

**CHALLENGES FACING SUPPLY CHAIN MANAGEMENT PRACTICES IN
RETAIL OUTLETS**

(A case study of Nakumatt Lifestyle)

**By
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L123/15170/2006**

**This research project has been submitted to the University of Nairobi in partial
fulfillment for the award of a Diploma in Business Management.**

March 2008

DECLARATION

I declare that this project is my original work and has never been submitted in any other university or institute of higher learning for an award of academic credit

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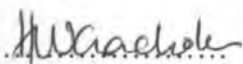
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Date. 29-03-2008.

This project has been submitted for examination with my approval as the appointed college supervisor

Name: Hazel Gachoka

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Date 29-03-2008'

ACKNOWLEDGEMENT

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ABSTRACT.

The general objective of this problem was to investigate the challenges facing supply chain management practices at Nakumatt supermarket. The study will enable the management and staff of Nakumatt to know what challenges they face, so that they find ways to manage them and improve more. It would also serve as a guide for further research in the areas of retail business.

Different problems were encountered, for example time constraint since some of the respondents took long answering the questionnaire. Most of the respondents were also suspicious; they did not want to give information for fear that it may be used by others to their disadvantage. They regarded most information confidential hence there was a lot of postponement and rescheduling of appointments.

Another problem was that different authors had commented differently sometimes giving contradicting information. Finding literature on different studies done on this subject was also a problem since there were limited references.

The research variables used were pricing, competition, location, advertisement and customer service.

Most respondents recommended that there should be controlled pricing among competitors for the same products and services.

Respondents also suggested that prices should be based on quality of products. Respondents recommended fair pricing amongst competitors with good quality products. On competition, the respondents said that regulatory bodies like the Kenya Bureau of Standards should be more vigilant to ensure fair play. Standards and quality of goods and services should be ensured to allow for fair competition.

The respondents felt that proper location, which is convenient to customers, should be considered before setting up a business. Strategic location is important to both employees and customers as it enhances supply chain management practices it was unanimously

agreed that customer's service should be a priority of each retail store outlet, not just to win customers by low pricing but ensure they enjoy value for their money. This is achieved by provision of efficient services. Proper and adequate advertising should be done as it creates more awareness to the public about products and services and consequently encourages more customers.

The research design used was descriptive as it required an in-depth analysis of the challenges facing Nakumatt in supply chain management practices. The researcher sought opinions from staff within Nakumatt, to give first hand information. The target population for this study consisted mainly of the management and employees of Nakumatt lifestyle. The sampling designs used were stratified and random because with them, the cost of collecting and analyzing data is greatly reduced by stratifying the population into groups.

In conclusion, the study found out that the greatest challenge Nakumatt face is competition. This is supported by the fact that most respondents pointed out that there is a lot of competitive rivalry in the industry. To outdo competition, they must have strategic location, suitable pricing methods and serve customers well in order to continue attracting and retaining them. Good advertisement methods and provision of quality products and services is also necessary to boost reputation and hence sales.

The study recommends that regulatory bodies like the Kenya Bureau of Standards should be effective in their roles in maintaining quality standards in both products and services offered by retail outlets in the industry. Retail outlets should price right, give quality products and services, ensure proper location even before they are set up and advertise themselves to ensure a place in the industry. Their management must be keen on monitoring the environment and react accordingly in order to survive.

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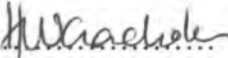
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CHAPTER ONE

INTRODUCTION

1.1 Background Information to the study

Nakumatt is a progressive and well managed company. It was founded by Mr. Meganial Shah with a humble beginning as Nakumatt mattresses founded in Nakuru in 1965. Through diligence, wise investments and hardwork, they were able to open the first Nakumatt Branch in 1987 at Ukwala Road. By then, the group had a total of eight branches in Kenya. The flagship of which continue to be their operations at Nakumatt Mega (1992) Nakumatt Down Town (1995) and Nakumatt Ukay (1995). Nakumatt Likoni (1996) and thereafter many other branches were opened Nakumatta Lifestyle was opened in 2005.

In 1978, the business was incorporated and expanded it's trading in rural areas selling consumer goods to schools, hospitals and the like. The competition, pricing and provision for excellent service led to an increasing demand for its products. In 1987, administration and management of the company business was centralized state of all (SOTA). IT items were incorporated for timely management of information. Nakumatt holdings limited operate as a chain of superstores and hypermarkets retailing FMGC and household products. The company differentiates itself from others by providing a comprehensive product range with extremely competitive prices. The company has an ongoing mission and effort to improve its services and quality of products and ideas in a bid to capture an even increasing market share of what can be best described as a consumer dictated market.

During 1997 and 1998, the company started marketing personalized gift vouchers bearing names of some leading businesses in Kenya. This form of marketing proved to be a success and will continue to be exploited. For the past five years, the company has been involved in Christmas promotions, campaigns with village market which has proved to be rewarding. The company will continue its annual campaign promotion with village market and will expose other campaigns with or without strategic partners.

1.1.1 Supply Chain Management

The supply chain is defined as all specific actions required to build a specific product from raw materials to finished products in the hands of the consumer. The supply chain encompasses all the activities associated with the upstream and downstream flow and transformation of goods and information from raw materials state extraction through to the end user. Supply chain management is the integration of these activities through improved supply chain relationships to obtain a suitable competitive advantage supply chain management is a network of connected and interdependent organizations mutually and co-operatively working together to control management and improve the flow of material and information from suppliers to end users.

In the centre of supply chain management concept is the operation. The operation could be a manufacturing company, a retailer or a public sector institution. The operation refers to the particular organizations which carry out a particular activity. The operation is a continuous activity which passes from one firm to another which is termed as tiers i.e. first tier supplies to second tier customer. In simple terms on the downstream side, the manufacturer sells his or her products to first tier customers (dealers) and then this dealer sells this product to final customers (second tier customers). The interface between the operation and the first-tier customer is termed as physical distribution management (downstream only) although this may incorporate some sales and marketing activities also. Supply chain management is the term used to describe the management or coordination of all the activities both upstream and downstream that are required to bring a product from its raw state through to the end user. Supply chain management in reality resembles a web or network with many different tributaries. All members of a supply chain rely upon the demand from the final customer or consumer.

Supply chain management has acquired its status in many organizations as a major contributor to the efficiency and effectiveness of an organization as it adds value in many ways. Supply chain management can be viewed as a profit, not cost centre to the organization. In the past the emphasis of *most* activities and energy within purchasing and supply was on the interface between the buying organization and its immediate

Suppliers. A major change that has taken place within organizations in recent years is in the increased focus on the supply chain. Effort to drive down costs, improve quality and supplier performance were centered on negotiations, discussions and exchange of information with suppliers by adopting supply chain perspective and considering all links in the chain, these organizations realized that cost reduction, quality improvement and strategic advantage could be more easily achieved. Supply chain management encompasses a wide range of activities including the planning and co-ordination of external and internal resources, processes and procedures. The configuration of supply chain or vendor base engineering implies a proactive approach by the purchasing function to supply market dynamics rather than accepting things the way they are. The function can attempt to change and influence the supply base so as to reduce waste wherever it may be and maximize the value obtained from suppliers to the organization. All these activities mentioned are sequential and dependant on each other hence chain. The supply chain is a demand chain supply of goods in one direction being accompanied by the flow of information in the opposite direction.

1.1.2 Retail Store Outlets

A retail store outlet is a type of business where goods and services are sold directly to the consumers in smaller quantities. There are many types of retail store outlets. Some of them are very small with monthly sales of few thousand shillings while others are very large with monthly sales exceeding millions. Retail outlets are different in many other ways as well which include differences based on type of breadth, of merchandise handled, types of ownership and methods of operation. There are different types of retail store outlets which include specialty stores which is a large type of store that serves special goods and services. It specializes in selling a particular line of products. Departmental store is the type that carries a broad variety and deep assortment of products. This includes offering considerable customer services that are organized into separate departments for displaying merchandise. A supermarket is a very large type of store that offer self services, operations and is designed to serve the customers total needs.

A combination store is a store that represents diversification of the supermarket store and includes all the other relevant types of products that would be needed by the consumers that includes chemists. Bookshops, music store, hardware etc. A superstore is a very large store that averages about 35,000 square feet of selling space which aims at meeting a consumers total needs for routinely purchased products. A hypermarket is a very large store that averages between 80,000 square feet and about 220,000 square feet of selling space. It combines supermarkets, discount stores, combination stores, warehouse, retailing principles and superstores activities. Convenient stores are small stores located in the neighborhood and they sell basic necessities and off price retailers are those who trade on goods that are considered to be unstable, leftover goods, over-run and irregular goods. They sell these particular products at a low or reduced prices from the manufactures.

1.1.3 A Profile of Nakumatt

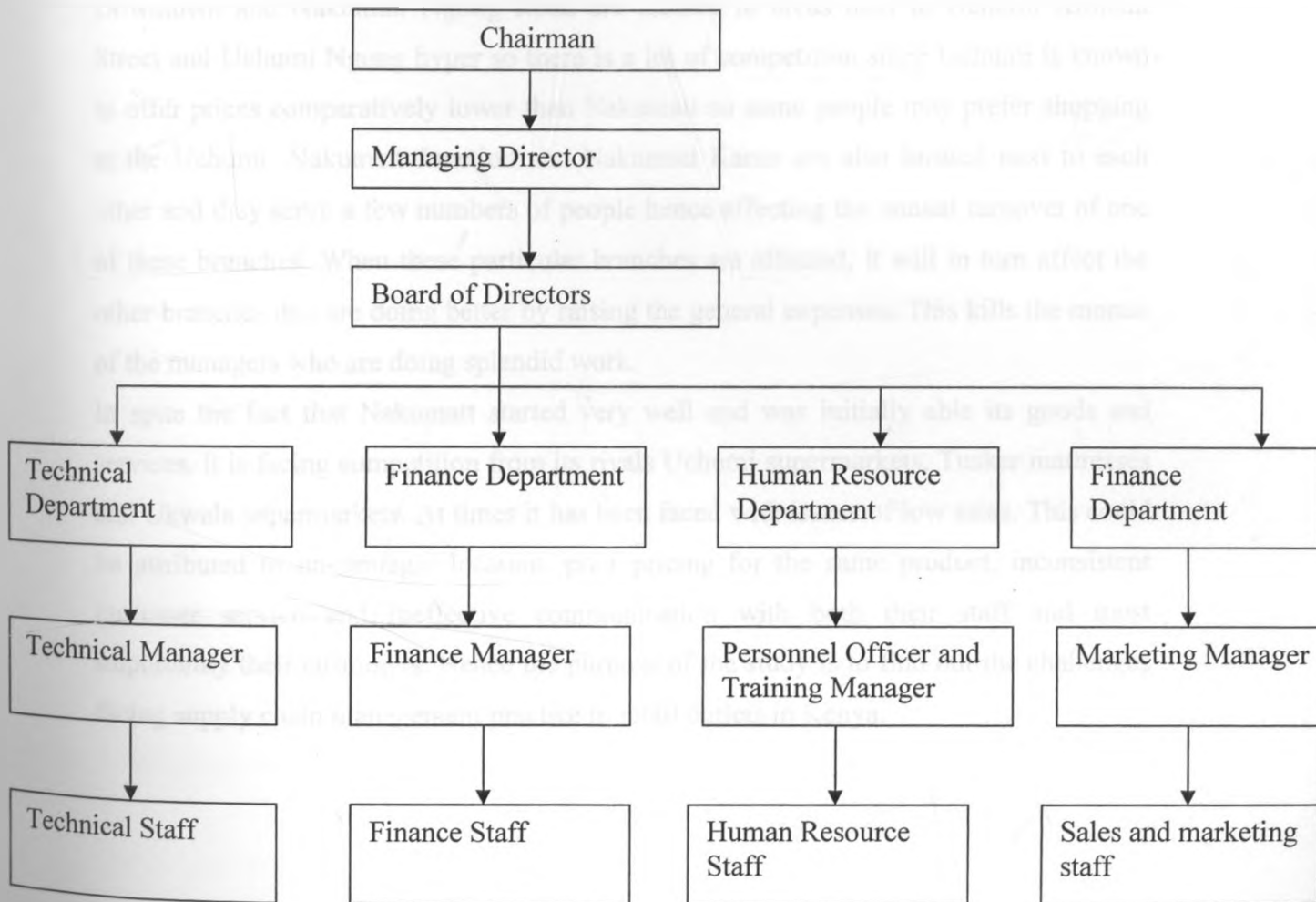
Nakumatt Holdings Limited established in (1987) is the country's leading retailer with a total of 17 branches all over Kenya Holding a wide range of quality products in any branch to meet the suitable needs of segments in the economy sector in Kenya in an accessible and affordable way. The chain has well designed stores with wide aisles to walk around and attractive display units for convenient shopping experience, well lit shopping environment with an ample secure parking space and convenient opening hours. The chain has a dynamic management team that is committed to obtaining the best results so that the accumulated benefits can be passed on to consumers through offering a wide range of products. Examples of this are smart card loyalty programme, the Nakumatt voucher, the wedding list and the shop n shop concept.

Nakumatt has a truly Kenyan outlook and employ more than 3000 indigenous Kenyans. It's corporate governance and social investment is championed across the company and involves the directors, the management and staff on the social investment front, their Kshs. 150 million budget has enabled them to touch lives on the environmental quality policy ensures that their customers are afforded products and goods that meet world environmental and quality standards. Their mission is to create a chain of world class

superstores delivering quality products, value, service, variety and lifestyle with convenient work hours and giving everyone an opportunity to shop at Nakumatt They have a commitment to manage a model of business practice. They were the first to introduce electronic tax registrar and have paid Kshs. 600 million every year.

A total of 308 chief executive officers drawn from all the economic sectors have returned a verdict that they are the best. Service Sector Company in the East African Community. It's a verdict based on world accepted standards. Apart from the chairman, managing director and board of directors, the company is further divided into five departments finance, technical, sales and marketing, human resource and company secretary. The company has three types of employees. Senior management, middle management and low management. Nakumatt supermarket has a simple organizational structure. –

Figure 1.1 Showing a Profile of Nakumatt



Source: Author (2008)

1.2 Statement of the Problem

Customer service is one of the most important issues facing businesses in every market. Most supermarkets are now operating a customer care program but the problem of running a successful program are multiplied when the same program is incorporated through local outlets. Inconsistent customer care always has a negative impact on customers perceptions. Nakumatt for example know that every time a customer walk into one of outlets, they should expect to receive the same standards of services. Nationwide consistence is essential when customers are likely to visit multiple outlets. One poor performance can threaten the customers perception o the entire operation.

Location plays an important role therefore poor strategy in locating a retail market outlet may affect the sales of a company. Nakumatt supermarkets for example Nakumatt Downtown and Nakumatt Ngong Road are located in areas next to Uchumi Kimathi Street and Uchumi Ngong hyper so there is a lot of competition since Uchumi is known to offer prices comparatively lower than Nakumatt so some people may prefer shopping at the Uchumi. Nakumatt Junction and Nakumatt Karen are also located next to each other and they serve a few numbers of people hence affecting the annual turnover of one of these branches. When these particular branches are affected, it will in turn affect the other branches that are doing better by raising the general expenses. This kills the morale of the managers who are doing splendid work.

In spite the fact that Nakumatt started very well and was initially able its goods and services, it is facing competition from its rivals Uchumi supermarkets, Tusker mattresses and Ukwala supermarkets. At times it has been faced with issues of low sales. This could be attributed to un-strategic location, poor pricing for the same product, inconsistent customer service and ineffective communication with both their staff and most importantly their customers. Hence the purpose of the study is to find out the challenges facing supply chain management practice in retail outlets in Kenya.

1.3 OBJECTIVES OF THE STUDY

1.3.1 General Objectives

The main objectives in the study were to investigate the challenges facing supply chain management practices in Nakumatt.

1.3.2 Specific Objectives

- i). To determine the extent to which pricing affect local operations
- ii). To determine how competition affect supply chain management in Nakumatt.
- iii). To determine to what extent does location affect retail operations
- iv). To establish the extent to which advertisement affect supply chain management practices.
- v). To determine how customer service affect the supply chain management practices

1.4 Research Questions

- i). In what ways does pricing affect operations in retail outlets
- ii). How does competition affect supply chain management
- iii). What are the effects of location on retail operations
- iv). How does advertisement affect supply chain management
- v). In what ways does customer service affect operations in retail outlets

1.5 The Scope of the Study

The scope of this study was wide, because there are many retail store outlets in Kenya and they are different in their own respects and characteristics. However, due to the above limitations, its only possible to limit this study only to Nakumatt Lifestyles, with the assumption that the outcome of the research process to be carried out at the Nakumatt Lifestyle will apply uniformly and universally to all retail store outlets across Kenya.

1.6 Importance of the Study

The study is important to Nakumatt Supermarkets and will benefit many other stakeholders as follows:

- a) The study is likely to benefit scholars who may wish to pursue further studies in this area by giving them factors to consider in this particular study.
- b) The study will help the government the economy and reduce the level of illiteracy because once qualified, people are employed and salary scale will be high leading to higher salary deduction. On the other hand, only qualified people will get employment, which will encourage everyone to study.
- c) The study will help Nakumatt employees because it will encourage them to undergo professional training in their area of study, which will therefore enhance the overall performance of the organization and improve the terms of employment of its members.
- d) The study will help Nakumatt Supermarkets with the information of supply chain management strategy, which will help in future strategies for competitive advantage and therefore sensitize the management on the need for development and maintaining stable and competitive services to its customers.

1.7 Limitation of the Study

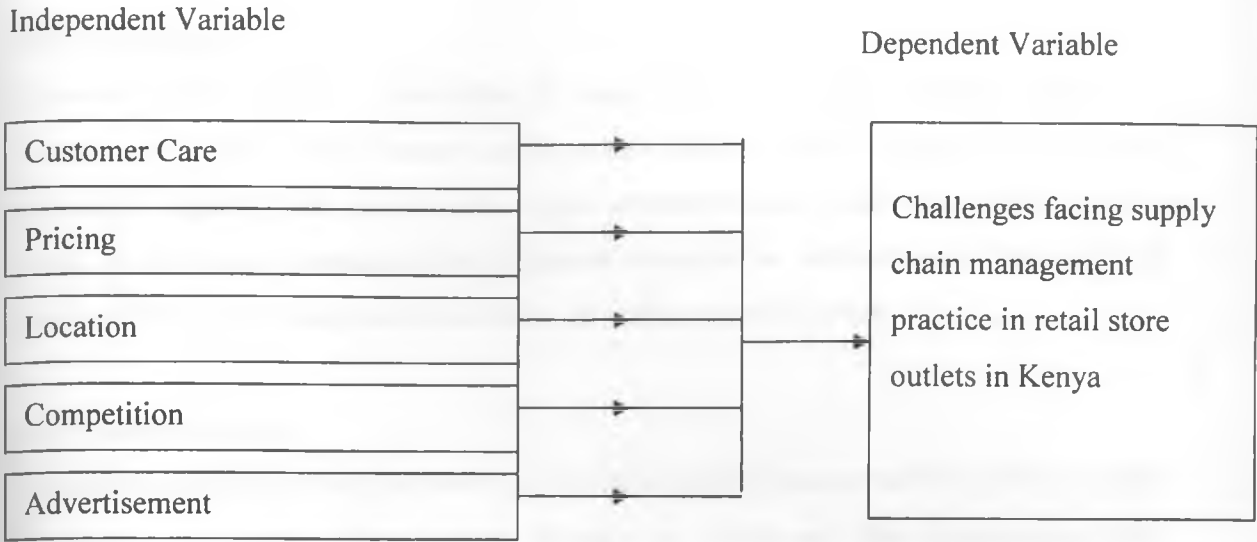
- a). Time was a limiting factor because the period given was too short for the research.
- b). Financial constraints were to be experienced eg its expensive for a student to travel in order to search for data.

Securing appointments to meet both the staff and the managers difficult because of their busy schedules

- c). There was high degree of confidentiality in that the respondents were suspicious leading to failure in disclosing the correct information because they may think you are a competitor and the information may be used at their disadvantage and not for academic purposes as it is the case.

1.8 The Conceptual Framework

Figure 1.2 Showing Conceptual Framework



1.8.1 Customer care

Customer care is one of important issues facing business in the Nakumatt Lifestyle supermarket. One of the challenges therefore facing this chain of business is the existence of ineffective customer service. It looks like the person in charge of this are lacking the morale in dealing with customers by diverting their attention to other things when needed. They disappoint the customer and ultimately affects the overall sales. On the other hand the attendants may be frustrated by rude customers.

1.8.2 Pricing

Nakumatt prices are slightly higher than the ones for it competitors which has reduced the profit margin. Many customers are increasingly skeptical about shelf prices. They have become conditioned to only buying on sale. Some stock even become obsolete due to high prices.

1.8.3 Location

Some Nakumatt supermarket stores are located in unstrategic positions due to competition from rivals. In this case for example, Nakumatt Downtown is bordered by

Uchumi Monrovia street, and is not far from Tusky's, Tesco and even Ebrahims all which offer slightly lower prices so customers will opt for those cheaper stores.

1.8.4 Competition

Nakumatt lifestyle faces competition for many other stores like Uchumi, Tusky's , Ukwala and Tesco among other similar stores which offers the same products and services at slightly lower prices so they gain competitive advantage over Nakumatt as a whole. You wouldn't consider other Nakumatt stores to be competition to each other as they have the same management and often the same prices for items.

1.8.5 Advertisement

Nakumatt supermarket faces problems of advertisement because even though they engage themselves in vigorous advertisement through the media and other promotions, other stores also advertise themselves and their items and goes ahead to mention the fact that their prices are lower which works to the disadvantage of Nakumatt.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The study under review was about the challenges facing supply chain management practice in retail store outlets in Kenya. The case study was Nakumatt Lifestyle supermarket and it was selected as a specific case study to form generalization about other retail store outlets. The literature review helps in identifying, locating and analyzing documents containing information related to the study. Literature review enables a researcher to identify major variables and procedures which would be more appropriate in the present investigation. It will enable the researcher to identify the problem under study more clearly in specific terms. The literature is conducted by reviewing the previous past studies or reports done in the same area as the current study, publications like journals, textbooks, newspapers and magazines are used.

2.2 Empirical Studies

Martin (1992) defines supply chain as the network of organizations that are involved through upstream and downstream linkages in different processes and activities that produce value in the form of products and services in the hands of ultimate customers. According to Lysons (2000) supply chain emphasizes the process approach concerned with how a product or service is delivered to customers, this approach is based on the recognition that the customer that the required product or service is delivered at the right time and at the right place. Customers are largely unconcerned with how this is accomplished. Kenneth (2000) states that procurement expertise can add value by generating, saving and offering improved services to internal customers. Savings can be achieved not only by price reductions or enhanced value in the price of bought out items but by such means as reducing the supply base and number of purchase orders or accounts payable.

Supply chain can also be defined as all specific actions required to build a specific product from raw materials to finished products in the hands of the customer.

The supply chain encompasses all the activities associated with the upstream and downstream flow and transformation of goods and information from raw materials state extraction to the end user. Supply chain management is the integration of these activities through improved supply chain relationships to obtain a suitable competitive advantage. Supply chain management therefore is a network of connected and interdependent organizations mutually and cooperatively working together to control management and improve the flow of material and information from suppliers to end users. Supply chain management is about the linkage of activities that drives an item from the source (supplier) to the final consumer (end user). It involves looking at various buyers and sellers as being part of a continuum (chain) and recognizes the benefits to be derived from attempting to take a strategic and an integrated view of the chain rather than focusing on the individual goods. Hence the focus on managerial attention is not just the individual company/organization but the integration with other organizations that constitutes the chain.

2.3 THEORETICAL REVIEW

2.3.1 Pricing.

This is the amount of money that a customer pays for the product. The price should be commensurable with the offer's perceived value. If this is not the case buyers will opt to buy competitors products. Apart from the product quality, consumers judge products by their prices. They tend to assure that the products are priced proportionally with their quality thus a high priced product fetches a high quality and vice versa. Although some products are of high quality, they tend to fetch low prices depending on where they are sold. If the customers in a certain region cannot afford to pay high prices for certain products, the marketer is challenged to lower the prices the prices of the products or improve the quality of the product. Another factor to consider at pricing products is the competitor's price. If the competitor is offering the same product at lower prices, the buyers might end up purchasing from the competitors making the firm to launch promotion for its products or lower prices. Source Kariuki (2001), Kotler and Armstrong (2001) argues that pricing decisions are subject to an incredible complex array of environmental and competitive forces. A company sets not a single price but rather a

pricing structure that covers different items in its line. This pricing structure changes overtime as products move through their life cycle. The company adjusts product prices to reflect changes in costs and demand and account for variations in buyers and situations. As the competitive environment changes the companies consider when to initiate price changes and when to respond to them. There is an association between pricing methods used in business firms and their objectives, the type of products they produce, the methods of production and distribution they use, the industry sector they fell in and the type of manager responsible for setting prices. He concludes by saying there is an association between discount structures operated by business firms and their pricing system, type of product, methods of distribution, industry sector and size. Source Michael S Barker (19%).

Guitian (1998) argues that whether a manager is concerned with market company elasticity, competitor's reaction to price change must be considered. After all if the change in price is matched by all competitors, then no change in market share should result. In that event, the price cut will have no effect on selective demand. Accordingly, managers should attempt what competitors pricing reactions will be. Usually, it will be useful to examine historical partners of competitive behavior in projecting price reactions. Paul (1988) goes further and says that competitors may price their products primarily on the basis of costs. This firms often do not shift their pricing policies over time instead they either price very competitively if they are trying to take advantage of experience curves or "economies of scale" or attempt to keep consistent contribution margins and thus avoid direct price competition. Additionally by analyzing competitors historical pricing behavior, managers may obtain insight to the likely customers reaction to a price change specifically if an industry has historically been characterized by extensive price setting, buyers will most likely be price-sensitive because they will have come to expect price differences.

Barker (1991) suggests that price mechanism is a factor that determines whether a firm wishes to enter or leave a given market because of the returns which may be earned on a

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Barker (1991) suggests that price mechanism is a factor that determines whether a firm wishes to enter or leave a given market because of the returns which may be earned on a

given investment of resources. It follows that if all markets were perfect and infinitely flexible then the return on investments would be the same in all of them. Similarly Oghanwa (1989) found out that under conditions of imperfect competitors there is a tendency towards rigid prices and for competition to be concentrated on non-price elements such as product differentiation and advertising service this competitors prefer to avoid direct price competition which would lead to price wars. Guiltian goes further and says that managers should select a pricing program once they have established their pricing objective and the elasticity of demand and once they have addressed their competitive situation and cost structure. Essentially there are three types of pricing programs namely:-

Penetration pricing which is a pricing program designed to use low price as the major basis for stimulating demand. When using these programs, firms are attempting to increase their products degree of penetration in the market either by stimulating primary demand or by increasing market share. Conditions favoring it are when market demand is elastic and competitors cannot match price because of cost disadvantage, the firm also sets up higher margin complementary products. A large number of strong potential competitors exist and extensive economies of scale existing.

Parity pricing, which means a price at or near competitive levels and not "a rocking the boat." In effect parity-pricing programs attempt to downplay the role of price so that other marketing programs are primarily responsible for implementing the marketing strategy. Conditions favoring it are when the market demand is inelastic and the company is elastic, when the firm has no cost advantage over competitors, when there are no expected gains from economies of scale so that price floor is based on folly allocated costs and when pricing objective is to attract new customers on quality, retain all current customers or retain high-volume customers and finally premium pricing which involves setting a price above competitive levels. This approach will be successful if a firm is able to differentiate its products in terms of higher quality, superior features on special services. Conditions favoring it are when the company demand is elastic, when the firm has no excess capacity, when there are no very strong barriers to entry and when gains

from economies of scale are relatively minor and pricing objective is to attract customers on quality. Source Kagwi (2001).

2.3.2 Competition

Laze Wilson and Culley David (1993) few organizations if any operate free of competition. Broadly speaking, all companies compete with each other for customer's money. From a practical viewpoint however, a business generally defines competition as those organizations marketing products/services that are similar to or can be substituted for its own products in the same geographical area. Competition exists in most markets and situations. Even charities compete with one another and with manufacturers for customer's attention and financial commitment. Marketing places an emphasis on meeting customer's needs and offering satisfaction. To be successful however, competing organizations need to identify unique marketing mix otherwise all rival products and services will merely replicate each other.

Macquthy Jerome and Perreault Jr. William (1993) the competitive environment affects the number and types of competitors the marketing management must face and how they behave. Although marketing managers usually cannot control these factors, they can choose strategies that avoid head on competition, and where competition is inevitable, they can plan for it. The search for a break through opportunity on some sort of competitive advantage requires an understanding not only of customers but also competitor's analysis-an organized approach for evaluating the strengths and weaknesses of current or potential competitors' strategies. Christopher Martin and McDonald Malcolm (1995) as markets mature, as growth rate stabilizes or markets enter into recession the only way to grow a business faster than the growth rate of the market is at the expense of the competitors. This implies the need to understand in the greatest possible detail the competitive contest and characteristics of a specific competitor. Obviously the more numerous or equal balance the competitors, the more intense will be the rivalry in the market. If this is combined with the rivalry with a slow industry growth rate, and if fixed costs relative to variable costs are higher than the prognosis is for high level of competition, probably accompanied by server price-cutting. A further influencing

factor will be the extent to which the competing products on offer are seen as substitutes by the market place with switching penalties for buyers. Of key importance will be the relative cost structures of the major players in the market this will be determined not just by market share but capacity utilization and production technology. Porter Michael defined five competitive forces as the threat of intense competitors rivalry which is experienced when competitors have a high state in staying in a particular industry segment etc leading to price wars, advertising battles and new product introductions, threat of new entrants, threat of buyers growing bargaining power and threat of suppliers growing bargaining power. Saparito Bill (1992) the presence of all foregoing conditions leads to firms to rely on price as a major element of competition. •However, by recognizing which conditions apply in a given instance, firms can often develop strategies to change those conditions or try to respond to them e.g. A firm might try to shrink itself by selling part of excess capacity and focusing on serving a small market niche. On the other hand if industry growth is the main culprit, effort might be undertaken to stimulate primary demand, or rectify the balance of power, a firm could seek to become more powerful by increasing its size through acquiring a competitor or by seeking a financial strength through merging with large firms. Often the newest entrant to a market is the one that ends up modifying the level and nature of competition.

Craven David (1991) a key competitor is a firm going after the same target market. Typically the competitor's product is the same product type or substitute that meets the same need. It is important to gain as much knowledge as possible about the background, experience and qualification of key executives of each major competitor. This information includes the executive's performance records, their areas of expertise and the type of firms where they have previously been employed. This analysis helps to suggest the future strategies that a competitor may follow. Business and industry publications are useful sources of this information for executives in large firms. Other sources include suppliers, customers and other marketing channel organizations. Successful companies study their competitors as closely as they do their customers. Deciding where and how to compete critically affect the success of marketing strategies in the turbulent business environment. An effective process for analyzing and evaluating competition provides the

information needed for deciding how to position against competition in each market target. Competitor's analysis begins by identifying the organizations current and potential competitors. Determine the source of competition, product market structure, industry structure and stage of product life cycle assists in defining competition. Information on key competitors is usually available although the time and effort necessary to locate and study it may be substantial. Management must develop cost effective strategies for obtaining additional information. All firms must conduct some type of competition intelligence in today's demanding and rapidly changing market environment. The challenge to the analyst is to assemble a penetrating and objective description of each competitor of interest.

2.3.3 Customer Service

Customer service is the set of activities and programmes undertaken by the retailer to make shopping experience more convenient and rewarding for their customers. These activities increase the value customers receive when they shop. In a broader sense retailing is a service business and all elements of retailing provide service that increases the value of merchandise demand your customer service is increasing dramatically. Today, retail customers want hassle free shopping. Joan Tillman (1990) emphasis that customer's service is the key of retailing success because the customers stay where they feel more comfortable, shop where they are attended to and where they find what they want in a reasonable amount of time.

2.3.3.1 Interpersonal Dimension.

This is the interpersonal nature and it involves attitudes, behavior and verbal skills of the worker. The areas in this dimension involves the appearance and thus is what the customer sees when he approaches or is approached by a service delivery personnel, body language and tone of voice-these two convey the real message being communicated hence they should describe a positive attitude; Attentive- this is treating every customer in a special way that recognizes his/her need. Tact-this involves the right thing to say under different circumstances. Guidance-this is the level of knowledge and resources available to service delivery employees in order for them to make decisions, give advice

and suggestions to customers. Selling skills-service delivery staff should have selling skills in order to cultivate, facilitate and increase sales and gracious problem solving.

2.3.3.2 Personal Dimension

This dimension deals with service delivery systems, procedures of how things are done and mechanisms by which customers needs are met. The areas of this dimension are Time-this is how long the service should take in order to be complete. Flow-this involves how flow of customers should be controlled, Flexibility- if the system is flexible and whether it helps in serving customers more easily, Anticipation-this is being one step ahead of customers so as to provide them with services without them reminding you of what is needed, Communication-establishing an effective communication system to improve services within the organization and supervision. Source Wahome (2005). Every retail manager must determine the level of service that is appropriate for the store. This includes services of sales personnel, associated services provided by the store and convenient services.

2.3.4 Communication and Advertisement

According to Appleby (1994) communication is defined as the interchange of ideas, facts and emotions by two or more persons by use of words, letters or symbols. Chester Bernard stressed the need for communication to occupy a central place in the organization theory because of the extensiveness and the scope of the organization due almost entirely determined by communication techniques. Communication can be regarded as the foundation upon which the organization and administration must be built. Communication is a process which links various parts of the organization as a system, and therefore it is the role of the management to ensure that an effective communication system is installed. Formal communication are planned to met specific requirements of the organization and informal communication is also very important for the people working in the organization.

An effective communication system is important for a number of reasons:-

The success of the enterprise depends upon it in formulating and implementing plans and achieving the enterprise objectives.

It forms the basis of successfully introducing change.

An understanding of the process and effective communication should lead to more effective management.

It is a vital element in external retail relations.

Therefore a flexible system of communication to meet employee's psychological needs which in turn boost their performance and also enhances the effective running of the organization is needed. Source Mwholla (2004)

2.3.5 Location

Location refers to the competitiveness of the retail store. Competition is healthy and a good thing because it leads to better products and services and sometimes at lower prices. It also inspires retail managers to do a better job. Numerous and aggressive competitors that are in a limited geographical area usually raise the level of competition and this is costly for the retailer. Sometimes, too many similar stores that are serving too few customers usually cause the sales volume of the retail stores to suffer. Therefore sometimes increase customer traffic. Retailers should not be afraid of competitors but should focus on their mission statement that will guide them in finding the right market for their merchandise. The location strategy can be examined by mapping retailers according to the amount of traffic at the location and the amount of consumers drawing power. According to Gibson (1993) retail location is often the most important decision made by retailers for two reasons. First, location is typically the most important consideration in a customer's store choice. Location decisions are hard to change because retailers with excellent locations have strategic advantage that competitors cannot easily copy. Source Mohammed (2001)

2.4 Critical Review

From the ongoing review of literature by different authors and researchers, an organization cannot do well in supply chain management if they do not perform well in areas such as pricing, communication, practicing excellent customer service and have strategic locations for their organization in that their importance has emerged very clearly. There is a general consensus that if a retail store outlet work in the following

factors in operation of their services, the organization is bound to perform well when it comes to supply chain management. Therefore the general conclusion is that if these factors are applied well, they can lead to an improvement in supply chain management and boost the company's sales.

2.5 Summary and Research Gaps to be filled

After the review of literature, it has been established that problems being encountered in the supply chain management in retail store outlets was arrived at by obtaining various solutions to solve the problems facing Nakumatt. This problem can be solved by taking the following issues into account. In locating their retail store outlet, they should focus on their mission statement that will guide them in finding the right market for their merchandise. To introduce pricing methods in which customer's sacrifices are proportional to their satisfaction and it is also a way in which public views merchandise that are sold. To provide customer services that provides convenience to the customers, services that facilitate sales and auxiliary services.

CHAPTER THREE

RESEARCH METHODOLOGY AND DESIGN

3.1 Introduction

Here, the methods and procedures used to carry out the study are evaluated. It includes five sections namely; research design, target population, sample frame and design, data collection methods and data analysis procedures.

The first section, the research design, explains the type of study design employed in carrying out the research problem. It specifies and gives information relevant to the study.

The second section is on the target population and it entails all the respondents in the research study that were investigated. The respondents were the staff management, employees and customers of Nakumatt lifestyle who filled the questionnaires.

The third section is on sample frame and design. It gives a plan for obtaining sample from the target population and a detailed description of sampling method and the actual sample size is also given. It also highlights the procedures adopted in selecting respondents from the sample.

The fourth section is on data collection procedures used and here, questionnaires were developed and administered.

The fifth section is on data analysis procedures which involves how information was conveyed to the reader information was presented in form of tables.

3.2 Research Design

The research design used was descriptive because it sought for the in-depth analysis of the problem at hand. The advantage with this type of design is that it can rely on multiple sources of evidence. In this case, the challenges facing supply chain management in retail outlets was the independent variable while the independent variables were pricing, customers care location and competition.

3.3 Target Population

The target population for this study consisted majorly of the management and employees of Nakumatt Lifestyles. Others who were also of concern were the customers. The Nakumatt staffs were interviewed because they are people involved in supply chain activities and know exactly what is required.

Table 3.1 showing target population

	Number	Percentage
Management	40	20
Employees	100	50
Customers	60	30
Total	200	100

Source: author (2008)

Explanation

The table shows the target population of management, employees and customer of Nakumatt lifestyle. The management has target population of 40 employees of 100 and customer of 60.

3.4 Sample frame and Design

In this study stratified and random procedures were used. It was most favourable because the cost of collecting and analyzing data is greatly reduced by stratifying the population into groups.

Stratified random sampling also provides separate estimates for the population parameters with each strata without selecting another sample. Through this method, the sample size of Nakumatt Lifestyle staff from different calibers and departments was obtained.

Table 3.2 showing sample design

Category	Number	Percentage	Sample size
Management	40	20	12
Employees	100	50	30
Customers	60	30	18
Total	200	100	60

Source: author (2008)

Explanation

The table shows sampling design used to obtain information from the management, employees and customers of Nakumatt Lifestyle. The target populations were picked randomly and they included twelve from management, thirty from employees and eighteen from customers.

3.5 Data Collection Method

The researcher used questionnaires that were issued to staff from different departments at Nakumatt Lifestyle. They were delivered by hand to the required party, asking them for their participation. Questionnaires were believed to be the most accurate in this study as data required was primary.

3.5.1 Questionnaire

It consists of a number of questions printed in a defined order, asking the respondents to answer some given questions. Self administered and uniform questionnaires consisting to closed and open ended questions were used to solicit the data. They were hand delivered to the target respondent at the Nakumatt lifestyle.

3.5.2 Observation

This is a scientific way of collecting data in case it is well formulated, systematically planned and subject to test of validity and reliability structured observation was used

because the units to be observed and the style and conditions to be used were determined in advance.

3.6 Data Analysis procedure

Data collection was edited, recorded tabulated and analyzed. The information was the represented inform of tables and percentages. Analysis mainly focused on the opinions of respondents as pertaining challenges facing supply chain management in Nakumatt Lifestyle.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter mainly comprises of an analysis of data collected during the study. It analyses, interprets and presents data obtained from the questionnaires distributed to the employees of Nakumatt. The guiding factors were both the objectives and research questions contained in chapter one together with the independent variables. The overall aim of the study was to find out the challenges facing supply chain management practices in retail outlets and Nakumatt lifestyle supermarket in particular data was presented in form of tables and graphs. 60 questionnaires were distributed in the following form: 30 to the purchasing department, 20 to the sales department and 10 to the stores department. Out of 80, only 60 were received back dully filled.

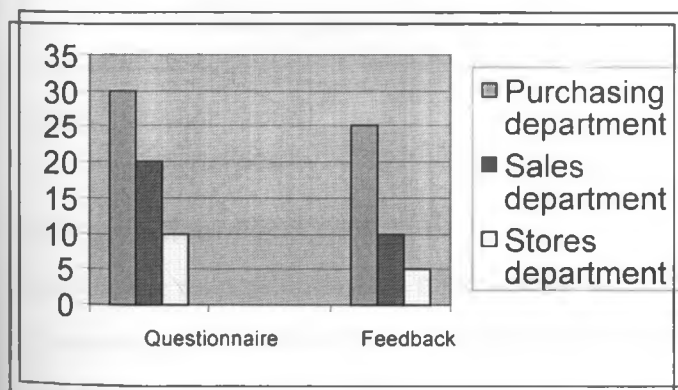
4.1.1 Response rate

Table 4.1 showing response rate

Category	Sample size	Actual response	Ration
Purchasing dept	30	25	30:25
Sales department	20	10	20:10
Stores department	10	5	10:5
TOTAL	60	40	60:40

Source: Author 2008

Graph 4.1 Showing Response Rate



Source Author (2008)

Interpretation

Out of a sample size of 60 which included the employees of purchasing department, stores department and sales department. Only 40 questionnaires were received back. 25 of them were from the employees of the purchasing department, 5 of them were from stores department who provided most of the information. Then finally the sales department who returned 10 questionnaires.

4.2 Quantitative Analysis

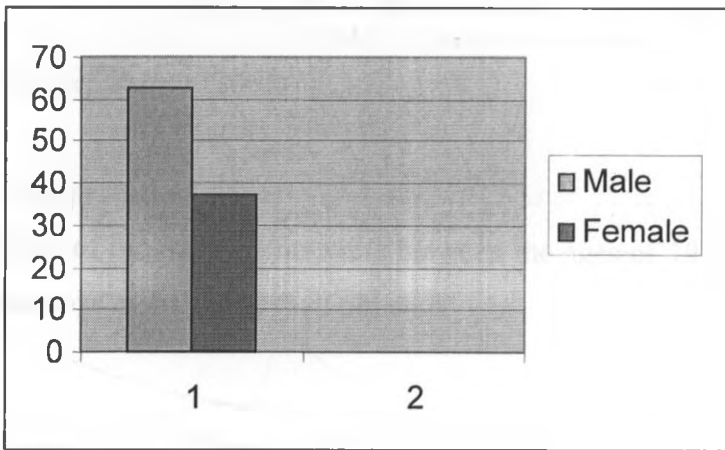
4.2.1 Gender

Table 4.2 showing gender ration of respondents

Gender	Responses	Percentage
Male	25	62.5
Female	15	37.5
TOTAL	40	100%

Source: Author 2008

Graph 4.2 Showing gender ration of respondents



Source : Author (2008)

Interpretation

Most of the respondents were male compared to female. The male response rate reached a percentage 62.5 while that of the females was at 37.5. This is largely attributed to the fact that Nakumatt has a larger number of male employees compared to females ones.

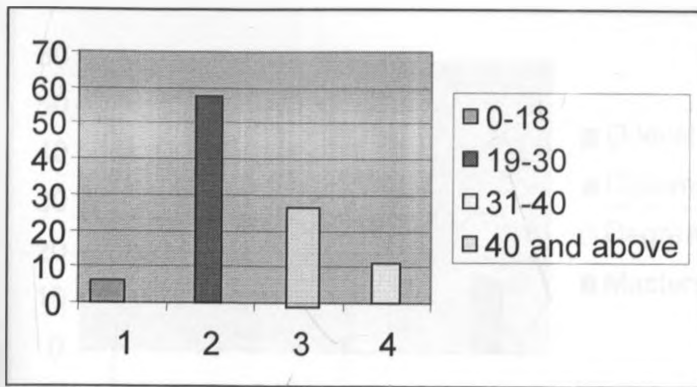
4.2.2 Age

Table 4.3 showing age brackets of respondents

Age bracket	No	Percentage
0-18	2	5%
19-30	23	57.5%
31-40	11	27.5%
40+	4	10%
TOTAL	40	100%

Source: Author (2008)

Graph: 4.3 Showing age brackets of respondents



Source: Author (2008)

Interpretation

Most of the respondents were between the ages of 19 and 30. This is because Nakumatt employs more young than old staff.

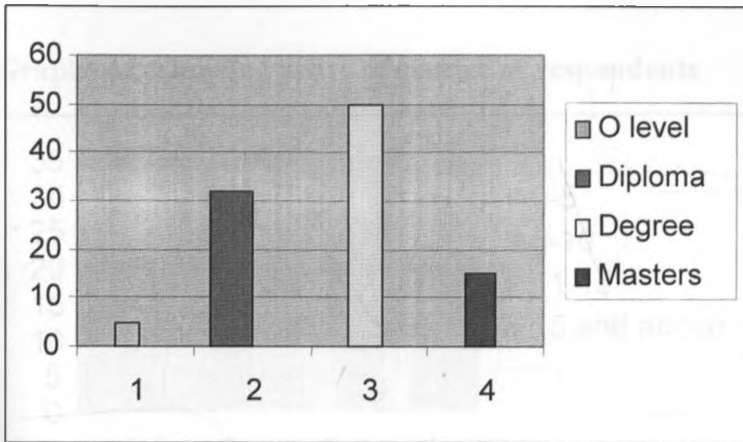
4.2.3 Education Level

Table 4.4 showing respondent's education levels

Education level	No	Percentage
O level	2	5%
Diploma	12	30%
Degree	20	50%
Masters	6	15%
Total	40	100

Source: Author (2008)

Graph: 4.4 showing respondents education levels



Source: Author (2008)

Interpretation

According to the analysis a majority of the staff who took part in responding to the questionnaires are degree holders at 50. 30% of them were diploma holders while 15% had master's degrees and 5% had O level certificates as their highest qualification.

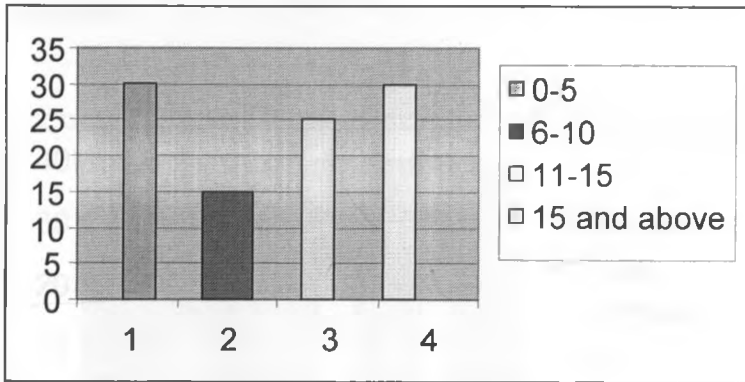
4.2.4 Years of Service

Table 4.5 Showing years of service of the respondents

Years of Service	No	Percentage
0-5	12	30%
6-10	6	15%
11-15	10	25%
16+	12	30%
TOTAL	40	100%

Source: Author (2008)

Graph: 4.5 Showing years of service of respondents



Source: Author (2008)

INTERPRETATION

According to the analysis 30% of the respondents have less than 5yrs, 15% has served between 6 and 10 years, 25% and served between 11 and 15 years while another 30% had served more than 15 years.

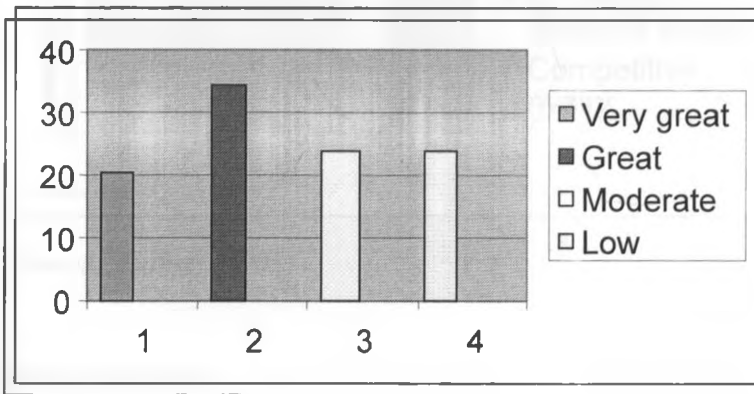
4.2.5 Pricing

Table 4.6 showing effects of pricing as a challenge to supply chain management practices.

Category	Responses	Percentage
Very great	8	20%
Great	14	35%
Moderate	9	22.5%
Low	9	22.5%
TOTAL	40	100%

Source: Author (2008)

Graph 4.6 showing effects of pricing as a challenge to supply chain management practices.



Source: Author (2008)

Interpretation

Most of the respondents from Nakumatt lifestyle consider pricing a great challenge. 35% though it was a great challenge while another 20% thought it was a very great challenge. About 45% felt it was a moderate to low challenge. The majority of 55% who felt it was a challenge therefore think that if Nakumatt supermarket considered its pricing more it would positively affect the business.

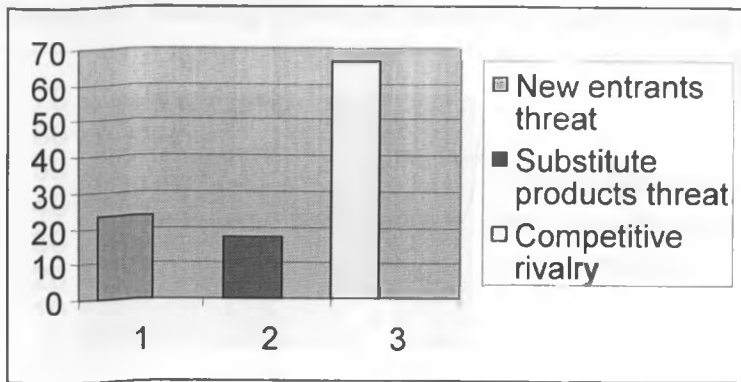
4.2.6 Competition

Table 4.7 showing the most challenging factors considered in competition

Category	Responses	Percentage
New entrants threat	8	20%
Substitute products threat	6	15%
Competitive rivalry	26	65%
TOTAL	40	100%

Source: Author (2008)

Graph 4.7 Showing Challenging factors about competition



Source: Author (2008)

Interpretation

The results show that most respondents view competitive rivalry within the retail business as being the most challenging thing about competition. The study confirms that there seems to be free and easy entry into the retail industry and the threat of substitute products and services are minimal hence Nakumatt supermarket faces the challenges of competitive rivalry and should look for strategies in order to have a competitive advantage over the other retail outlets.

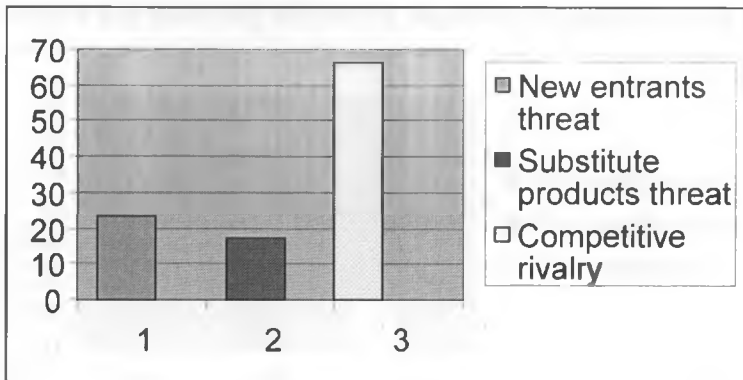
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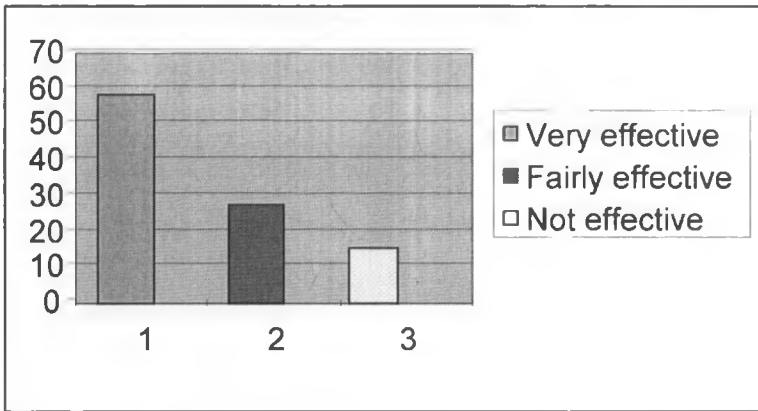
4.2.7 Location

Table 4.8 showing effects of location on supply chain management with regard to convenience.

Category	Response	Percentage
Very effective	24	60%
Fairly effective	10	25%
Not effective	6	15%
TOTAL	40	100%

Source: Author (2008)

Graph 4.8 Showing effects of location on supply chain management



Source: Author (2008)

Interpretation

From the above analysis 60% of the respondents feel that the location is very effective and that location is very important to ensure success in retail outlets. 25% think that location is just fairly effective while 15% of those who responded feel that on the location on Nakumatt lifestyle is not effective at all.

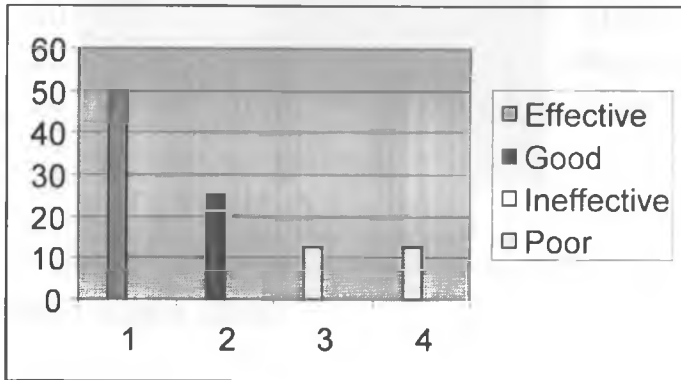
4.2.8 Advertisement

Table 4.9 showing employees' take on effect of advertisement

Category	Response	Percentage
Effective	20	50%
Good	10	25%
Ineffective	5	12.5%
Poor	5	12.5%
Total	40	100%

Source: Author (2008)

Graph 4.9 showing employees' take on effect of advertisement



Source: Author (2008)

Interpretation

From the above analysis 75% of those who responded felt that advertisement methods used by Nakumatt was good and effective while the other 25% felt that those methods are poor and ineffective and that more could be achieved if better advertising methods were used.

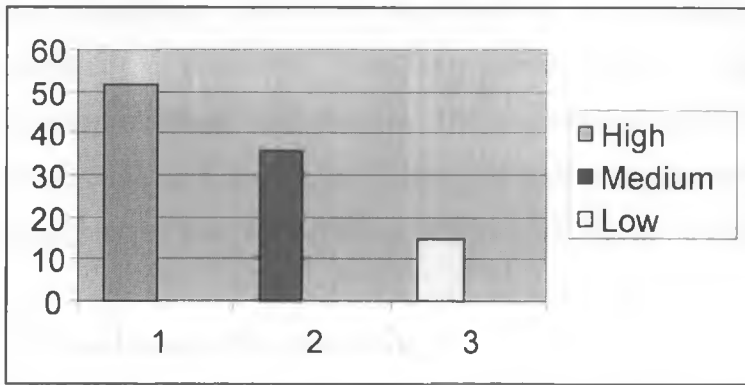
4.2.9 Customer Service

Table 4.10 showing to what extent customer service affects customer turnout.

Category	Response	Percentage
High	20	50%
Medium	15	37.5%
Low	5	12.5%
Total	40	100%

Source: Author (2008)

Graph 4.10 showing to what extent customer service affects customer turnout.



Source: Author (2008)

Interpretation

A majority of the respondents thought that customer service highly influences customers turnout with a percentage of 50% thinking so 37.5% of the respondents however thought that customer care only influences moderately while some 12.5% of those who respondent thought that customer service plays a very small role in determining whether or not the customer come back.

4.3 Qualitative Analysis

The qualitative analysis insights the following:

Most respondents recommended that there should be controlled pricing among competitors for the same products and services. Respondents also suggest that the prices should be based on the quality of the products and services.

The respondents recommend fair pricing amongst the competitors with no reduced prices for substandard services and customers should not be lured by low pricing. The respondents said that the industry should be self-regulating and allow for perfect competition. Bodies like the Kenya bureau for quality control and Kenya revenue authority for price control and taxation should be more vigilant in operation to enable fair competition. The respondents also suggested that more supermarkets should enter the industry but offer quality products approved by the Kenya bureau of standards.

The locations for the retail outlet should be strategic for both customers and employees to enhance supply chain management practices. On service delivery at Nakumatt Lifestyle, the respondents felt it was fair however they decided the major problems faced by customers as emanating from slow service delivery. The respondents felt that training will improve work performance. The respondents felt that effective managers contributed to effective service delivery. They also indicated that service delivery policies should be clearly stated and reinforced and equipment should be improved.

4.4 Discussion of the Summary

From the responses gathered from the respondents, it is quite clear that the challenges facing supply chain management practices at Nakumatt lifestyle are brought about by not attending to the essential matters that affect or that employees' value in respect to their duties. This measures should be put in place to address this concerns for example clear channels of communication should be opened up so that employees can easily reach out to the management with their plight and employers too can inform their workers of new changes on updates in the organization. All respondents unanimously agreed that good customer service is vital in the retail business. In their opinion, without good customer service the retail outlet would lack good image thus key would be compromised.

The study has found that the greatest challenge facing the retail outlets in competition. This is supported by the fact that there is high competition in the industry as each attempts to outplay the other in a different tactic and finally a proper pricing method should be employed in order for the retail outlet to be able to compete favourably.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

This study was mainly aimed at seeking to know what challenges face supply chain management practice in retail outlets and Nakumatt Lifestyle to be specific. This objective was achieved as the challenges were identified. Pricing was seen to be one of the major challenges were identified. Pricing was seen offered lower prices for the same products and services hence attracting more customers. Other competitors also offered substandard products yet customers are unable to recognize that the reason their product are cheaper is because they of lower standards.

Competition was found to be another of the big challenges. This is due to the fact that there is a lot of other retail outlet that offer same products and services and target the same type of customers. In addition, bodies like the Kenya Bureau of Standard for quality control and the Kenya Revenue Authority for price control and taxation are not vigilant enough to enable fair competition in the markets.

Location, advertisement and customer service were also found to be challenges through not as huge as pricing and competition. Nakumatt lifestyle was believed to be located next to other similar retail shops like Uchumi (Mokta dada street) therefore sharing customers and consequently reducing sales. However such kinds of competition with regard to location were said to be important. Most of the Nakumatt outlets are believed to be strategically located.

5.2 Answers To Research Questions

5.2.1 Q. In what ways does pricing affect operations in retail outlets

A. pricing was found to be the greatest challenge affecting supply chain management. Nakumatt face the challenge of pricing in that most of its competitors are known to offer cheaper prices for the same products. Thus it was widely seen that Nakumatt need to

offer competitive prices in relations to other retail outlets so that it maintains customer's loyalty.

5.2.2 Q. How does competition affect supply chain management

A. The study found out that there exists great competition and rivalry in the industry. One of the big issues raised with regard to competition was standards of products. Some outlets are said to offer substandard products without customer's knowledge. It was therefore widely agreed that bodies like the Kenya Bureau of Standards should be more vigilant in operation to ensure fair play in the industry. Also of importance was that good pricing would boost competition and earn them competitive advantage over others.

5.2.3 Q. What are the effects of location on retail operations

A. Strategic location was found to be very important when setting up a retail outlet. It should be located to a place that is convenient to its retail outlet. It should be located at a place that is convenient to its customers, where it can meet competition and where its nature is best suited. Poor location results into high operation costs and lack of customer. Adequate research should be conducted before making a decision on where to locate a business. Nakumatt location was found to be quite convenient to most of its customers.

5.2.4 Q. How does advertisement affect supply chain management

A. Advertisement is very important to any kind of business. It is a way of reaching out to customers and enabling them know about your products and operations. The study found out that. Nakumatt is doing enough advertisement through different methods and most of their customers get to know about new already existing products. However most of the respondent felt that elaborating more when advertising would be necessary to make the public understand better.

5.2.5 Q. In what ways does customers' service affect operations in retail outlets?

A. Customer service is important since it determines whether or not a customer stays as a customer or look for somewhere else. Good customer service will increase profitability since customers will be satisfied with the services and stick to that outlet and in turn inform others about the good services at say Nakumatt. This will continuously attract more and more customers.

5.3 Conclusion

One of the main objectives of the study was to find out to what extent pricing affect local operations in retail outlets. Pricing was found to be of great importance as the method or type of pricing influences customer's attractions. Proper pricing was found to be a means of earning competitive advantage over others proper pricing does not necessarily mean low prices. They need to be relative and competitive.

Another objective was to find out how competition affect supply chain management practices. Competition as a factor that affect supply chain management practices was supported by the fact that most respondents pointed out that there is a lot of competitive rivalry in the industry. A good number of them felt that achieving other objectives like proper, pricing, proper location and good customer service would help to earn a competitive advantage over others.

To determine to what extent location affect retail operations was the third objective. Adequate research on where to locate a business premise was found to be important because it should be located at a place that is convenient to its customers and also where it can meet healthy competition. Otherwise high operation costs and lack of customers would be the result.

To establish effects of advertisement on supply chain management was another objective. Advertising is important as it enables the public know about a product or it elaborates further detail of a product. Proper advertisement would definitely boost sales and increase customers to a particular enterprise.

The effects of customer service on supply chain management was another objective. Good customer's service is important as it will ensure your customers stay and even inform others of the good services at your outlet therefore encourage more and more customers. Nakumatt Lifestyle was unanimously believed to have good customer service.

5.4 Recommendations.

Competition seems to be a major concern so that there is likelihood that some of the retail outlets may be forced out of competition if they are not keen. The study recommends that if Nakumatt is to deal with such factors as competition, it should ensure that regulatory bodies like the Kenya Bureau of Standards are effective in their roles in maintaining quality standards in both products and services provided by retail outlets in the retail industry. With the same quality of products, fair competition is enhanced.

On pricing and how it affects local operations, the study recommends that proper pricing be put in place to ensure good business. Pricing should go hand in hand with quality of products and here also, regulatory bodies should be vigilant to ensure fair play in the market. Nakumatt should ensure that their competitors do not outdo them out of unfair play such as substandard products without customers' knowledge. On the other hand, they should ensure their prices are relative to those of other outlets.

Proper location is necessary for any kind of business. According to findings and recommendations, a proper research should be carried out before setting up any premise. Nakumatt like any other outlets should ensure their premises are located at places convenient to customers and also where there is healthy competition.

Advertisement is one of the factors that are important in business in general and supply chain management in particular. The study recommends that proper and vigorous advertisement be encouraged as this creates awareness and even elaborates further about a product to customers and the entire public. Good advertisement increases customer's awareness and therefore customer numbers.

Good customer service is important as it encourages customers to come over and over again and to encourage other people to come. It should be highly taken care of as it encourages more customers and therefore boosts sales, recommends the study.

5.5 Areas for Further Research

The retail industry is wide' therefore future research could be done in areas such as "the impact of retail industry to economy" or "effects of motivating employees in retail outlets". Also because pricing is a major factor in retail operations, a further research on effects of pricing or importance of good pricing methods would be necessary. Future research could also incorporate all retail outlets country wide which would offer a wider perspective of the study as more retail outlets are coming up and technology is advancing.

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APPENDIX: 1

TRANSMITTAL LETTER

Dear Respondent

RE: RESEARCH QUESTIONNAIRE

I' am a university of Nairobi student, undertaking a course in Diploma in Business Management which requires a project. My research project title is "challenges facing supplying chain management practices in Nakumatt Lifestyle."

I kindly request you to participate in this research by giving response to the questionnaire. The research is only meant for educational purposes.

I am looking forward to your response.

Yours faithfully,

Shirley Abade

Student No. L123/15170/2006

University of Nairobi.

APPENDIX : 2

RESEARCH QUESTIONNAIRE

PART ONE: PERSONAL INFORMATION

1. Name of respondent

(Optional) _____

2. Business situated at

(Location of the firm) _____

3. Gender _

b) Single

Married

4. Age: Pick from the appropriate group.

0-18

19-30

31-40

40 and above

5. Please indicate your education level.

Primary school

High School

College

University

None

6. Years of Service

0-5 years

6-10 years

11-15 years

Over 15 years

PART TWO: MAIN QUESTIONS

1. PRICING

- a) Does your retail outlet have any pricing method?
 Yes
 No

- b) In your opinion is the pricing method beneficial to the supply chain management practices in your retail outlet?
 Yes
 No

- c) How does the pricing Method promote efficiency in the supply chain function in your retail outlet?.....
.....

2. COMPETITION

- a) Do you think that competition is a factor affecting supply chain management practices in your retail outlets?
 Yes
 No

- b) How threatened are you by your competitors?
 Very threatened
 Averagely threatened
 Less threatened

- c) What do you think is the major significant achievement realized after implementation of a competitive advantage over other retail outlets?.....
.....

3. LOCATION

a) How effective is your location in terms of convenience?

- Very effective
- Fairly effective
- Not effective

b) Has location increased the level of performance in your retail outlet?

- Yes
- No

c) What are the factors that influenced the location of your retail outlet?.....

.....

.....

.....

d) How does proper location choice affect the efficiency of supply chain management activities in your retail outlet.

.....

.....

.....

4. ADVERTISMENT

Has the selection of advertising method suitable to customers, suppliers and employees in your outlet increased the level of performance?

- Yes
- No

What methods of advertisement do you use in your retail Outlet?.....

What kinds of problems if any does your outlet encounter in implementing different methods of advertisement adopted?.....

.....

What kinds of improvement would you like to be made to the methods of advertisement used?.....
.....
.....

5. CUSTOMER SERVICE

a) To what level does customer service performance affect the customer loyalty in your outlet?

- High
- Medium
- Low

b) Do Customer service activities lead to better performance in your retail outlet?

- Yes
- No

If yes how?.....
.....
.....

c) How effective is your response to customers?.....
.....
.....

d) To what extent do customers perceive your reliability in terms of performing services and completing sales transactions?
.....
.....

e) What would you recommend to other organizations about introducing and implementing customer service methods that are likely to satisfy total customer needs?
.....
.....