Kwame (2007) which established that majority of businesses review their inventory levels and prepare inventory budgets. These findings had already been stressed by Lazaridis and Tryponidis (2006) that enhancing the management of inventory enables businesses to avoid tying up excess capital in idle stock at the expense of profitable ventures. Nyabwanga et al. (2012) assert that good performance is positively related to efficiency inventory management.

On relationship management this finding were in line with the finding of Mwirigi (2011) who concluded that his study indicated that a strong sustainable relationship between an enterprise and its customers on one hand, and its suppliers on the other hand have a bearing on the speed of growth in transactions and profitability.

A study by Mutual (2012) found out that outsourcing among Kenya supply chain firms has enhanced the performance on cost reduction, company growth, elimination of waste, focusing on strategic course. His finding was in line with according to Kwong (2012) who concluded that gaining competitive advantage by outsourcing none core activities to a third party affect supermarkets performance positively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter seeks to summarize the findings of the research, give a conclusion, recommendation, and further research suggestions.

5.1 Summary of the Findings

The purpose of this study was to determine the effect of supply chain management practices on performance of supermarkets in Luanda Town. With specific objective of determining the effect of inventory control practice on performance of supermarkets in Luanda Town, establishing the effect of relationship management on performance of supermarkets in Luanda Town, and determining the effect of outsourcing practices on the performance of supermarkets in Luanda, town. Hypothesis postulated that inventory control had no significant effect on supermarket performance. The multiple regression result presented in table 4.7 revealed that inventory control positively and significantly affects performance of supermarket in Luanda. The implication is that a unit standard deviation increases in inventory control has a potential to improve the supermarket performance. The hypothesis that inventory control had no significant effect on performance was therefore not supported.

In the second objective it is evidence that good relationship management positively affect supermarket performance. At the same time the supermarket periodically evaluates the importance of its relationship with customers it is therefore apparent that the supermarkets realize the importance of embraces supply chain management practices. There is established supplier relationship geared towards meeting customer expectation and this can be evidenced with respondent agreeing of the same.

The last hypothesis stated that Outsourcing practices have no significant effect on the performance of supermarkets in Luanda Town. Regression results indicated that outsourcing practices positively affected supermarkets performance. In other words these results show that when acting jointly, improvement in relationship management, outsourcing, inventory control would result to performance of supermarkets in Luanda town.

5.2Conclusion

Based on the first objective the study concludes that there is a positive relationship between inventory control and supermarket performance given that the supermarket carry out inventory tracking periodically to review inventory level, this in return ensures stock availability and hence supermarket make timely response to customer reference thus creating a positive significance on supermarket performance.

Based on the second objective, it is therefore clear that an effective supplier partnership and customer partnership can be a critical component of a leading edge in supply chain practices.

A strategic relationship management emphasizes long-term relationship between trading partners and "promotes mutual planning and problem solving efforts". Furthermore it is concluded that the supermarket evaluate customer complaints periodically this however enable supermarket create good relationship with its customer, by meeting customer expectation. The ability to meet customer desire increases customer loyalty. It is concluded that supplier selection, continuous improvement that includes supermarket key suppliers, emphasis on price quality and delivery are the key parameter that rejected a null hypothesis on this adjective.

Based on the third objective, Outsourcing has become a strategic human resource approach in our current competitive business environment. Companies involved in the practice need to stick to their core competencies and go for strategic outsourcing to reduce cost and become more effective in their customer service. A company's business success could be determined on how well it manages its outsourcing relationship In general, organizations outsource to achieve cost reductions and/or to be able to focus on their core business. They also resort to outsourcing as a way to achieve more efficient, effective and competent functions in their processes.

One of the fasters growing changes currently adapted by supermarket is to outsource non-essential but critical functions to a large scale service provider that is commonly referred to as Business Process Outsourcing or BPO (Namasivayam, 2004).

5.3 Recommendations

On the first objective the study recommends that supermarkets should minimize the cost associated with holding stocks and ordering costs (which includes materials, labor and service costs) to attain their optimum performance level. Management should look to encourage continued use of modern inventory systems in order to optimize performance of the supply chain and by consequence overall performance of the supermarkets.

On the second objective the study recommends that supply chain professionals in the supermarket should embrace collaborative relationships with their suppliers so as to optimize their supply chain costs. This can be through establishing clear communication networks, joint risk assessment and management and having strategic relationship with their key partner.

On the final objective therefore, Supermarkets should outsource their noncore business to outside providers that can bring great competitiveness. This is because outsourcing gives supermarket staff more time to concentrate on core competences to produce better quality products and outcompete their competitors in the market hence a competitive advantage. Secondly supermarkets should come up with clear acknowledgement on whether the provider will be able to respond reasonably to the expectations and frequent changes in business and technology requirements to ensure continuity in service provision.

5.5 Suggestions for Further Research

Further studies should be considered to explore the drivers and the challenges of inventory management practices in supermarkets in other region. This would be useful to understand the drivers that influence the embracement of inventory management practices and the challenges being faced by supermarkets which have embraced inventory management practices.

This study focused on Relationship Management and supermarkets Performance in Luanda town as an objective further research on other manufacturing firms should also be done on the same. And lastly the study recommends similar studies on supply chain management practices but with different practices like information sharing, postponement, lean practices and so on

The study examines outsourcing and its effect on the performance of supermarket as an objective; therefore, further research should be carried out on evaluating the role of procurement practitioners in effective outsourcing.

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APPENDICES

Appendix I: Introduction Letter

Julius O. Odhiambo

Dear Respondent,

RE: REQUEST FOR RESEARCH DATA

I am a postgraduate student in Maseno University school of Business and Economics, Department of Management Science. I am conducting a study on the effect of Supply Chain Management practices in the performance of supermarkets in Luanda town

I kindly request that necessary information be provided for this study. The information collected is purely for academic purpose and thus will be treated with utmost confidence it deserves. A final copy of the report will be availed to you at your request.

Yours faithfully

Julius Odhiambo

Appendix II: Questionnaire for Stores Department

Introduction

My name is Julius Odhiambo, a student from Maseno University pursuing masters of Science in supply chain management. This questionnaire has been developed to gather data to develop a project for the effect of supply chain management practices on the performance of supermarkets in Luanda town. Data gathered will be treated with confidentiality and only used for academic purposes.

SECTION A: INVENTORY CONROL

Tick where appropriate

Using a Scale of 1 to 5 Indicate to what extent you agree with the following statement as regards to inventory control? Where refers to (1) No extent (2) Little extent (3) Moderate extent (4) Large extent and (5) Very large extent.

	INVENTORY CONTROL	**1**	**2**	**3**	**4**	**5**
i.	The supermarket review inventory level periodically					
ii.	The supermarket carry out inventory tracking					
iii.	The supermarket determines appropriate reorder level of Stock					
iv.	The supermarket uses inventory management techniques to determine inventory level					
v.	The supermarket keeps accurate inventory records					
vi.	The supermarket make timely response to customer reference to ensure stock availability					
vii.	The supermarket has put in place proper material handling in cases of stock outs					

SECTION B: PERFORMANCE

Tick where appropriate

Using a Scale of 1 to 5 Indicate to what extent you agree with the following statement as regards to performance? Where refers to (1) No extent (2) Little extent (3) Moderate extent (4) Large extent and (5) Very large extent.

	PERFORMANCE	**1**	**2**	**3**	**4**	**5**
i.	The supermarket consider quality as the number one priority					
ii.	The supermarket engage both supplier and end consumer to improve on quality					
iii.	Personal from all level and function of the supermarket undergo training in quality improvement					
iv.	Seniors manager take charge of quality management implementation					
v.	Quality improvement is done continuously					
vi.	The supermarket has a mechanism in place to ensure there is a balance in inventory					
vii.	Proper and regular checks on stores inventory are conducted to avoid Pilferage and waste.					
viii.	The supermarket has reduced inventory proper work.					
ix.	Good relationship management has enable increase sales					
x.	Outsourcing has help supermarket increase its sales					
xi.	Good inventory management has led to increase in sales					

Appendix III: Questionnaire for Customer Service Department

Introduction

My name is Julius Odhiambo, a student from Maseno University pursuing masters of Science in supply chain management. This questionnaire has been developed to gather data to develop

a project for the effect of supply chain management practices on the performance of supermarkets in Luanda town. Data gathered will be treated with confidentiality and only used for academic purposes.

SECTION A: RELATIONSHIP MANAGEMENT

Tick where appropriate

Using a Scale of 1 to 5 Indicate to what extent you agree with the following statement as regards to relationship management? Where refers to (1) No extent (2) Little extent (3) Moderate extent (4) Large extent and (5) Very large extent.

	RELATIONSHIP MANAGEMENT	**1**	**2**	**3**	**4**	**5**
i.	Customer relationship has enable increase sale					
ii.	The supermarket periodically evaluate the importance of its relationship with customer					
iii.	In our supermarket there is evaluation of customer complaint					
iv.	In our supermarket we meet customer expectation					
v.	There is interaction with customer to set standards and measuring customer satisfaction					
vi.	In our supermarket good knowledge of customer desire increases customer loyalty					
vii.	The supermarket consider quality as number one criterion in selecting supplier					
viii.	There is continuous improvement programs that include supermarket key suppliers					
ix.	There is emphasis on price quality and delivery					
x.	There is willingness to engage the supplier in future business opportunity					

SECTION B: PERFORMANCE

Tick where appropriate

Using a Scale of 1 to 5 Indicate to what extent you agree with the following statement as regards to performance? Where refers to (1) No extent (2) Little extent (3) Moderate extent (4) Large extent and (5) Very large extent.

	PERFORMANCE	1	2	3	4	5
i.	The supermarket consider quality as the number one priority					
ii.	The supermarket engage both supplier and end consumer to improve on quality					
iii.	Personal from all level and function of the supermarket undergo training in quality improvement					
iv.	Seniors manager take charge of quality management implementation					
v.	Quality improvement is done continuously					
vi.	The supermarket has a mechanism in place to ensure there is a balance in inventory					
vii.	Proper and regular checks on stores inventory are conducted to avoid Pilferage and waste.					
viii.	The supermarket has reduced inventory proper work.					
ix.	Good relationship management has enable increase sales					
x.	Outsourcing has help supermarket increase its sales					
xi.	Good inventory management has led to increase in sales					

Appendix IV: Questionnaire for Procurement Department

Introduction

My name is Julius Odhiambo, a student from Maseno University pursuing masters of Science in supply chain management. This questionnaire has been developed to gather data to develop

a Project for the effect of supply chain management practices on the performance of supermarkets in Luanda town. Data gathered will be treated with confidentiality and only used for academic purposes.

SECTION A: OUTSOURCING

Tick where appropriate

Using a Scale of 1 to 5 Indicate to what extent you agree with the following statement as regards to outsourcing? Where refers to (1) No extent (2) Little extent (3) Moderate extent (4) Large extent and (5) Very large extent.

	OUTSOURCING	**1**	**2**	**3**	**4**	**5**
i.	Legal compliance					
ii.	Sharing and reducing risk					
iii.	Outsourcing has help this supermarket to improve quality of its product/service					
iv.	Performance per employee has increase due to outsourcing					
v.	Outsourcing has help this supermarket increase its sale					
vi.	Outsourcing has help this supermarket expand into other market					
vii.	Outsourcing has help the supermarket become more competitive in the market					
viii.	Outsourcing has help this supermarket reduce cost					

SECTION B: PERFORMANCE

Tick where appropriate

Using a Scale of 1 to 5 Indicate to what extent you agree with the following statement as regards to performance? Where refers to (1) No extent (2) Little extent (3) Moderate extent (4) Large extent and (5) Very large extent.

	PERFORMANCE	1	2	3	4	5
i.	The supermarket consider quality as the number one priority					
ii.	The supermarket engage both supplier and end consumer to improve on quality					
iii.	Personal from all level and function of the supermarket undergo training in quality improvement					
iv.	Seniors manager take charge of quality management implementation					
v.	Quality improvement is done continuously					
vi.	The supermarket has a mechanism in place to ensure there is a balance in inventory					
vii.	Proper and regular checks on stores inventory are conducted to avoid Pilferage and waste.					
viii.	The supermarket has reduced inventory proper work.					
ix.	Good relationship management has enable increase sales					
x.	Outsourcing has help supermarket increase its sales					
xi.	Good inventory management has led to increase in sales					

Appendix IV: Work Plan

MONTH	**WK1**	**WK2**	**WK3**	**WK 4**	**WK 5**	**WK 6**
ACTIVITIES						
Formulation of research problem Approval						
Literature survey						
Developing research questions						
Preparation of research design						
Determining sample design						
Drafting research proposal.						
Collection of data						
Data analysis						
Generalization and interpretation						
Preparation of research report						
Final submission						
Correction of research report						

Source: (Author, 2019)