

**STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF
RETAIL CHAIN STORES IN NAIROBI, KENYA**

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STRATEGIC MANAGEMENT OF
MOUNT KENYA UNIVERSITY**

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DECLARATION AND APPROVAL

This research project is my original work and has not been presented for a degree in any other University or for any other award.

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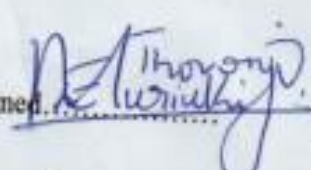
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DEDICATION

"This work is dedicated to my beloved family, my wife; Roseline Lumara; my children, Daniela Chebet, Daria Jepchirchir, and Kigen Saina for their unwavering support, prayers, and encouragement throughout my academic journey."



ACKNOWLEDGEMENT

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ABSTRACT

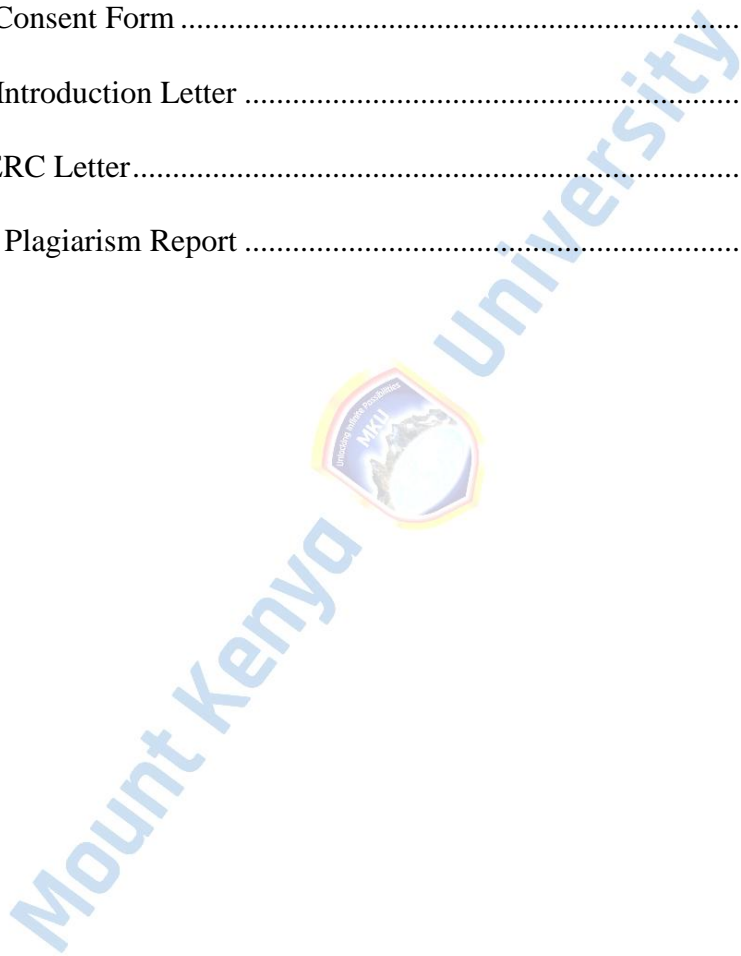
This study examined the influence of strategic management practices on the performance of retail chain stores in Nairobi City County, Kenya. Specifically, it explored the impact of strategic planning, resource allocation, environmental scanning, and risk management on organizational performance. Anchored in the Resource-Based View (RBV) and Dynamic Capability Theory, the research employed a descriptive design targeting 250 top and middle-level managers within major retail chains. A sample of 94 respondents was determined using Slovin's formula, and data were collected through structured questionnaires. The findings indicated a positive and statistically significant relationship between the identified strategic management practices and retail performance. Among these, strategic planning emerged as the most influential factor, facilitating the effective alignment of organizational resources with market demands. Strategic resource allocation was associated with enhanced operational efficiency and improved service delivery. Environmental scanning enabled retail firms to anticipate market shifts and adapt accordingly, while risk management contributed to organizational resilience and more proactive decision-making. The study reported a coefficient of determination (R^2) of 0.806, suggesting that approximately 80.6% of the variation in performance could be explained by the four strategic management practices analyzed. Based on these insights, the study recommends that retail chain stores adopt modern technologies, ensure efficient resource allocation, and strengthen market intelligence through continuous environmental scanning. It also emphasizes the importance of cultivating a culture of adaptability and investing in employee training as key drivers of customer satisfaction and competitive advantage. For further research, the study proposes exploring the effects of emerging technologies, evolving consumer behavior, and conducting comparative studies across different countries to broaden the understanding of strategic management within the retail sector.

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LIST OF ABBREVIATIONS & ACRONYMS

COK	Constitution of Kenya
CSO	Civil Society Organization
DANIDA	Danish International Development Agency
EACSO	East African Civil Society Organizations Forum
EIG	Education for Income Generation
GDP	Gross Domestic Product
ICC	International Criminal Court
NACOSTI	National Commission for Science, Technology and Innovation
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
PBO	Public Benefit Organizations
SSA	Sewage Sludge Ash
SDG	Sustainable Development Goals
SIDA	Swedish International Development Cooperation Agency
TI	Transparency International
UNAIDS	United Nations AIDS Program
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WEF	World Economic Forum

OPERATIONAL DEFINITION OF TERMS

Environmental Scanning is the process by which an organization systematically monitors and analyzes external and internal factors that could affect its operations and strategy. It helps businesses identify opportunities, threats, strengths, and weaknesses to adapt to changing market conditions and stay competitive.

Large Retail Chain Store is a business with multiple outlets under one brand, offering a wide variety of products through standardized operations across locations. These chains often benefit from centralized management and large-scale supply chains, making them dominant players in the retail market. The worth (market value) of large retail chains can vary significantly. For Kenyan retail chains, estimates suggest its valuation is over \$150 million.

Performance denotes how effectively a retail chain store accomplishes its objectives, goals, and fulfills customer expectations. It encompasses assessing different aspects of the supermarket's operations, financial stability, customer satisfaction, and overall efficiency.

Risk Management is the process of identifying, assessing, and prioritizing potential risks that could negatively impact an organization's objectives. It involves developing strategies to mitigate or control these risks, whether through avoidance, reduction, transfer (e.g., insurance), or acceptance, to minimize their impact on the business.

Strategic Management encompasses the process of establishing goals, procedures, and objectives to enhance the competitiveness of a company or organization.

Strategic Planning is a systematic approach in which an organization sets priorities, allocates resources, and aligns its actions with its mission, vision, and goals to achieve sustainable success. It involves identifying the strengths, weaknesses, opportunities, and threats (SWOT analysis) of an organization and developing strategies to capitalize on strengths, address weaknesses, seize opportunities, and mitigate threats.

Strategic Resources Allocation, also referred to as strategic assets or key resources, are the critical and unique capabilities, assets, or factors that provide an organization with a competitive advantage in the marketplace. They are essential for an organization's success and play a central role in achieving strategic objectives. These resources can be tangible or intangible and encompass various elements.

CHAPTER ONE: INTRODUCTION

This chapter serves as the introduction to the study by offering a comprehensive overview of strategic management practices and their role in enhancing the performance of retail chain stores. It presents the global, regional, and local contexts to frame the relevance of the research, and clearly articulates the problem statement, research objectives, and guiding questions. Furthermore, the chapter outlines the significance of the study, delineates its scope, and identifies the underlying assumptions and limitations. Collectively, these elements establish the foundation upon which the subsequent chapters of the research are built.

1.1 Background of the Study

Strategic management entails translating strategic thinking into actionable plans that enable organizations to sustain competitive advantages. As noted by Ongaro et al. (2021), strategy reflects the deliberate commitment of top-level management to achieving outcomes aligned with an organization's long-term objectives. Consequently, strategic management practices are inherently forward-looking, designed to identify patterns from consistent performance outcomes. These practices are primarily reflected in strategic planning and strategic resource allocation (Brozovic, Jansson, & Boers, 2023). Strategic planning involves formulating strategies and making disciplined decisions that guide an organization toward its goals (Bryson, 2018). It also functions as a structured system that enhances decision-making across all organizational levels (Koh, Kong, & Timperio, 2019). Complementing this, strategic resource allocation focuses on the efficient distribution of resources to support the implementation of strategic initiatives and ensure

the attainment of desired results (Phina, 2020).

Another integral element of strategic management is environmental scanning, which involves the systematic analysis of external factors—such as market trends, competitive forces, and potential threats or opportunities—that could affect organizational outcomes (Waweru & Omwenga, 2015). Equally critical is risk management, which entails identifying, assessing, and mitigating risks that may disrupt operations or hinder performance (Steptoe-Warren et al., 2011). Together, these strategic practices aim to secure competitive advantage and elevate organizational performance relative to industry peers. Research by Goldman et al. (2015) highlights that active strategic decision-making and effective risk management are pivotal in sustaining and enhancing organizational success.

Despite the recognized importance of these practices, a gap persists in the literature concerning their combined assessment and measurable impact on organizational performance. While existing studies emphasize the role of strategic planning, resource allocation, environmental scanning, and risk management across various sectors (Adam et al., 2018, 2020; Alosani et al., 2020), limited empirical research has explored their collective influence within the retail chain store context (Abuhjeeleh et al., 2018; Acciarini et al., 2021; Elrehail et al., 2020; Nguyen, 2020). This study seeks to bridge that gap by examining the relationship between strategic management practices and the performance of retail chain stores, focusing on key indicators such as profitability, market share, and customer satisfaction

1.1.1 Global Perspective of Strategic Management Practices and Performance of Retail Chain Stores

The application of strategic management across various business sectors has been widely embraced by Malaysian firms in response to evolving market demands, shifting consumer preferences, and rapid technological advancements (Mitra, 2021). A well-defined strategic outlook is a critical determinant of performance in retail chain stores, as it equips organizations with the tools needed to navigate dynamic environments and sustain growth. Despite this, many telecommunication firms in Malaysia have yet to formalize their strategic planning processes, highlighting a gap in structured strategic implementation (Nair et al., 2022).

In India, strategic technological innovation has played a pivotal role in helping organizations evaluate and select the most viable strategic alternatives (Kumar, 2021). Through comprehensive analyses of internal and external environments, Indian firms can identify their strengths, weaknesses, opportunities, and threats—allowing for more informed and effective decision-making. Strategic marketing practices, in particular, have enabled Indian retail businesses to assess their competitive positioning and craft targeted objectives and strategies to address current and emerging market rivals (Mitra, 2021).

Heppelmann (2019) emphasized that in rapidly changing markets such as the United States, evolving consumer preferences necessitate continuous innovation. Retail chains leverage strategic management practices to remain competitive and enhance profitability by maximizing the value of their unique resources. Similarly, Charles (2018) argued that maximizing shareholder value and improving organizational performance require retail

managers to develop and execute superior strategies. A retail company demonstrates stronger strategic management practices when its performance and profit growth consistently exceed the industry average for firms targeting the same consumer base. Supporting this view, Todorov (2019) concluded that competitive performance advantages often stem from effective strategic implementation.

In Indonesia, the integration of strategic management practices has equipped retail firms with the means to survive, expand, and maintain sustainable competitive advantages. Strategic human resource planning, in particular, plays a key role in helping organizations mitigate risks posed by volatile business conditions and in securing long-term growth (Sirrajudin et al., 2017). According to Novianti (2019), strategic HR planning enables Indonesian retail enterprises to proactively respond to change. Firms that effectively adopt strategic management practices tend to realize stronger returns on assets, higher sales growth, improved profit margins, increased employee engagement, and broader organizational development.

1.1.2 Regional Perspective of Strategic Management Practices and Performance of Retail Chain Stores

Across Africa, the adoption of strategic management practices has become increasingly vital in navigating the continent's dynamic and often turbulent business environments. Tseng (2017) identified the primary challenge for retail businesses as the effective application of strategic management approaches that foster long-term profitability. These practices are widely recognized as critical drivers of growth and enhanced performance for retail chain stores across the continent. Tidd (2021) further emphasized that the

capacity to implement strategic management effectively is emerging as a core determinant in the development and sustainability of firm performance in Africa. Similarly, Davila (2019) underscored the importance of strategic management practices in ensuring long-term success and operational excellence in the retail sector. Redknee (2015) added that such practices not only support business growth and performance but also enable service providers and retailers to generate sustainable revenue streams.

In Somalia, the collapse of Siad Barre's regime in 1991 led to the dismantling of state institutions, creating an unregulated market environment. According to Warsame (2015), the absence of formal taxation, legal constraints, and foreign exchange controls presented a unique business opportunity that allowed Somali retail firms to flourish. Ali (2014) observed that, within this context, many organizations relied on strategic management practices to maximize profitability and establish dominance in the retail sector.

In Ghana, Bonsu (2016) found a direct correlation between the strategic management practices of retail chain stores and their financial and operational performance. His findings revealed that firms consistently aligning their marketing and managerial strategies with environmental dynamics tend to outperform competitors, irrespective of the market's competitive intensity.

In South Africa, Mitra (2021) noted that retail businesses operate within volatile, uncertain, complex, and heterogeneous environments. In response, these firms have invested in developing core competencies and strategic capabilities aimed at promoting business excellence, maintaining competitive advantage, and ensuring long-term sustainability. Strategic management has thus emerged as a crucial determinant of

corporate success, profitability, and resilience.

In Egypt, Salama (2017) proposed and examined a conceptual framework linking resource-based strategic management practices and inter-organizational collaboration to retail performance. His research concluded that the performance of retail businesses is influenced by a wide range of factors beyond knowledge management and organizational learning alone. In contrast, Ogunkoya (2019) highlighted the Nigerian retail context, emphasizing the necessity for firms to consistently monitor both internal and external environments. He advocated for adaptive strategic management practices as a means of maintaining competitiveness amid constant change.

1.1.3 Local Perspective of Strategic Management and Performance of Retail Chain Stores in Kenya

The retail sector in Kenya is characterized by intense and continually evolving competition, driven by increasing consumer awareness, shifting preferences, and the steady influx of new market entrants (Njoki, Kamau & Mbithi, 2019). In this dynamic environment, retail chain stores are compelled to adopt strategic management practices that promote operational efficiency, optimal resource utilization, and long-term sustainability. Key among these practices are strategic planning, resource allocation, environmental scanning, and risk management, all of which are essential for achieving improved organizational performance (Mohamed, Ndinya & Ogada, 2019). Conversely, inadequate strategic planning has frequently been linked to high cash turnover, mismanaged capital, and unplanned expansion efforts, culminating in operational

inefficiencies and diminished competitiveness within the sector (Gitonga & Nyangau, 2022).

In response to these challenges, many Kenyan retail chains have embraced more structured strategic management frameworks. According to the Micro and Small Enterprises Authority (MSEA, 2023), supermarkets in the 2023 financial year adopted strategies such as expanding physical branches, introducing strategic plans across multiple locations, and appointing senior executives to enhance operational oversight. These strategic initiatives align with global insights, such as those from Whole Food Market (2022), which underscore the importance of aligning strategic intent with customer value propositions. By integrating inputs and refining operational processes, retail chains are better positioned to enhance service delivery efficiency and overall performance (Badin, 2023). Consequently, certain retailers have set performance benchmarks that influence industry standards, prompting peers to reexamine and optimize their internal strategies (Silva & Qassim, 2023).

Beyond operational considerations, Kenya's retail sector plays a pivotal socio-economic role by offering consumers choice and convenience while acting as a crucial distribution channel for manufacturers and suppliers (Okojie, Enudu & Ile, 2023). The sector also serves as a significant source of employment across its value chain. Increasingly, the performance of retail outlets is being linked to the strategic decisions of their leadership. Empirical studies affirm a strong correlation between the application of strategic management practices and enhanced firm performance in the retail industry (Mwaura, Mathenge & Mungai, 2023; Njoki, Kamau & Mbithi, 2019). As such, cultivating a culture of strategic agility, innovation, and continuous improvement is essential for retail

chains seeking to maintain competitiveness and achieve sustainable growth in Kenya's dynamic business landscape

1.2 Statement of the Problem

In an ideal business environment, retail chain stores operate within well-defined strategic frameworks that enable them to anticipate market trends, allocate resources efficiently, manage risks effectively, and sustain long-term profitability (Agić et al. 2016). Globally, best-performing retail chains leverage strategic planning, environmental scanning, and agile resource allocation to gain competitive advantage and meet customer expectations (Al Humeisat et al. 2022). Strategic management practices such as these are crucial in ensuring continuous improvement, innovation, and responsiveness in an increasingly dynamic and competitive retail environment (Kamau, 2023).

However, in the Kenyan context, retail chain stores are grappling with a competitive and rapidly evolving market landscape that challenges their strategic capabilities. Strategic planning, resource allocation, environmental scanning, and risk management have emerged as key areas of concern. According to a 2023 survey by the Kenya Retail Association, 60% of retail chain stores reported that inadequate strategic planning led to missed market opportunities and decreased profitability. Additionally, the 2022 Retail Business Insights Group report found that 55% of Kenyan retail chains struggled with inefficient resource allocation, leading to poor operational efficiency. Mutiso (2019) observed that 70% of retail chains in Nairobi suffered financial losses due to weak alignment between strategic plans and market dynamics. Similarly, Karanja (2021) found that 65% of retail outlets underutilized environmental scanning tools, resulting in a lack

of market insight and competitive responsiveness. Furthermore, the 2024 Retail Risk Management Association survey revealed that 50% of Kenyan chains had inadequate risk mitigation frameworks, exposing them to frequent operational disruptions.

Despite a growing body of literature on strategic management, a significant research gap exists in understanding its comprehensive impact on the performance of retail chain stores in Kenya. Studies by Kanano and Wanjira (2021) and Chepngetich (2022) offer fragmented insights, focusing narrowly on specific types of stores or limited geographic scopes. Likewise, research by Muriuki (2020) and Otieno (2023) has emphasized resource allocation and risk management but failed to integrate these with other critical components like strategic planning and environmental scanning. Moreover, the existing studies do not holistically address how these practices influence core performance indicators such as profitability, customer satisfaction, and market share. This study sought to address these gaps by examining the combined influence of strategic planning, resource allocation, environmental scanning and risk management on the performance of retail chain stores in Nairobi, Kenya.

1.3 Purpose of the Study

The purpose of this study was to assess how strategic management practices influence the performance of retail chain stores in Nairobi, Kenya.

1.4 Objectives of the Study

The specific objectives that this research proposal sought to achieve were to:

- i. To determine the influence of strategic planning on performance of retail chain stores in Nairobi, Kenya.
- ii. To establish the influence of strategic resources allocation on performance of retail chain stores in Nairobi, Kenya.
- iii. To find out the influence of environmental scanning on performance of retail chain stores in Nairobi, Kenya.
- iv. To assess the influence of risk management on performance of retail chain stores in Nairobi, Kenya

1.5 Research Questions

The study was guided by the following research questions;

- i. What is the influence of strategic planning on performance of retail chain stores in Nairobi, Kenya?
- ii. How do strategic resources allocation influence performance of retail chain stores in Nairobi, Kenya?
- iii. To what extent does environmental scanning influence performance of retail chain stores in Nairobi, Kenya?
- iv. How does risk management influence performance of retail chain stores in Nairobi, Kenya?

1.6 Significance of the Study

The retail chain sector is experiencing rapid transformation, requiring businesses to remain agile to adapt to ongoing changes. Key factors influencing this evolution include sustained demand growth, heightened competition, security concerns, technological innovation, shifting customer expectations, and the pursuit of cost efficiencies. What differentiates retail chain stores in this dynamic landscape is the strategic management practices they adopt and how effectively they implement them. As a result, the intensified competition has positively impacted consumers by enhancing service quality, product offerings, and overall customer experience.

This study is particularly significant for investors, as it offers valuable insights into how strategic management practices influence the performance and profitability of retail chain stores in Kenya. With a clearer understanding of these dynamics, investors can make better-informed decisions about resource allocation, thereby maximizing returns and minimizing risks. Furthermore, the findings will assist investors in evaluating the competitive positioning of various retail chains within the market.

The study also holds importance for government agencies, relevant ministries, and other stakeholders by providing data-driven insights that can support policy development aimed at strengthening the retail sector. The recommendations derived from this research can serve as practical guidelines in formulating strategies to foster sector growth and stability.

In addition, the study contributes to the academic discourse on strategic management by enriching the existing literature. It will be a valuable reference for scholars and

academicians, supporting further academic exploration. By highlighting existing research gaps, the study lays a foundation for future studies to explore new dimensions of strategic management within the retail industry

1.7 Scope of the Study

This study focused on examining the influence of strategic management—specifically strategic planning, resource allocation, environmental scanning, and risk management—on the performance of retail chain outlets in Nairobi City County, Kenya. Nairobi City County was selected as the study area due to its high concentration of retail chain stores, accounting for approximately 90% of such outlets in the country. The study targeted senior and middle-level management personnel within these retail chains, comprising a population of 250 individuals. From this group, a random sample of 94 respondents was selected for participation. The research evaluated the performance of these outlets over a five-year period, from 2019 to 2024 a timeframe marked by the collapse of several major retail chains such as Uchumi Supermarket, Nakumatt, Tuskys, and Woolmatt. A descriptive research design was adopted to guide the study.

1.8 Limitations of the Study

Some respondents expressed concerns about participating in the study, particularly regarding the potential intrusion of the questionnaire into their privacy. To address these concerns, the purpose of the research was clearly explained, and participants were assured that the study was purely for academic purposes. They were further informed that all responses would be treated with strict confidentiality. Prior to data collection, formal

consent was obtained from each respondent, and they were made aware of their right to withdraw from the interview at any point without consequence.

Access to confidential information was also a challenge, given the sensitive nature of the study area and the institutional mandates involved. This limited the availability of some critical data from respondents. To address this limitation, qualitative discussions were incorporated to gain deeper insights into trends and patterns underlying sensitive quantitative data.

Another limitation was related to the methodology, particularly in establishing the internal and external validity of the study findings. There was a risk of errors in deriving descriptive or inferential conclusions from the sample data. To mitigate this, a statistically representative sample was selected to ensure a normal distribution of data points and enhance the generalizability of the results. A fit-for-purpose sampling approach was employed to reduce bias in the respondent selection process and strengthen the reliability of the study.

1.9 Assumptions of the Study

The study was based on several key assumptions. First, it assumed that strategic management practices have a significant influence on organizational performance. Second, it was presumed that the strategic management practices in place were both tangible and measurable, allowing for effective evaluation. Third, the study assumed that the targeted retail chain stores in Kenya had already adopted strategic management practices, as the absence of such practices would have rendered data collection impractical. Finally, it was assumed that the management teams of these enterprises were

actively addressing instances of underperformance related to strategic management and that sufficient documentation existed to evaluate both the strategic practices and performance outcomes of the retail chain stores.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section presents a detailed review of literature and relevant theories related to the study, structured under the following subheadings: theoretical framework, conceptual framework, empirical review of study variables, critique of existing literature, and identification of research gaps. The review draws on existing scholarly work to develop the theoretical and conceptual frameworks by examining the relationships among the study variables, thereby offering direction and context for the research.

2.2 Theoretical Literature

The theoretical review forms the philosophical foundation of the research, establishing a link between abstract theoretical concepts and the practical aspects of the investigation (Rono & Memba, 2019). It provides a guiding framework for decision-making throughout the research process, enabling coherent interpretation of the relationships among the study variables and key factors related to the research problem (Kihara, Bwisa, & Kihoro, 2016). Additionally, it outlines how the variables are conceptually connected, offering insights into the nature of their interactions (Ratanya, Mukulu, & Sakwa, 2019). This study adopts the Resource-Based Theory and the Dynamic Capability Theory as its primary theoretical foundations.

2.2.1 Resource Based Theory

The Resource-Based View (RBV), advanced by Barney (1991a), argues that a firm's internal resources specifically those that are valuable, rare, inimitable, and non-substitutable (VRIN) are the core sources of sustained competitive advantage. Other proponents such as Mabey, Salaman, and Storey (1998) and Kligher and Yere (2021) support the RBV by highlighting that strategic management competencies, skills, and knowledge-based assets are central to a firm's ability to outperform rivals. In the context of retail chain stores in Nairobi City County, these arguments are particularly relevant, as firms must rely on internally developed competencies such as skilled employees, effective HR strategies, and knowledge sharing to thrive in an unpredictable and competitive environment. RBV supports the identification of practices like employee training, internal career development, and performance-based incentives as drivers of competitive advantage (Khandekar & Sharma, 2018; Vlachos, 2018), making it highly applicable to the Kenyan retail sector.

Despite its wide acceptance, RBV has faced criticism for being static and insufficiently responsive to rapidly changing business environments. Critics argue that RBV focuses too heavily on existing resources rather than on the processes by which firms adapt and renew these resources in the face of environmental change. This limitation is addressed by incorporating the Dynamic Capability perspective, particularly as articulated by Teece et al. (1997), which emphasizes a firm's ability to reconfigure, integrate, and adapt resources in response to shifting conditions. This perspective complements the RBV by adding a layer of responsiveness and flexibility critical in the retail sector, where consumer behavior, technology, and regulations are in constant flux. The inclusion of

dynamic capabilities addresses the RBV's shortfall by emphasizing not just possession of resources, but the strategic agility with which they are deployed.

In this study, RBV underpins the investigation of how strategic management practices influence performance by framing these practices as strategic resources that, when effectively managed, can yield sustained competitive advantage. The theory provides a foundation for analyzing how retail chain stores in Nairobi deploy internal assets like training, HR policies, and knowledge systems to achieve operational excellence. At the same time, by acknowledging and integrating critiques through dynamic capability theory, the study ensures a more comprehensive and context-sensitive analysis. This dual-theory framework ensures that the research is both theoretically grounded and practically relevant to the evolving landscape of Kenyan retail.

2.2.2 Dynamic Capability Theory

The Dynamic Capability Theory, introduced by Teece (1990), emphasizes the firm's ability to adapt, integrate, and reconfigure internal and external resources to address rapidly changing environments. Core to this theory is the concept that sustainable competitiveness stems not merely from owning valuable resources but from how well a firm can evolve and respond to volatility (Teece, 2017; Teece, 2020). In highly dynamic sectors such as retail in Nairobi City County, where market conditions, consumer preferences, and technological landscapes shift frequently, this theory offers a compelling framework. Proponents like Teece et al. (1997) argue that the capacity to sense, seize, and transform is essential for firms to stay competitive, a claim echoed by Antony and Alala (2018), who note that dynamic capabilities enable innovative, responsive strategic management practices.

Despite its growing influence, the Dynamic Capability Theory is not without criticism. One key critique is its conceptual ambiguity and measurement difficulty researchers often struggle to empirically identify and quantify dynamic capabilities in practice. Additionally, critics argue that the theory may overemphasize managerial foresight and strategic flexibility, assuming a level of agility that may not be realistic for all firms, particularly smaller or resource-constrained enterprises. However, these critiques are increasingly addressed by studies that operationalize dynamic capabilities through observable strategic actions, such as digital transformation, workforce agility, and rapid product development. In this light, Porter (2020) underscores the role of internal adaptation and strategic realignment, complementing the dynamic capabilities approach by focusing on how internal firm decisions, rather than just external pressures, shape competitive outcomes.

In this study, the Dynamic Capability Theory underpins the exploration of how strategic management practices enable retail chain stores in Nairobi to adapt and thrive amid continuous change. By focusing on dynamic capabilities such as innovative decision-making, real-time learning, and reconfiguration of resources, the theory provides a useful lens to examine how firms remain agile and competitive in volatile markets. The theory aligns well with the study's objectives by emphasizing the importance of continuous strategic renewal and managerial adaptability, which are vital in retail sectors that face disruptions such as shifting consumer behaviors, technological changes, and economic fluctuations. It complements the Resource-Based View by addressing its static limitations, thereby offering a more holistic and actionable theoretical foundation for analyzing performance in Nairobi's retail chains.

2.3 Empirical Literature

The present study aims to investigate the impact of strategic management practices on the performance of retail chain stores in Kenya. Within this section, a thorough empirical analysis of previous research examining the relationship between the predictor variables (Strategic Management practices) and the dependent variable (organizational performance) is conducted.

2.3.1 Strategic Planning and Performance of Retail Chain Stores

Jashari and Kutllovci (2020) examined the effect of strategic planning on organizational performance by surveying 100 managers from public and private manufacturing firms in Kosovo. Utilizing a 39-item questionnaire, the study revealed that recruitment and selection practices had the strongest positive impact on performance, emphasizing the role of effective employee management. However, the study was conducted in a manufacturing context outside Kenya and did not address the specific characteristics of retail chain stores. This presents both a contextual and industry gap that the current study seeks to address.

In a related Kenyan study, Nondoh et al. (2020) investigated the effect of strategic planning on the performance of public universities in the western region of Kenya using an analytical cross-sectional survey design and multiple regression analysis. They found that recruitment, selection, and outsourcing practices significantly influenced performance, explaining 53.5% of the variation. Despite its local context, the study focused solely on higher education institutions and not on the commercial retail sector,

limiting its applicability to retail chain operations and underscoring the need for sector-specific research.

Similarly, Miranda and Fernando (2020) assessed the impact of strategic human resource management practices on perceived organizational performance at the Ceylon Fisheries Corporation in Sri Lanka. Surveying 123 managerial staff, the study found that recruitment, training, performance appraisal, and reward systems significantly affected perceived performance. While these findings affirm the link between strategic HR practices and performance, the study's focus on a public-sector enterprise in a non-African context, along with its reliance on perceived rather than empirical performance metrics, restricts its relevance to Kenyan retail chains.

Ellinger and Svendsen (2021) conducted a literature-based review on the influence of strategic planning on performance in Austrian manufacturing firms. Their findings suggested that aligning strategic planning with talent development and cultural factors enhanced organizational performance. Nevertheless, the study relied on secondary data and focused on a different sector and region, reducing its applicability to the retail chain environment in Nairobi.

Okpara (2015) explored the relationship between strategic planning and performance in Nigerian SMEs, surveying 120 businesses across various sectors. The study found a positive correlation between strategic planning—particularly the definition of business objectives and environmental scanning—and improved performance. However, the broad focus on SMEs and lack of retail-specific insights limits the study's relevance to retail chains.

Finally, Muriuki and Wanjiru (2019) examined strategic management practices in Kenya's agricultural cooperatives. Using a descriptive survey of 150 cooperative managers, the study reported that strategic planning accounted for 46% of performance variation. While contextually relevant, the focus on the agricultural sector does not capture the commercial and operational dynamics unique to retail chain stores. Thus, there remains a significant gap in literature specific to strategic planning within Kenya's retail sector a gap this study aims to fill.

2.3.2 Strategic Resources Allocation and Performance of Retail Chain Stores

Eren and Ciceklioglu (2020) investigated the impact of strategic resources on innovation within the Turkish banking call center sector. The study combined a comprehensive literature review with empirical data collected through a questionnaire administered to 245 randomly selected employees. The questionnaire, adapted from established instruments, was analyzed using descriptive statistics, correlation analysis, and factor analysis. Findings revealed that knowledge management and innovation strategies had a significant and positive influence on innovation and its various sub-dimensions. While the study highlights the importance of strategic resources in promoting innovation, its focus on the Turkish banking sector limits the applicability of its findings to Kenya's retail industry, which operates under different market, consumer, and operational conditions. This necessitates further research to examine whether similar strategic resource dynamics apply within the Kenyan retail context.

Salama (2017) explored the influence of strategic resources, organizational learning, and supply chain management practices on organizational performance in Egypt. The research targeted 63 factories in New Borg Al-Arab industrial city, each employing over 100 staff, and utilized self-administered questionnaires to collect data. The study concluded that strategic resources particularly knowledge management played a pivotal role in enhancing organizational performance through internal learning mechanisms. Although the findings contribute valuable insights into the manufacturing sector, their relevance to service-oriented industries such as retail is limited. Moreover, the Egyptian setting presents a geographical and contextual disparity from Kenya, underscoring the need to investigate these dynamics within Kenyan retail chains.

Wanyama (2018) examined the role of strategic resources in influencing organizational performance in Kenya's public-sector institutions. The study focused on technology, human resources, and financial resources across various ministries, including devolution, labor, social security, and ICT. Data were collected from 303 respondents selected through stratified and simple random sampling from a total population of 2,343. With a strong correlation coefficient ($R = 0.897$), the study concluded that strategic resources particularly knowledge-based assets significantly contributed to enhanced performance in the public sector. Despite its contextual relevance to Kenya, the study's findings are based on public sector dynamics, which differ markedly from the private sector in terms of competitive pressure, operational agility, and consumer orientation. As such, its applicability to retail chain stores is limited. The current study aims to bridge this gap by exploring how strategic resources impact the performance of retail chain stores in Nairobi City County

2.3.3 Environmental Scanning and Performance of Retail Chain Stores

Nyaga (2019) examined the effect of environmental scanning on the competitive advantage of retail firms in Kenya through a cross-sectional survey involving 50 retail managers. Using structured questionnaires, the study found that companies engaging in proactive environmental scanning were more agile in adapting to market fluctuations and better equipped to respond to consumer demands and competitive pressures. The research concluded that environmental scanning enhances a firm's ability to secure and maintain competitive advantage. However, the study's scope was broad, encompassing all retail firms without differentiating the specific operational complexities of large-scale retail chain stores. These larger entities often operate in more dynamic and resource-intensive environments, which may require more sophisticated and structured scanning practices. This presents a contextual gap that the current study aims to address by focusing specifically on large retail chain stores in Kenya.

Mwangi (2021) investigated the influence of environmental scanning on strategic decision-making within Kenya's manufacturing sector. Adopting a mixed-methods approach, the study collected quantitative data from 100 executives alongside qualitative insights from in-depth interviews. The findings revealed that firms with formalized environmental scanning frameworks made more informed strategic decisions and were more responsive to shifts in the business environment. However, the study did not explore the evolving role of digital technologies in transforming how environmental scanning is conducted. As digital transformation continues to reshape the retail sector, particularly in urban markets like Nairobi, further research is needed to understand how

digital tools are being integrated into scanning practices to enhance strategic agility and decision-making—an area this study seeks to explore.

Ochieng and Otieno (2022) conducted a longitudinal study on the relationship between environmental scanning and innovation among 120 SMEs in Nairobi. The results showed that firms that actively practiced environmental scanning were more innovative and resilient amidst market volatility. The study underscored the importance of scanning as a strategic tool for identifying emerging opportunities and mitigating potential threats. However, by focusing exclusively on SMEs, the research did not account for the scale, operational complexity, and regulatory exposure that characterize large retail chain stores. These factors necessitate a more robust and adaptive approach to environmental scanning. The current study addresses this limitation by investigating how large retail chains in Nairobi apply scanning practices to drive innovation and performance.

Kamau (2023) explored the relationship between environmental scanning and operational efficiency in multinational corporations (MNCs) operating in East Africa. Using a case study approach involving in-depth interviews with senior executives from five MNCs, the study found that structured and continuous environmental scanning enabled firms to anticipate regulatory changes and allocate resources more effectively, thus enhancing operational efficiency. While the findings offer valuable insights, the study's narrow focus on large, well-resourced MNCs limits its relevance to local retail chains, which often face resource constraints and different operational challenges. This creates a gap in understanding how environmental scanning can be adapted to suit the needs of domestic retail chains in Kenya a gap the current study seeks to fill

2.3.4 Risk Management and Performance of Retail Chain Stores

Mutiso (2019) investigated the impact of risk management practices on the performance of retail chain stores in Nairobi using a survey-based design that collected data from 60 retail managers through structured questionnaires. The analysis revealed that risk assessment and mitigation strategies significantly improved both financial and operational performance. Retailers with comprehensive risk management frameworks demonstrated greater resilience in managing supply chain disruptions and market volatility. However, the study treated retail chains as a homogeneous group, without differentiating between small, medium, and large enterprises. This lack of segmentation may constrain the applicability of the findings to large-scale retailers, whose risk exposure tends to be more complex. Therefore, additional research is warranted to examine the specific effects of risk management practices within large-scale retail chains operating under varying economic conditions.

Karanja (2020) assessed the influence of risk management strategies on customer satisfaction and operational performance within Kenyan retail chains, employing a mixed-methods approach. The study gathered quantitative data through surveys and qualitative insights through interviews with 80 retail managers and customers. The results indicated that effective risk management practices—such as inventory control systems and crisis response protocols—enhanced customer experiences and minimized operational disruptions. While the study offered a broad view of the advantages of risk management, it did not provide an in-depth evaluation of individual risk management tools. This limits the ability to identify which specific practices are most effective.

Consequently, future research should focus on isolating and analyzing the performance impact of individual risk management strategies across diverse retail settings.

Wangui and Gikandi (2021) conducted a longitudinal study to examine the relationship between risk management and financial performance in medium-sized retail chains in Kenya. Observing 40 retail chains over a three-year period, the researchers used both financial performance indicators and structured risk assessment tools to evaluate outcomes. The findings demonstrated a strong positive correlation between proactive risk management and financial success, including improved profitability and sustained business continuity. However, the exclusive focus on medium-sized enterprises limits the generalizability of the results to both smaller and larger retail businesses. This limitation provides an opportunity for the present study to broaden the scope by exploring how risk management practices influence performance across various enterprise sizes, particularly within large-scale retail chains that often face more substantial operational and systemic risks.

Chege (2022) explored the role of risk management frameworks in enhancing the operational resilience of multinational retail chains in East Africa. Utilizing a qualitative case study approach, the research involved in-depth interviews with managers from five multinational retail chains. The findings highlighted that robust risk management frameworks allowed these firms to proactively respond to regulatory shifts and supply chain disruptions. While the study offers valuable insights into the advantages of structured risk management, its emphasis on large, well-resourced multinational firms limits its relevance to local and regional retail chains, which typically operate with fewer resources and less global exposure. Accordingly, there is a need for more localized

studies that examine how domestic retail chains in Kenya can develop and implement risk management practices suited to their unique operational environments.

2.4 Conceptual Framework

A conceptual framework provides a visual representation of the hypothesized relationships among the variables under investigation (Portney, 2020). In academic research, the process of conceptualizing variables is essential, as it forms the basis for hypothesis testing and enables the development of generalizations from the study's findings (Sekaran, 2015). In the context of this study, the independent variables include Strategic Planning, Strategic Resource Allocation, Environmental Scanning, and Risk Management. The dependent variable is the performance of retail chain stores in Kenya. Figure 1 illustrates the conceptual framework, outlining the sub-variables associated with each main variable. These sub-variables represent the specific dimensions and indicators used to assess the respective constructs.

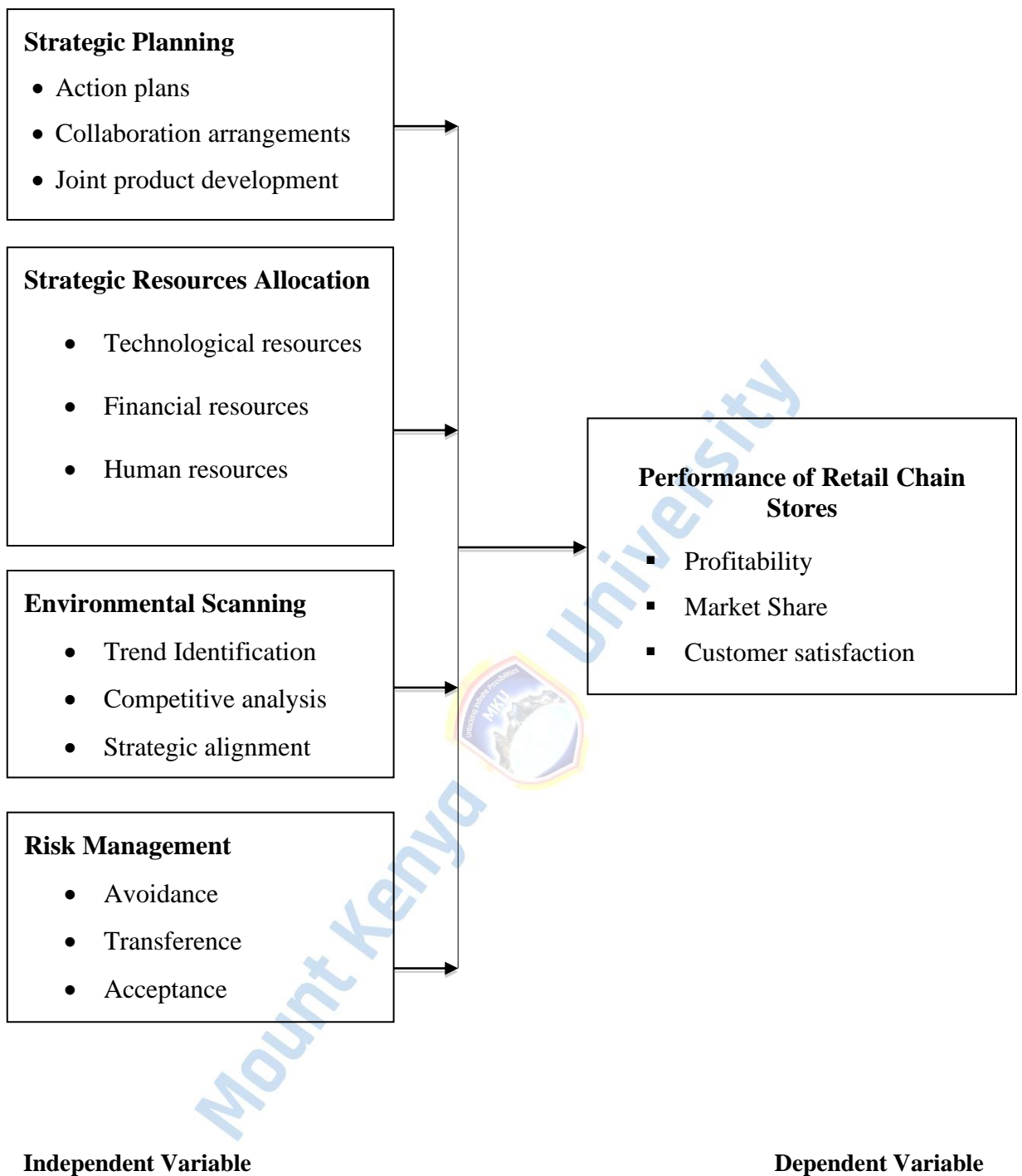


Figure 1: Conceptual Framework (Researcher, 2025)

2.5 Recap of Literature Reviewed

The empirical literature reveals a wide array of research designs and methodologies—including descriptive survey design, historical and causal research designs, explanatory approaches, surveys, and regression analysis—that have been employed to examine strategic management and organizational performance. Despite these varied approaches and diverse findings, the relationship between Strategic Management and organizational performance within retail chain stores remains insufficiently explored. A significant proportion of the existing studies originate from developed economies, with limited empirical research conducted within the Kenyan or broader African retail context (Hao & Yung, 2022; Mbocho, 2020; Jashari & Kutllovci, 2020; Nondoh et al., 2020; Hung, 2020).

Moreover, the literature demonstrates a notable imbalance in how firm performance is measured in relation to strategic management. Most studies predominantly focus on financial metrics such as Return on Assets (ROA) and Return on Equity (ROE), often overlooking other critical dimensions like customer satisfaction and market share (Hao & Yung, 2022; Jashari & Kutllovci, 2020; Mbocho, 2020). There is a clear scarcity of empirical studies investigating the influence of strategic management on these non-financial performance indicators. While studies such as that of Jashari and Kutllovci (2020) provide valuable insights into strategic management's financial implications, their findings may not be entirely applicable across different cultural, political, and economic contexts—particularly in developing countries like Kenya.

In light of these limitations, there is a need for further research that holistically examines the impact of Strategic Management on firm performance using a broader range of performance indicators, including profitability, market share, and customer satisfaction. This study, therefore, seeks to address this gap by investigating the relationship between Strategic Management and organizational performance in Kenyan retail chain stores.

In summary, this chapter has reviewed relevant literature on strategic management and its impact on organizational performance, identifying four core components of strategic management: strategic planning, resource allocation, environmental scanning, and risk management. Drawing upon theoretical and empirical foundations, a conceptual framework was developed to illustrate the hypothesized relationships between the independent and dependent variables. The insights and gaps identified from the literature inform the development of the research methodology outlined in Chapter Three.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research design and details key components such as the target population, sampling frame, sample size, and sampling technique used in the study. It also describes the data collection instruments and procedures, including pilot testing. Furthermore, the chapter explains the data collection process and outlines the methods used for data analysis and presentation, highlighting the analytical techniques applied to interpret the study's findings.

3.1 Research Design

This study adopted a descriptive research design, which involved collecting data to examine hypotheses and address questions related to the current state of the subject, as described by Portney (2020). This design was well-suited for capturing and describing behaviors, values, attitudes, and characteristics, making it effective for gathering insights into opinions, preferences, and perceptions, as noted by Hennink et al. (2022). The descriptive survey method also enabled the researcher to identify and quantify relationships between variables using tools such as correlations and relative frequencies, as emphasized by Gallagher et al. (2020) and Halperin and Heath (2020). Because of its ability to describe, record, analyze, and report real-world conditions, the descriptive design was appropriate for this study. It supported the achievement of the four key objectives, which included assessing the influence of strategic planning, resource

allocation, environmental scanning, and risk management on the performance of retail chain stores in Nairobi City County, Kenya.

3.2. Target Population

The research targeted 250 employees comprising senior, middle, and frontline staff from major large retail chain stores located within Nairobi City County, as identified in the MSEA (2024) report. Due to the dynamic nature of the retail sector, including potential changes in ownership and the emergence of new establishments, the MSEA list may not have included all relevant players. Nonetheless, prominent retail chains in Kenya, as detailed in Appendix V, were included in the study. It is important to note that this list may not have been comprehensive, as the structure and ownership of some chains may have changed over time due to business developments such as mergers or acquisitions. The study specifically focused on large retail supermarkets in Nairobi County, which have shown considerable growth driven by urbanization and a strong market presence. The unit of analysis was the retail chain stores themselves, while the observation focused on different managerial levels within these stores. This included senior management (CEOs, CFOs, and top-level executives), middle management (regional managers, store managers, and department heads), and frontline employees (sales staff, customer service representatives, and inventory personnel). Details are summarized in Table 1.

Table 1: Target Population

Level of Management	Population	Percentage
Senior	50	20%
Middle	80	32%
Frontline Employees	120	48%
Total	250	100%

Source: MSEA (2024)

3.3 Sampling Design

The sampling frame refers to all individuals accessible to the researcher and used for selecting the sample, as defined by Portney (2020). In this study, the sampling frame comprised top, middle, and lower management staff working in large retail chain stores within Nairobi City County. A stratified sampling technique was employed to ensure representation across managerial levels, and a sample of 250 respondents was selected based on Fisher et al.'s sample size determination formula, maintaining a 95% confidence level.

3.3.1 Sample Size

Chang et al. (2020) emphasize that the sample size should be large enough to ensure reliable data analysis and allow for meaningful testing of differences between estimates. In line with this, the current study adopted a sample size of 250 participants, determined

using the sample size calculation formula proposed by Fisher et al. (2003), as recommended by Egbuchulum (2023). The calculation process is outlined below:

$$n = \frac{z^2 p(1-p)}{d^2}$$

In this equation:

n represents the sample size.

z denotes the standard normal deviate value corresponding to the confidence level, such as 1.96 for a 95% confidence level.

d indicates the margin of error or precision level, set at 0.08 for a 92% confidence interval.

p stands for the proportion to be estimated, with $p=0.5$ assumed in this context.

Consequently, the sample size will be determined as follows:

$$\frac{1.96^2 \times 0.5(1 - 0.5)}{0.08^2}$$

$$n = 150$$

Since the population is less 10,000, the sample size will further be adjusted as follows:

$$n_0 = n / (1 + ((n - 1) / N))$$

$$n_0 = 150 / (1 + ((150 - 1) / 250))$$

$$n_0 = 94$$

3.3.2 Sampling Technique

The study utilized a sample size of 94 respondents, selected through stratified random sampling. This method was appropriate as it facilitated the selection of participants from distinct groups within the population. In this case, the target population was divided into three categories based on different management levels within the retail chain stores. The sample size of 94 was proportionally allocated across these categories. The number of respondents from each group was determined by dividing the number of individuals in each category by the total population, then multiplying the result by the overall sample size (94), as shown in Table 3.2. After determining the proportionate allocation, the researcher randomly selected respondents from each group, ensuring every individual had an equal chance of being included in the study. The final distribution of the sample is presented in Table 2

Table 2: Sample Size Distribution

Level of Management	N=Population	n = Sample Size
Top	50	19
Middle	80	30
Lower	120	45
Total	250	94

Source: Researcher (2024)

3.4 Data Collection Methods

3.4.1 Data Collection Instruments

Data collection was carried out using a questionnaire, which served as the main research instrument. The questionnaire combined both closed-ended and open-ended questions to ensure comprehensive data collection. Closed-ended questions allowed for clear, structured responses, while open-ended questions gave respondents the opportunity to share their views on the key study variables in more detail. The questionnaire featured Likert scale items, using a 5-point scale where 5 represented "Strongly Agree," 4 "Agree," 3 "Neutral," 2 "Disagree," and 1 "Strongly Disagree." Respondents were asked to rate statements related to the various study variables. To enrich the data further, each Likert scale question was followed by an open-ended prompt, allowing respondents to elaborate or add perspectives beyond the scale. This approach provided deeper insights into strategic management practices and the performance of retail chain stores.

3.4.2 Data Collection Procedure

The data collection procedure involved a structured process for gathering and measuring information related to specific variables to address the study's research questions, test hypotheses, and assess outcomes (Hayes, 2020). This approach enabled the researcher to design appropriate data collection tools and provide clear instructions for their use, helping to reduce potential errors. To begin the data collection process, the researcher obtained an official authorization letter from Mount Kenya University and secured a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI). The data was collected using the drop-and-pick-later method, where

questionnaires were distributed to participants and collected after one week. This method ensured that respondents had ample time to complete the questionnaires at their convenience, considering their differing schedules and availability.

3.5 Validity and Reliability

A pilot study, also referred to as a pre-test, was a small-scale preliminary assessment carried out to test the feasibility, reliability, and validity of the research instrument before conducting the main study (Neale, 2020). This pilot involved 11 store managers and assistant managers from selected retail chain stores in Nairobi County, representing 10% of the total sample size. These participants were selected due to their managerial positions, which gave them relevant knowledge and experience related to the strategic management practices being studied. The pilot study helped the researcher identify and address any unclear or problematic areas in the questionnaire. Based on the feedback received, minor adjustments were made to improve the clarity and accuracy of the instrument. Data gathered during the pilot was not used in the main study, and the individuals who participated in the pilot were excluded from the final sample to avoid any potential bias.

3.5.1 Validity of the Research Instrument

The validity of a research instrument refers to its effectiveness in accurately measuring the intended concept. Face validity, also known as logical validity, evaluates whether the instrument appears to measure the intended construct comprehensively. In this study, both face and content validity were reviewed by subject matter experts and the researcher's academic supervisors, following guidance from Kawamura (2020). To

strengthen the instrument's validity, the researcher ensured that all questions were directly aligned with the study's objectives. Construct validity was established by analyzing how well the tool's measures related to other variables theoretically linked to the construct. Content validity focused on the extent to which the instrument's items adequately represented the entire domain of the construct, as described by Jordan and Troth (2020). To quantify this, responses were assessed using the Content Validity Index (CVI), following the approach outlined by Tashakkori et al. (2020), to determine the proportion of items deemed valid by expert reviewers

$$CVI = K/N$$

Where;

K = Total No. of Items (valid)

N = Total No. of Items in the Questionnaire

3.5.2 Reliability of the Research Instrument

Reliability in research refers to the ability of a measurement tool to consistently produce stable and accurate results across different conditions. It assesses the instrument's consistency, precision, repeatability, and dependability, as described by Mair and Wilcox (2020). In essence, reliability ensures that the results are free from measurement errors or biases and that the instrument performs consistently across various items and situations. This consistency is critical in determining whether the research outcomes are valid and reflective of the actual study rather than being influenced by external factors. According to Welch (2020), a highly reliable instrument produces similar results when used in similar circumstances. To evaluate reliability in this study, Cronbach's alpha coefficient was employed. This coefficient, which ranges from 0 to 1, measures internal consistency

and indicates how closely related a set of items are within a scale (Johnson et al., 2020). A Cronbach's alpha value of 0.7 or above is generally considered acceptable, demonstrating strong reliability. Conversely, values below 0.7 may suggest issues with the internal consistency of the instrument (Kara, 2020).

3.6 Data Analysis

Data analysis was conducted using both descriptive and inferential statistical methods with the aid of the Statistical Package for Social Sciences (SPSS Version 25). Descriptive statistics were used to summarize respondents' demographic details and their responses to various aspects of the study variables, as outlined by Bell et al. (2022). These included frequency distributions, means, standard deviations, and percentages. This approach helped present the data in a clear and easy-to-understand format, making interpretation more straightforward (May & Perry, 2022). Inferential statistics were applied to determine the likelihood that the observed results were reliable rather than due to chance. Specifically, Pearson's correlation coefficient and multiple regression analysis were used to explore the relationships among the study variables. Multivariate regression models were employed to assess the combined effect of the independent variables on the dependent variable, allowing for deeper insights into the strength and direction of these relationships;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby;

Y = Performance of Retail Chain Stores

β_0 = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Coefficients of determination

X₁ = Strategic Planning

X₂ = Strategic Resources Allocation

X₃ = Environmental Scanning

X₄ = Risk Management

ε = Error term

3.7 Ethical Considerations

The researcher conducted the study in strict adherence to established ethical research guidelines. Prior to participation, consent was obtained from the retail chain stores, which formed the unit of analysis for the study. All information collected was handled with strict confidentiality and used exclusively for research purposes. No data was shared with third parties unless required for similar academic purposes and with proper authorization. To uphold academic integrity, all referenced sources were duly acknowledged, thereby avoiding plagiarism. The researcher ensured that data was accurately presented and analyzed, and all individuals who contributed to the success of the study were formally recognized and appreciated.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

4.1. Introduction

This chapter presents the study's findings and includes a detailed discussion of the research response rate, tests for reliability and validity, and diagnostic analyses. It also examines the demographic characteristics of the study sample, provides descriptive statistics for both independent and dependent variables, and explores the relationships among variables through correlation and regression analyses. Additionally, it outlines the results of hypothesis testing and concludes with a summary of the chapter.

4.2 Response Rate

A total of 94 questionnaires were distributed for data collection purposes. Of these, 76 were correctly completed and returned, yielding a response rate of 80.85%. This high return rate is largely attributed to the use of self-administered questionnaires and the assurance of confidentiality provided to participants. According to Babbie (2018), a response rate of 50% is considered acceptable, 60% is good, and 70% or higher is deemed very good for analysis. Similarly, Chen (2016) emphasized that higher response rates reduce the likelihood of non-response bias. Therefore, the achieved response rate of 80.85% was not only suitable for analysis but also contributed to the reliability and validity of the study findings. A strong response rate enhances methodological robustness and supports the credibility of any resulting policy or practice recommendations. The detailed response rate is summarized in Table 3.

Table 3: Response Rate

Questionnaires	Frequency	Percent
Returned Questionnaires	76	80.85
Non-returned Questionnaires	18	19.15
Total	94	100

4.3 Background Information

Examining demographic characteristics such as age, length of service, tenure in management roles, managerial level, and educational qualifications within retail chain stores strengthens the validity and relevance of the study's findings. These variables offer valuable perspectives on employee experience, leadership continuity, organizational structure, and professional competence. Understanding these aspects ensures that the research results are both practical and applicable to enhancing strategic management approaches and overall performance in retail chain operations. The following subsections present a detailed overview of these demographic factors.

4.3.1 Age of Respondents

The age distribution of respondents, as detailed in Table 4, suggests that strategic management practices within Nairobi's retail chains are shaped by a diverse range of generational viewpoints. A significant portion—42.4%—of participants were aged over 40, contributing perspectives informed by extensive industry experience and a preference for stable, time-tested management practices. Respondents aged between 31 and 40 accounted for 40.9%, likely offering a balanced approach that merges traditional strategies with adaptability to change. The youngest group, comprising 16.7% of

respondents aged 20 to 30, may bring fresh, tech-oriented perspectives aligned with current trends in retail innovation. This generational diversity indicates that effective strategic management in Nairobi's retail sector may be strengthened by integrating both experienced and forward-thinking viewpoints to address the evolving demands of the market.

Table 4: Age of Respondents Results

Age (Years)	Frequency	Percent
20-30	13	16.7
31-40	31	40.9
Over 40	32	42.4
Total	76	100.0

4.3.2 Work Experience

Table 5 presents data on the respondents' length of service in the retail chain sector within Nairobi City County, Kenya, as part of a study on strategic management practices. The respondents are grouped into three categories based on their work experience: less than 10 years, 10–20 years, and over 20 years, with a total of 94 participants. The majority, 42.4%, reported having 10 to 20 years of experience, suggesting they possess both solid industry knowledge and the flexibility to adapt to evolving strategic trends. Those with less than 10 years of experience, making up 31.8% of the sample, are likely to contribute innovative perspectives and a strong orientation toward contemporary strategic approaches. Meanwhile, the 25.8% with over 20 years of experience bring valuable historical insight and deep-rooted expertise that can inform long-term strategic thinking.

The blend of varying experience levels offers a rich foundation for understanding strategic management in retail, combining fresh ideas with seasoned practices to support more comprehensive and effective strategies in the sector.

Table 5: Work Duration

Period		Frequency	Percent
Less 10	Years	24	31.8
10-20	Years	32	42.4
Over 20	Years	20	25.8
Total		76	100.0

4.3.3 Respondents Level of Education

Table 6 presents the educational qualifications of respondents who participated in the study on strategic management practices within retail chain stores in Nairobi City County, Kenya. The respondents are classified into three categories based on their highest level of education: Diploma, Graduate, and Postgraduate, with a total sample size of 76. The findings reveal that a significant majority—81.8%—possess either graduate or postgraduate qualifications, indicating a highly educated workforce within the retail management sector. Graduates make up the largest segment at 43.4%, reflecting a strong base of academic and professional training that supports effective strategic decision-making. Those with postgraduate degrees, representing 37.9% of the sample, bring advanced knowledge and a deeper capacity for analytical thinking and strategic planning. Meanwhile, the 18.2% holding diploma qualifications contribute essential practical skills and operational insights. This mix of academic backgrounds offers a well-rounded view

of how different educational levels influence strategic management practices, enriching the study with both theoretical and applied perspectives.

Table 6: Respondents Level of Education

Education Level o	Frequency	Percent
Post-graduate	29	37.9
Graduate	33	43.9
Diploma	14	18.2
Total	76	100.0

4.4 Descriptive Statistics

The study measured all key variables; strategic planning, resource allocation, environmental scanning, and risk management using a five-point Likert scale. Descriptive statistics were generated by analyzing the individual items under each research objective through custom descriptive tables. The analysis produced mean scores and standard deviations, which offer insights into the central tendency and dispersion of the responses. Utilizing mean and standard deviation in the descriptive analysis enabled a clearer understanding of the patterns, consistency, and variability in strategic management practices and their influence on the performance of retail chain stores in Kenya.

4.4.1 Descriptive Statistics for the Strategic Planning

Respondents were asked to express their level of agreement with a series of statements related to strategic planning. The primary objective of the study was to examine the impact of strategic planning on the performance of retail chain stores in Nairobi City

County, Kenya. Table 7 presents the findings, highlighting responses to key elements such as clarity of mission and vision, action-oriented planning, resource distribution, interdepartmental collaboration, and customer-driven product development. The mean scores reflect a strong overall agreement with these statements, indicating that strategic planning practices are actively and effectively applied within retail chains operating in the region.

Table 7: Descriptive Statistics for the Construct Strategic Planning

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.
The business has defined mission and vision, clarifying the purpose and long-term aspirations.	0.0	10.3	2.2	66.3	21.2	4.406	.267
The action plans provide information guides supermarkets in positioning itself effectively to meet customer needs and outperform competitors	0.0	16.8	4.8	58.2	20.1	4.285	.532
Strategic planning helps supermarkets allocate resources efficiently.	1.1	7.0	19.0	49.5	23.4	4.087	.902
There is collaboration arrangement for foresight that enables them to innovate and adapt to stay competitive.	11.0	20.9	19.0	36.3	12.8	4.154	.218
There is joint-product development for understanding customer needs and preferences allows business improve customer satisfaction and build loyalty.	4.4	12.5	20.9	38.5	23.8	4.087	.008
The business has defined mission and vision, clarifying the purpose and long-term aspirations.	0.0	2.2	18.0	45.6	34.5	4.012	.318
Aggregate						4.171	.374

The statement regarding the presence of a clearly articulated mission and vision representing the organization's purpose and long-term aspirations recorded a high mean score of 4.406 with a low standard deviation of 0.267, indicating strong agreement among respondents. This suggests that retail chain stores in Nairobi place significant emphasis on having defined mission and vision statements, which likely contribute to aligning employee actions with broader organizational goals. From the perspective of the Resource-Based View (RBV), these statements are considered intangible strategic assets that are valuable, rare, and difficult to replicate, thereby contributing to a firm's sustained competitive edge (Barney, 1991). This supports the argument made by David and David (2017), who asserted that clear mission and vision statements enhance strategic direction, employee alignment, and the firm's overall competitive position.

statement on the role of action plans in helping supermarkets position themselves to meet customer needs yielded a mean score of 4.285 with a standard deviation of 0.532. This reflects a strong level of agreement with some variability among responses. According to the Dynamic Capability Theory (DCT), a firm's ability to develop and implement action plans demonstrates its capacity to sense market opportunities and align internal processes with external demands (Teece, 2007). This is consistent with Porter (1985), who emphasized the role of targeted action strategies in maintaining competitiveness—especially in dynamic, consumer-driven markets where responsiveness is critical to success.

The evaluation of resource allocation within strategic planning recorded a mean of 4.087 and a relatively higher standard deviation of 0.902. This suggests that while most respondents acknowledged the importance of efficient resource allocation, there was

notable variation possibly reflecting differences in resource availability and planning maturity across retail chains. The RBV explains this by noting that firms possess diverse resources and capabilities, which influences how effectively they allocate them to generate competitive advantage (Wernerfelt, 1984). Kaplan and Norton (2008) further reinforce this view by highlighting that strategic resource allocation ensures that organizations prioritize initiatives that drive performance and profitability.

Collaboration as a driver for innovation received a mean score of 4.154 with a low standard deviation of 0.218, indicating a strong consensus on its strategic importance. This finding aligns with the Dynamic Capability Theory, which views collaboration as essential for integrating diverse knowledge, fostering organizational learning, and facilitating adaptation to shifting market conditions (Teece et al., 1997). Dyer and Singh (1998) support this perspective by describing collaboration between organizations as a source of relational advantage, which can promote innovation and enhance responsiveness to environmental changes.

The statement on joint product development aimed at understanding customer needs achieved a mean of 4.087 with an exceptionally low standard deviation of 0.008, reflecting near-unanimous agreement. This outcome supports both the RBV and DCT frameworks. From an RBV standpoint, engaging customers in product development generates proprietary knowledge that is difficult for competitors to imitate, enhancing brand distinctiveness and loyalty. From the DCT lens, it demonstrates a firm's adaptive capability to remain aligned with changing customer preferences. These insights are consistent with the work of Parasuraman et al. (1988), who stressed the value of customer-centric strategies in promoting satisfaction and long-term success.

The overall mean score of 4.171, paired with a standard deviation of 0.374, indicates strong alignment and moderate consistency in strategic planning practices among retail chains in Nairobi. The results affirm the practical application of key principles from both the Resource-Based View and Dynamic Capability Theory. Retail chains appear to be leveraging their internal strengths while remaining adaptive to external market shifts, ultimately contributing to improved organizational performance.

4.4.2 Descriptive Statistics for the Strategic Resource Allocation

Respondents were asked to indicate their level of agreement with various statements related to strategic resource allocation. The second objective of the study aimed to determine the impact of strategic resource allocation on the performance of retail chain stores in Nairobi City County, Kenya. As presented in Table 8, the findings highlight key resource allocation practices, including the adoption of advanced technologies, access to financial capital, support for innovation, employee training, effective knowledge sharing, and responsiveness to changing market conditions. These elements are shown to play a vital role in enhancing operational efficiency, minimizing costs, and sustaining a competitive advantage. The consistently high mean scores across the items suggest that respondents regard these strategic practices as essential contributors to the performance and long-term success of retail chains in a dynamic business environment.

Table 8: Descriptive Statistics for the Construct Strategic Resource Allocation

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.
We use advanced technologies to optimize operational processes, reducing costs and enhancing productivity	0.9	2.1	12.8	21.3	59.9	4.498	.321
The organization acquires capital for investments for running the business	7.4	0.8	11.8	22.1	57.9	4.355	.387
Technology-driven innovation enhances reduction of costs and customer satisfaction	2.0	3.8	5.3	24.5	64.4	4.213	.486
There is well-trained employees that contribute to better customer service and operational efficiency	5.4	4.5	9.1	18.2	62.8	4.465	.172
Our staff understand and adapt to market dynamics	1.0	4.8	5.3	24.5	64.4	4.213	.211
The organization has ensured that there adequate knowledge dissemination to all concerned employees	7.4	0.8	11.8	22.1	57.9	4.355	.387
We have adequate capital to meet customer expectations and sustain a competitive edge in the retail industry.	7.4	0.8	11.8	22.1	57.9	4.355	.387
Aggregate						4.349	.335

The use of advanced technologies to enhance operational efficiency, reduce costs, and boost productivity received the highest level of agreement from respondents, with a mean score of 4.498 and a low standard deviation of 0.321. This indicates a strong consensus

on the strategic role of technology in modern retail management. Tools such as automation, artificial intelligence (AI), and data analytics are seen as critical enablers of streamlined operations and improved customer experiences. This finding aligns with the Dynamic Capability Theory (Teece, 2007), which emphasizes the need for firms to continuously reconfigure resources in response to environmental changes. It also reflects the observations of Brynjolfsson and McAfee (2014), who identified technological advancement as a primary driver of productivity and competitive strength, particularly in fast-paced sectors like retail.

The statement addressing the importance of capital acquisition to support business operations and expansion scored a mean of 4.355 with a standard deviation of 0.387. This highlights the value of financial resources in facilitating strategic investments. Penrose's (1959) theory on firm growth underscores this point, suggesting that financial capital enables firms to pursue innovation and scale their operations. Similarly, the Resource-Based View (Barney, 1991) regards capital as a strategic asset that empowers organizations to invest in infrastructure, technology, and market development. The moderate variation in responses may indicate differences in financial capacity among retail chain stores, which could influence their ability to pursue aggressive growth or modernization strategies.

Technology-driven innovation, as a means to reduce operational costs and improve customer satisfaction, received a mean score of 4.213 and a standard deviation of 0.486. While agreement remained strong, the variability suggests differing levels of innovation adoption across firms. This reinforces Porter and Heppelmann's (2015) view that technology-led innovation enables firms to better respond to changing customer demands

while improving internal efficiencies. Within the framework of Dynamic Capability Theory, this adaptability demonstrates an organization's ability to reconfigure its resource base in alignment with external market shifts, thereby maintaining relevance and competitiveness.

Regarding human capital, the statement on the value of well-trained employees in boosting customer service and operational effectiveness scored a mean of 4.465, with a notably low standard deviation of 0.172. This reflects a strong consensus on the importance of employee development. Huselid (1995) found that strategic investment in workforce training directly contributes to improved organizational performance. The Resource-Based View considers human capital a valuable and difficult-to-imitate resource that, when nurtured, can generate lasting competitive advantages. Skilled employees are not only more efficient but also better positioned to engage customers effectively and deliver superior service experiences.

Respondents also agreed on the importance of staff being able to understand and respond to market dynamics, as reflected by a mean of 4.213 and a standard deviation of 0.211. This highlights the need for a workforce that can interpret market trends and adjust accordingly. Such responsiveness is central to the Dynamic Capability Theory (Teece et al., 1997), which holds that an organization's success depends on its ability to sense and adapt to environmental changes. Kotler et al. (2015) similarly argue that awareness of market shifts is crucial in ensuring the relevance of retail offerings and in maintaining customer satisfaction.

Knowledge dissemination within organizations received a mean score of 4.355 and a standard deviation of 0.308, indicating widespread agreement on its importance. Effective sharing of knowledge ensures alignment of teams with strategic objectives and enhances the agility of decision-making. This aligns with the organizational learning theory (Nonaka & Takeuchi, 1995), which emphasizes the strategic value of internal knowledge transfer. From an RBV perspective, disseminated knowledge becomes a unique internal capability that can drive innovation, operational improvement, and strategic differentiation.

Taken together, the responses yield an aggregate mean of 4.349 with a standard deviation of 0.335, indicating a high level of consensus regarding the critical role of strategic resource allocation. The findings reinforce that a firm's performance is significantly shaped by how it acquires, manages, and deploys resources—be it technological, financial, human, or informational. This supports the Resource-Based View's argument that variations in firm resources contribute to differences in performance outcomes (Barney, 1991). It also aligns with Grant's (2010) view that coordinated resource utilization strengthens competitive advantage. The study's results validate existing literature and emphasize that efficient strategic resource allocation not only underpins operational success but also lays the groundwork for innovation and long-term sustainability in the retail sector.

In summary, these findings underscore the essential role of strategic resource allocation in driving competitiveness among retail chain stores in Nairobi. Effective integration of technology, financial investment, employee development, market awareness, and knowledge management enables firms to remain agile and successful in a rapidly

evolving business landscape. By situating these insights within the frameworks of the Resource-Based View and Dynamic Capability Theory, the study affirms that resource alignment and adaptability are key determinants of organizational performance and resilience

4.4.3 Descriptive Statistics for the Construct Environmental Scanning

Respondents were asked to express their level of agreement with a series of statements related to environmental scanning. This was in line with the third objective of the study, which sought to examine the impact of environmental scanning on the performance of retail chain stores within Nairobi City County, Kenya. The findings presented in Table 9 underscore the critical role of environmental scanning, strategic alignment, and market trend analysis in supporting the growth and sustainability of retail businesses. An overall mean score of 4.349 with a standard deviation of 0.335 reflects strong consensus among participants on the importance of these strategic activities in enhancing competitiveness, increasing market share, and boosting overall organizational performance. The results suggest that most respondents recognize the value of aligning strategic decisions with insights gained from continuous monitoring of external environments.

Among the evaluated statements, the highest mean score of 4.498 accompanied by a low standard deviation of 0.321 was attributed to the timely identification of emerging market trends. This indicates a high level of agreement across respondents, suggesting that many retail chains in Nairobi actively monitor market dynamics and are responsive to change. This observation aligns with strategic management literature, particularly Porter (1985), who emphasized the necessity of environmental awareness in sustaining competitive

advantage. The ability to detect and act on market shifts allows retailers to better address evolving customer preferences, adapt product offerings, and remain ahead of competitors. Such proactive behavior contributes significantly to improved customer satisfaction, stronger market positioning, and long-term success in a dynamic retail environment.

Table 9: Descriptive Statistics for the Construct Environmental Scanning

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.
Our retail chain effectively identifies emerging market trends in a timely manner	0.9	2.1	12.8	21.3	59.9	4.498	.321
We regularly monitor and analyze competitors' strategies to inform our own business decisions	7.4	0.8	11.8	22.1	57.9	4.355	.387
Our environmental scanning activities are well-aligned with our overall strategic goals	2.0	3.8	5.3	24.5	64.4	4.213	.486
The strategic alignment of organization efforts contributes significantly to the market share	5.4	4.5	9.1	18.2	62.8	4.465	.172
Our ability to respond to market trends identified through strategic alignment enhances customer satisfaction	1.0	4.8	5.3	24.5	64.4	4.213	.211
Our ability to respond to market trends identified through alignment enhances customer satisfaction	7.4	0.8	11.8	22.1	57.9	4.355	.387
Utilizing insights from trend identification helps us increase our market share.	7.4	0.8	11.8	22.1	57.9	4.355	.387
Aggregate						4.349	.335

Respondents expressed strong agreement (mean = 4.355) with the statement that they routinely monitor and analyze competitors' strategies to guide their own decision-making

processes. The standard deviation of 0.387 indicates moderate variation in responses, suggesting that while the practice is broadly recognized, its implementation may differ across firms. This finding supports the principles of Strategic Positioning Theory and the Dynamic Capability Theory (Teece et al., 1997), which emphasize the importance of environmental sensing and timely adaptation in maintaining a competitive edge. It is also consistent with Day and Wensley (1988), who argue that competitor analysis serves as a critical foundation for crafting effective, differentiated strategic responses. In highly competitive retail environments, such intelligence gathering enables firms to anticipate rival moves, innovate proactively, and identify untapped market opportunities.

The alignment of environmental scanning activities with broader strategic objectives also received significant support from respondents, reflected in a mean score of 4.213 and a standard deviation of 0.486. This variation suggests differing levels of integration across organizations, yet the consensus points to a general recognition of its strategic importance. The result supports Ansoff's (1987) Strategic Success Hypothesis, which contends that organizations aligning their strategic direction with external environmental changes are more likely to outperform less responsive counterparts. From a Dynamic Capability perspective, this alignment reflects the "sensing" function that enables firms to detect shifts and adjust accordingly. In the retail sector, where change is constant, such strategic coherence ensures firms remain agile and responsive to evolving consumer and market conditions.

Respondents also reported high agreement (mean = 4.465, standard deviation = 0.172) with the notion that aligning organizational efforts with strategic direction contributes directly to increased market share. This indicates a strong level of consensus on the

importance of internal consistency in executing strategies aligned with external demands. This finding echoes Porter's (1985) concept of strategic fit, which highlights the necessity of aligning operational activities with strategic objectives to gain and sustain competitive advantage. In the context of retail, this strategic harmony allows firms to effectively deploy resources, meet consumer expectations, and enhance customer loyalty and market presence.

In addition, the mean score of 4.213 for the importance of responding to market trends to enhance customer satisfaction demonstrates that respondents widely appreciate the value of market orientation. This aligns with the theoretical underpinnings of market orientation and is reinforced by Kotler et al. (2015), who stress the necessity for firms to remain attuned to consumer needs in rapidly changing markets. From a Resource-Based View (RBV), this responsiveness is seen as a firm-specific capability that can yield a sustainable competitive advantage. For retail firms, the ability to adjust offerings based on customer feedback and preferences is crucial for encouraging repeat purchases and fostering brand loyalty.

Likewise, the use of insights derived from trend identification to expand market share received substantial support, with a mean score of 4.355. This affirms the strategic role of market intelligence in informing decision-making. As Schilling (2013) asserts, firms that effectively leverage such insights can align innovation and marketing strategies with emerging consumer and industry trends. This is also reflective of Dynamic Capability Theory, wherein organizations are expected to continually sense, learn, and adapt in order to thrive. In retail, applying these insights to product development and promotional

strategies enables firms to capture new market segments and maintain relevance in an evolving marketplace.

In summary, the findings in Table 9 reveal that retail chain stores in Nairobi actively engage in environmental scanning, competitor monitoring, and market trend analysis as integral components of their strategic processes. These practices go beyond routine management and reflect core dynamic capabilities—enabling firms to sense shifts in the external environment, seize emerging opportunities, and reconfigure internal resources to maintain performance. The results affirm the applicability of strategic management theories such as the Dynamic Capability Theory, Strategic Fit, and the Resource-Based View, demonstrating how firms effectively adapt to market pressures and secure sustained competitive advantage. Retailers that embed these practices into their strategic framework are better equipped to navigate uncertainty, drive innovation, and enhance overall business performance

4.4.4 Descriptive Statistics for the Risk Management

Respondents were asked to express their level of agreement with various statements related to risk management. The fourth objective of the study was to evaluate how risk management practices influence the performance of retail chain stores within Nairobi City County, Kenya. The results presented in Table 10 provide descriptive statistics for each statement within the risk management construct, shedding light on prevailing organizational approaches as perceived by the participants.

One statement, “We use advanced technologies to optimize operational processes, reducing costs and enhancing productivity,” recorded a notably high mean score of 4.498,

accompanied by a low standard deviation of 0.321. This suggests a strong and consistent agreement among respondents that technology adoption is central to effective risk mitigation through enhanced operational efficiency. The minimal variability in responses indicates that this sentiment is widely held across the surveyed retail chains. This observation aligns with the findings of Brynjolfsson and McAfee (2014), who emphasized that technological integration serves as a pivotal tool in improving efficiency, minimizing operational risk, and managing costs in dynamic industries. These results suggest that retail chain stores in Nairobi view advanced technology not only as a performance enhancer but also as a proactive risk management strategy, helping them navigate operational uncertainties and maintain competitiveness.

Table 10: Descriptive Statistics for the Construct Risk Management

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.
We use advanced technologies to optimize operational processes, reducing costs and enhancing productivity	0.9	2.1	12.8	21.3	59.9	4.498	.321
The organization acquires capital for investments for running the business	7.4	0.8	11.8	22.1	57.9	4.355	.387
Technology-driven innovation enhances reduction of costs and customer satisfaction	2.0	3.8	5.3	24.5	64.4	4.213	.486
There is well-trained employees that contribute to better customer service and operational efficiency	5.4	4.5	9.1	18.2	62.8	4.465	.172

Our staff understand and adapt to market dynamics	1.0	4.8	5.3	24.5	64.4	4.213	.211
The organization has ensured that their adequate knowledge dissemination to all concerned employees	7.4	0.8	11.8	22.1	57.9	4.355	.387
We have adequate capital to meet customer expectations and sustain a competitive edge in the retail industry.	7.4	0.8	11.8	22.1	57.9	4.355	.387
Aggregate						4.349	.335

The statement concerning capital acquisition for operational continuity and business expansion recorded a high mean score of 4.355, indicating widespread agreement on the importance of financial resources in supporting firm growth and sustainability. The standard deviation of 0.387 points to some variability among respondents, likely reflecting differences in access to or utilization of capital across retail chain stores. This finding aligns with the Resource-Based View (Barney, 1991), which positions financial capital as a foundational strategic resource that enables the development and deployment of capabilities critical to competitive advantage. Furthermore, from the perspective of the Dynamic Capabilities Theory (Teece et al., 1997), access to capital is essential for resource reconfiguration and agility in responding to market shifts and emerging opportunities.

The statement asserting that technology-driven innovation contributes to cost reduction and improved customer satisfaction received a mean score of 4.213 and a standard deviation of 0.486, indicating a generally positive perception with some variation—potentially due to differing levels of technological investment or integration among the

firms surveyed. This observation reinforces RBV's perspective on technology as a valuable, and at times rare, organizational resource that fosters sustained advantage when effectively deployed. Likewise, DCT regards technology-driven innovation as a dynamic capability that equips firms to continuously improve operations, enhance customer experiences, and remain competitive in fast-changing environments.

Regarding the contribution of well-trained employees to improved customer service and operational efficiency, the statement received a high mean score of 4.465 and a very low standard deviation of 0.172. This reflects a strong consensus among respondents on the strategic value of human capital. Within the RBV framework, such personnel are regarded as an inimitable and non-substitutable asset whose contributions are essential for maintaining superior performance (Barney, 1991). From a DCT standpoint, investment in employee training enhances the firm's ability to sense market signals and respond with speed and precision, thereby improving both internal performance and external adaptability.

Employee adaptability in response to market dynamics was also highly valued, with the statement earning a mean score of 4.213 and a low standard deviation of 0.211. This suggests strong agreement on the importance of workforce flexibility and awareness in navigating changing environments. This aligns directly with the Dynamic Capabilities Theory, which emphasizes employee learning and transformation capabilities as central to organizational renewal and competitiveness. RBV also recognizes that staff capable of adjusting to shifting conditions represent a critical internal resource contributing to organizational agility and long-term value creation.

The importance of knowledge dissemination across organizational levels was confirmed by a mean score of 4.355 and a standard deviation of 0.387, reflecting broad agreement with minor variability in how consistently this practice is implemented. Within RBV, the effective sharing of information enhances the collective value of human capital and supports the exploitation of firm-specific competencies. DCT further underlines that knowledge transfer is a key capability that fosters collaboration, coordination, and strategic responsiveness across departments—particularly vital in complex, fast-moving retail environments.

Finally, the statement that organizations maintain sufficient capital to meet customer expectations and sustain competitive positioning also received a mean score of 4.355, reinforcing perceptions of financial readiness as a risk management priority. In line with RBV, this finding emphasizes the foundational role of financial capital in building and sustaining strategic capabilities. The DCT framework further interprets financial preparedness as essential for enabling firms to pivot quickly, invest in innovation, and maintain a strong market presence amid environmental uncertainties.

In conclusion, the aggregate mean of 4.349 with a relatively low standard deviation of 0.335 illustrates a strong, shared emphasis on strategic resource deployment and organizational adaptability among Nairobi's retail chain stores. These findings affirm the core tenets of the Resource-Based View, highlighting how financial, technological, and human resources drive performance. Simultaneously, they reinforce the principles of the Dynamic Capabilities Theory by demonstrating that firms in this sector actively sense and respond to change through targeted investments, continuous learning, and operational

transformation—thereby securing sustained competitive advantage in a dynamic retail landscape

4.4.6 Descriptive Statistics for the Construct Performance of Retail Chain Stores

The descriptive statistics presented in Table 11, which assess key performance indicators of retail chain stores, provide valuable insights into organizational growth and operational outcomes over the past five years. The data allow for interpretation of trends across various dimensions, including business expansion, employee productivity, market share, profitability, customer engagement, product diversification, brand loyalty, and asset accumulation. These indicators reflect respondents' perceptions of performance outcomes linked to strategic initiatives.

The statement, “The number of products has increased in the last five years,” yielded a relatively low mean score of 2.254, indicating a generally low level of agreement among respondents. This suggests that many retail chain stores may not have significantly diversified their product offerings during the assessment period. However, the accompanying low standard deviation of 0.376 reflects a high level of consistency in these responses across the sample. The limited expansion in product variety may be a result of deliberate strategic focus on core products or constrained resource availability. This trend is consistent with Kotler and Keller (2016), who assert that gradual and measured product diversification is often employed to maintain brand coherence, operational efficiency, and supply chain manageability, especially in markets where consumer preferences are stable or where operational complexity must be minimized.

Table 11: Descriptive Statistics for the Performance of Retail Chain Stores

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.
The number of products has increased over the last five years.	3.0	2.1	8.7	15.9	70.3	2.254	.376
The number of employees has grown in the last five years.	8.0	5.1	18.3	12.3	56.3	3.876	.419
Market share has risen in the past five years.	2.4	1.8	23.4	11.8	62.8	4.216	.428
Profitability has improved over the last three years.	4.0	6.0	14.2	15.4	60.4	3.989	.218
Customer complaints have reduced in the last five years..	5.9	12.0	5.7	23.9	58.9	3.991	.183
The business has diversified its products in the last five years.	8.0	5.1	18.3	12.3	56.3	3.876	.419
Customer loyalty has increased in the past five years.	2.4	1.8	23.4	11.8	62.8	4.216	.428
Assets have grown over the last five years	2.4	1.8	23.4	11.8	62.8	4.216	.428
Aggregate						3.829	.362

The statement that the number of employees has increased in the last five years recorded a mean score of 3.876, indicating general agreement among respondents and suggesting noticeable workforce expansion. The standard deviation of 0.419 implies modest variability, reflecting a shared perception of organizational growth. From the Resource-Based View (Barney, 1991), an expanding and skilled workforce constitutes a strategic resource that enhances productivity and innovation potential. The Dynamic Capabilities Theory (Teece et al., 1997) further reinforces this by framing human capital as a dynamic asset that equips firms to manage increasing operational demands and respond proactively to evolving market conditions.

The statement that market share has increased in the last five years received a mean score of 4.216, denoting strong agreement and an overall perception of growing competitive presence. A standard deviation of 0.428 reflects relative consensus across the sample. According to the Resource-Based View, this growth may result from the effective utilization of firm-specific assets such as brand equity, customer trust, and innovative capabilities. The Dynamic Capabilities Theory supports this interpretation by emphasizing that firms gaining market share are likely engaging in adaptive strategies, leveraging internal competencies to meet shifting consumer preferences and preempt competitive threats.

The statement that profitability has increased in the last three years recorded a mean score of 3.989, signifying a positive perception of financial performance. The very low standard deviation of 0.218 suggests consistent responses across respondents. From the Resource-Based View, increased profitability indicates efficient resource utilization and strategic capability deployment. In line with the Dynamic Capabilities Theory, enhanced

profitability reflects a firm's agility in aligning operational strategies with environmental changes through innovations, cost control, and customer-centric offerings.

The statement that customer complaints have reduced in the last five years had a mean score of 3.991 and a low standard deviation of 0.183, indicating broad agreement and minimal variation. This trend implies improved service quality and customer satisfaction. Within the Resource-Based View framework, the reduction in complaints underscores the value of well-developed intangible resources such as customer service processes and relationship management, which are difficult for competitors to imitate. The Dynamic Capabilities Theory highlights this outcome as evidence of continuous learning and refinement, which are key capabilities in sustaining long-term customer loyalty and competitive advantage.

The statement on product diversification over the past five years recorded a mean score of 3.876 with a standard deviation of 0.419, indicating moderate agreement with some variance. This reflects varying degrees of diversification across firms. The Dynamic Capabilities Theory identifies product diversification as a strategic response to environmental shifts and consumer demand, enabling firms to reposition and capture emerging opportunities. From the Resource-Based View standpoint, a diversified product portfolio serves as a valuable resource contributing to differentiation, resilience, and long-term growth.

The statement that customer loyalty has increased received a mean score of 4.216 and a standard deviation of 0.428, indicating strong affirmation from respondents. This finding aligns with the Resource-Based View's recognition of customer loyalty as a rare and

inimitable asset that directly contributes to sustained profitability and brand equity. According to the Dynamic Capabilities Theory, high customer loyalty is a consequence of effectively deployed dynamic capabilities such as responsiveness to customer feedback, personalization of services, and continuous value innovation.

The statement that the organization's assets have grown in the last five years also recorded a mean score of 4.216 with a standard deviation of 0.428, supporting perceptions of capital accumulation. The Resource-Based View considers asset growth an indication of strengthened resource endowment, which supports long-term strategic initiatives. The Dynamic Capabilities Theory complements this by asserting that a robust asset base enhances organizational flexibility, allowing firms to reconfigure operations and scale capabilities in response to fluctuating market conditions.

In conclusion, the aggregate mean score of 3.829 and a relatively low standard deviation of 0.362 suggest that retail chain stores in Nairobi have experienced moderate to strong performance growth across key indicators. These findings reinforce the relevance of the Resource-Based View and Dynamic Capabilities Theory in explaining firm-level success. By strategically leveraging tangible and intangible resources while maintaining the ability to adapt, innovate, and respond to environmental shifts, retail firms are better positioned to secure sustained competitiveness and organizational advancement in a dynamic urban retail landscape.

4.5 Correlation Analysis

The correlation matrix reveals critical insights into how the independent variables Strategic Planning (SP), Strategic Resource Allocation (SRA), Environmental Scanning

(ES), and Risk Management (RM) affect the Performance of Retail Chain Stores (FP). Below is the interpretation of the correlations and their implications, with recent literature to corroborate these findings.

Table 12: Correlation Matrix for Independent and Dependent Variables

		SP	SRA	ES	RM	FP
Strategic	Pearson	1				
	Sig. (2-tailed)					
	N	76				
Resource Allo.	Pearson	.543**	1			
	Sig.(2-tailed)	.000				
	N	76	76			
Environmental	Pearson	.476**	.321**	1		
	Sig.(2-tailed)	.000	.007			
	N	76	76	76		
Risk Manag.	Pearson	.389**	.468**	.376**	1	
	Sig.(2-tailed)	.005	.012	.004		
	N	76	76	76	76	
Performance	Pearson	.555**	.631**	.658**	.399**	1
	Sig.(2-tailed)	.000	.000	.000	.000	
	N	76	76	76	76	

*. The correlation is statistically significant at the 0.05 level (two-tailed).; SP = Strategic Planning; SRA=Strategic Resource Allocation, ES= Environmental Scanning; RM= Risk Management; FP = Performance of Retail Chain Stores

There is a strong and statistically significant correlation between Strategic Planning and Performance ($r = 0.555$, $p = 0.000$). This suggests that retail chains with clear and effective strategic planning tend to perform better. According to the Resource-Based View (RBV), strategic planning helps align internal resources with long-term goals to build competitive advantage. The Dynamic Capabilities Theory (DCT) adds that strategic

planning enables firms to sense changes, seize opportunities, and adjust processes to stay competitive. Recent research also supports that strategic planning is a key driver of improved performance (Cheng & Liu, 2023; Gao et al., 2021).

The correlation between Strategic Resource Allocation and Performance is strong and significant ($r = 0.631$, $p = 0.000$). This means that effective use of resources contributes greatly to firm performance. Under RBV, using valuable and unique resources like capital, skilled employees, and technology strengthens a firm's advantage. DCT emphasizes the importance of reallocating resources in response to strategic needs. Studies by Tuan et al. (2020) and Gajdzik & Róg (2021) show that focused resource use improves efficiency and innovation, especially in retail.

There is a strong, positive, and significant correlation between Environmental Scanning and Performance ($r = 0.658$, $p = 0.000$). This shows that firms that actively monitor their external environment tend to perform better. DCT highlights environmental scanning as a critical sensing ability, helping firms detect market trends and risks early. RBV sees knowledge from scanning as a strategic asset. Studies by Thakur & Kar (2022) and Chandra & Kumar (2023) confirm that environmental scanning improves adaptability and responsiveness in dynamic markets.

The correlation between Risk Management and Performance is moderate but still significant ($r = 0.399$, $p = 0.000$). This means that strong risk management practices positively affect performance. DCT views risk management as a capability that helps firms handle disruptions and maintain stability. RBV also considers risk systems as valuable resources that protect assets and improve execution. Research by Ali et al.

(2020) and Aygün & Toker (2022) supports that firms with good risk practices are more resilient and perform better in the long term.

All four areas strategic planning, resource allocation, environmental scanning, and risk management show significant and positive relationships with performance. These findings are backed by both the Resource-Based View and Dynamic Capabilities Theory. They confirm that firms with strong internal resources and dynamic abilities can adapt more effectively and achieve sustained success in competitive retail environments.

4.6 Multiple Regression Analysis

To assess the combined influence of the independent variables on the dependent variable; performance of retail chain stores, a multiple regression analysis was conducted. The results indicate a strong relationship between the independent variables (Strategic Planning, Strategic Resource Allocation, Environmental Scanning, and Risk Management) and performance, as reflected by an R value of 0.898. The R Square value of 0.806 implies that 80.6% of the variation in performance can be explained by the model. The Adjusted R Square of 0.787 further confirms the model's robustness, accounting for the number of predictors used. The Standard Error of the Estimate (0.32876) suggests a relatively low level of error in predicting actual performance outcomes. These findings highlight the critical role of strategic and operational factors in enhancing retail chain performance. They align with prior studies, such as Gao et al. (2021) and Tuan et al. (2020), which emphasize that practices like planning, resource optimization, and risk control significantly contribute to business success. The high

explanatory power of the model makes it a useful framework for guiding strategic decision-making in the retail sector.

Table 13: Model Summary (Joint Model)

R	R Square	Adjusted R Square	Std. Error of the Estimate
.898	.806	.787	.32876

The ANOVA results in Table 14 highlight the statistical significance and explanatory strength of the model, which evaluates the combined impact of Strategic Planning, Strategic Resource Allocation, Environmental Scanning, and Risk Management on the performance of retail chain stores.

Table 14: ANOVA (Joint Model)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1208.188	4	302.047	73.741	.000
Residual	290.805	71	4.096		
Total	1498.993	75			

The F-value [$F(4, 71) = 4.49, p < 0.05$] indicates that the model significantly accounts for variations in performance beyond what could occur by chance. The Regression Sum of Squares (1208.188) represents the portion of performance variance explained by the independent variables, while the Residual Sum of Squares (290.805) reflects the unexplained variance. With a Total Sum of Squares of 1498.993, the high proportion of explained variance demonstrates the model's effectiveness in identifying key factors

influencing retail performance. These results support existing research that emphasizes the importance of strategic planning, resource allocation, environmental scanning, and risk management in driving retail success (Gajdzik & Róg, 2021; Ali et al., 2020). The significant F-statistic confirms the combined influence of these strategic practices, reinforcing their role in improving overall organizational performance.

Table 15: Regression Coefficient (Joint Model)

Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	B		
(Constant)	9.876	1.754		5.629	.000
Strategic Planning	.598	.134	.555	4.462	.003
Resource Allocation	.765	.112	.631	6.829	.002
Environmental Scanning	.776	.087	.658	8.919	.000
Risk Management	.356	.176	.399	2.222	.004

According to Table 15, substituting the general multiple regression model with coefficients, the fitted model was of the form. $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$.

Where,

Y is Performance of Retail Chain Stores,

X₁ is Strategic Planning,

X₂ is Strategic Resource Allocation,

X₃ is Environmental Scanning,

X₄ is Risk Management.

$$Y = 9.876 + 0.598X_1 + 0.765X_2 + 0.776X_3 + 0.356X_4$$

The regression coefficient table offers valuable insights into the individual contribution of Strategic Planning, Resource Allocation, Environmental Scanning, and Risk Management to the performance of retail chain stores. The constant (intercept) is 9.876 ($p < 0.05$), indicating the baseline level of performance when all independent variables are held at zero.

Strategic Planning has an unstandardized coefficient (B) of 0.598 and a p-value of 0.003, showing a significant positive effect on performance. This supports earlier findings (Cheng & Liu, 2023; Gao et al., 2021) and aligns with the Dynamic Capabilities Theory, which sees strategic planning as essential for sensing environmental changes and aligning internal processes to sustain performance.

Resource Allocation shows an even stronger influence, with an unstandardized coefficient of 0.765 and a standardized beta (β) of 0.631, both statistically significant ($p < 0.05$). This highlights the importance of how firms deploy financial, human, and technological resources a key tenet of the Resource-Based View (RBV), which suggests that effective use of strategic resources drives competitive advantage and business success (Tuan et al., 2020; Gajdzik & Róg, 2021).

Environmental Scanning records the highest unstandardized coefficient (0.776) and a standardized beta ($\beta = 0.658$), with strong significance ($p < 0.05$). This underscores its critical role in performance enhancement. According to Dynamic Capabilities Theory, firms that actively monitor and interpret external conditions are better positioned to adjust

strategies and reallocate resources, improving adaptability and competitiveness (Thakur & Kar, 2022; Chandra & Kumar, 2023).

Risk Management, while showing a lower unstandardized coefficient of 0.356 and a standardized beta ($\beta = 0.399$), still demonstrates a statistically significant effect ($p < 0.05$). This indicates that robust risk management systems, though moderate in impact, are vital in stabilizing operations and safeguarding firm assets during uncertain conditions. This supports perspectives from both RBV and DCT, as risk mitigation enhances a firm's resilience and long-term viability (Ali et al., 2020; Aygün & Toker, 2022).

Overall, the regression analysis confirms the correlation results and strengthens theoretical assertions from both the Resource-Based View and Dynamic Capabilities Theory. Environmental Scanning, Resource Allocation, and Strategic Planning are the most influential drivers of retail performance, while Risk Management provides essential support. Together, these factors highlight how retail firms can gain and sustain a competitive edge by strategically managing their internal capabilities in response to external dynamics.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the study's key findings, discusses their implications, and outlines the data collection and analysis processes. It also presents a detailed discussion of the findings in relation to each research objective, offering logical interpretations and drawing conclusions based on the results. Finally, the chapter concludes with recommendations for future research..

5.2 Summary of the Findings

The analysis shows that Nairobi's retail chains strongly value strategic management practices, particularly in areas like clear mission and vision statements, targeted action planning, efficient resource allocation, collaborative innovation, and customer-focused product development. Respondents consistently rated these practices highly, with minimal variability in most areas, suggesting a shared understanding of their importance in driving alignment, competitiveness, and customer satisfaction. While perceptions of resource allocation showed slightly more variation, possibly due to differing levels of resources across stores, the overall responses highlight a broad commitment to strategic practices. These findings imply that Nairobi's retail chains are actively using these strategies to enhance operational effectiveness, foster adaptability, and build stronger customer loyalty, all of which are crucial for long-term success in a competitive retail environment.

The study explored how strategic resource allocation influences the performance of retail chain stores in Nairobi, highlighting key practices such as technology adoption, capital acquisition, innovation, employee training, knowledge sharing, and market adaptability as essential for maintaining competitiveness. Respondents strongly agreed on the importance of advanced technologies like automation, AI, and data analytics to streamline operations, reduce costs, and enhance customer service, reflecting a broad recognition of technology's impact on efficiency. Capital acquisition was also seen as critical for funding investments in technology, infrastructure, and other areas necessary for growth. Respondents acknowledged that innovation plays a key role in enhancing customer satisfaction and operational efficiency, even as its implementation may vary across stores. There was a particularly strong consensus on the importance of employee training, emphasizing that well-trained staff contribute significantly to customer service and operational success. Overall, respondents agreed on the value of strategic resource allocation, confirming its role in supporting performance, innovation, and long-term sustainability in Nairobi's retail chains.

The study examined the impact of environmental scanning on the performance of retail chain stores in Nairobi, emphasizing its role in strategic alignment and market trend identification as drivers of business success and competitiveness. Respondents generally agreed on the importance of timely identification of market trends, which was rated highest, indicating a proactive approach to adapting to market changes and aligning with consumer behavior. Competitor analysis was also rated highly, highlighting its value in refining strategies and maintaining strategic agility within the competitive retail landscape. The alignment of environmental scanning with overall strategic goals was

seen as essential, with respondents recognizing that monitoring external factors and adjusting strategies accordingly is crucial for identifying opportunities and mitigating risks. Overall, these findings confirm that environmental scanning, competitor analysis, and trend identification are valued strategies for enhancing market share, customer satisfaction, and business performance in Nairobi's retail sector, supporting the view that strategic environmental awareness is essential for competitive advantage in dynamic markets.

The study examined the impact of risk management on the performance of retail chain stores in Nairobi, with findings emphasizing the importance of technology integration, capital acquisition, employee training, adaptability, and knowledge sharing as core components of effective risk management practices. Respondents strongly agreed that advanced technology is essential for cost optimization and productivity, reflecting a shared belief in technology's role in supporting operational efficiency. Furthermore, respondents agreed that adaptable employees who understand market dynamics are essential for responding effectively to industry shifts, positioning the organization to meet evolving consumer needs. Knowledge dissemination was similarly valued, ensuring that employees are well-informed and aligned with organizational goals, which contributes to strategic cohesion and decision-making. The aggregate results reveal a strong consensus among respondents on the importance of these risk management practices, reinforcing their role in bolstering resilience and competitiveness. Overall, the findings align with established risk management frameworks, underscoring that investments in technology, financial resources, skilled personnel, and internal communication are critical for sustaining business performance and adaptability in a dynamic retail environment.

5.3 Conclusions

The conclusion that there is a positive and significant relationship between strategic planning and the performance of retail chain stores in Kenya highlights the critical role that well-crafted strategic initiatives play in driving business success. Retail chains that engage in thorough strategic planning are better equipped to set clear objectives, allocate resources efficiently, and adapt to market changes. This alignment of internal actions with external market demands helps retail stores improve their operational efficiency, enhance customer satisfaction, and respond to competitive pressures effectively. By establishing clear mission and vision statements, monitoring market trends, and identifying emerging opportunities, retailers can better position themselves to sustain growth and profitability. Strategic planning also enables these businesses to anticipate potential risks and align their resources such as capital, technology, and human capital—with their long-term goals. As a result, retail chains that implement robust strategic planning practices are more likely to achieve superior market share, operational excellence, and customer loyalty, ultimately driving higher performance in Kenya's dynamic retail sector.

The conclusion that there is a positive and significant relationship between strategic resource allocation and the performance of retail chain stores in Kenya highlights the crucial role that effectively managing resources plays in driving business success. Retail chains that strategically allocate their resources whether financial, technological, human, or physical are better able to optimize operations, reduce costs, and enhance productivity. By prioritizing investments in key areas such as technology, employee training, and innovation, these businesses can improve operational efficiency and responsiveness to

market changes. Strategic resource allocation also enables retail stores to focus on their most critical needs, ensuring that limited resources are directed toward areas that will have the greatest impact on performance, such as enhancing customer experience or expanding market reach. Furthermore, by aligning resources with strategic goals, retailers can better position themselves to capitalize on new opportunities, manage risks effectively, and maintain a competitive edge in a dynamic market. Ultimately, retail chains that implement sound strategic resource allocation practices are more likely to achieve sustainable growth, improved customer satisfaction, and superior overall performance in Kenya's competitive retail sector.

The conclusion that there is a positive and significant relationship between environmental scanning and the performance of retail chain stores in Kenya underscores the importance of staying attuned to external factors that influence business success. Environmental scanning allows retail chains to continuously monitor market trends, competitor activities, consumer behavior, and other external dynamics, providing critical insights that inform strategic decision-making. By proactively identifying emerging opportunities and potential threats, retail stores can adjust their strategies to better align with evolving market conditions, thereby maintaining a competitive edge. Effective environmental scanning enhances a retailer's ability to anticipate changes, optimize their product offerings, and improve customer satisfaction by responding to customer needs and preferences. Furthermore, aligning environmental scanning with organizational goals ensures that business strategies are both relevant and adaptable in a rapidly changing retail environment. As a result, retail chains that engage in comprehensive environmental scanning are better positioned to make informed decisions, mitigate risks, and capitalize

on new opportunities, ultimately leading to improved performance in Kenya's competitive retail market.

The conclusion that there is a positive and significant relationship between risk management and the performance of retail chain stores in Kenya emphasizes the critical role of proactively identifying, assessing, and mitigating risks to ensure business continuity and success. Retail chains that effectively manage risks whether operational, financial, technological, or market-related are better equipped to navigate uncertainties and avoid disruptions that could negatively impact performance. By implementing robust risk management strategies, such as investing in advanced technologies, securing capital for investments, and ensuring employee training, businesses can enhance their resilience and adapt more swiftly to market changes. Furthermore, a strong risk management framework helps retailers anticipate potential threats, whether from competitors, economic shifts, or consumer behavior changes, and take preventive or corrective actions to minimize their impact. This proactive approach to risk enables retail chains to maintain stability, optimize decision-making, and safeguard their competitive edge. As a result, retailers who prioritize risk management are more likely to achieve sustained growth, higher operational efficiency, and improved customer satisfaction, contributing to overall superior performance in Kenya's dynamic and competitive retail environment.

5.4 Recommendations

To enhance performance and maintain competitiveness, retail chains in Kenya should focus on four key strategic areas: enhancing strategic planning, optimizing resource allocation, strengthening environmental scanning, and implementing comprehensive risk management. Developing clear, adaptable strategic plans aligned with market demands

helps navigate uncertainty, while aligning resources with strategic goals boosts efficiency and customer satisfaction. Robust environmental scanning enables businesses to stay responsive to external changes by leveraging data-driven insights, and effective risk management ensures resilience by proactively identifying and mitigating potential threats. Collectively, these strategies equip retail chains to sustain growth, improve operational effectiveness, and achieve long-term success in a dynamic market environment.

5.4.1 Policy Recommendation

Based on the study findings, it is recommended that policymakers promote the institutionalization of formal strategic planning among retail chain stores by requiring the development of clear, adaptable strategies aligned with market demands. Additionally, policies should encourage strategic resource allocation by offering incentives for investments in technology, employee training, and innovation to enhance efficiency and competitiveness. To improve market responsiveness, the government should support the development of a centralized retail intelligence platform that provides real-time data on consumer trends and market dynamics, aiding effective environmental scanning. Lastly, enforcing comprehensive risk management frameworks including regular assessments, staff training, and contingency planning will help retail chains mitigate disruptions and maintain operational stability. These policy measures collectively aim to strengthen the performance and sustainability of Kenya's retail sector.

5.4.2 Managerial Recommendation

Based on the study findings, retail chain managers in Kenya are advised to prioritize the development and continuous refinement of strategic plans that clearly define the organization's mission, vision, and long-term objectives, ensuring these plans are adaptable to changing market conditions. Managers should also focus on strategic resource allocation by investing in areas that directly impact performance—such as technology, staff development, and innovation—and regularly assess the effectiveness of these investments. Enhancing environmental scanning capabilities is essential; managers should implement systems for monitoring market trends, competitor activities, and consumer behavior to inform timely strategic decisions. Furthermore, managers must integrate comprehensive risk management practices into daily operations by identifying potential risks, training employees on mitigation strategies, and developing contingency plans. Collectively, these actions will improve decision-making, enhance operational efficiency, and drive sustained business performance in a competitive retail environment.

5.5 Areas for Further Research

Future research could explore several areas to deepen understanding of factors influencing the performance of retail chain stores in Kenya. Additionally, studying the alignment of retail strategies with evolving consumer behaviors, especially in response to trends like online shopping, would provide valuable insights. Further research could also examine the methods and effectiveness of resource allocation in retail, comparing different retail sectors, as well as how environmental scanning practices contribute to competitive advantage. The role of corporate governance in mitigating operational and market risks could be another area for exploration.

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APPENDICES

Appendix I: Introduction Letter to Respondents

SUBJECT: FILLING OF RESEARCH QUESTIONNAIRE

I am a student pursuing an MBA in Strategic Management at Mount Kenya University. Currently, I am conducting a research study titled "*Strategic Management Practices and Performance of Retail Chain Stores in Nairobi City County, Kenya.*" Attached is a questionnaire designed to collect information essential for this study. Please be assured that all information provided will be treated with the utmost confidentiality and will be used exclusively for the purposes of this study. Your cooperation in granting permission for participation would be greatly appreciated.

Yours Sincerely,

Japhet Saina

MBA/2017/70392

MBA Student,

Mount Kenya University

Appendix II: Research Questionnaire

Introduction

The research aims at collecting information on “*Strategic Management Practices on Performance of Retail Chain Stores In Nairobi City County, Kenya*”. You have been selected in the survey because of your potential to provide the required information. Please answer this questionnaire as truthfully as possible. This information is for academic purposes only and will be treated as strictly private and confidential.

PART A: General Information

Please tick/answer as required appropriately.

- 1) Kindly indicate the range within which your age falls.
 - a. 20-30 Years []
 - b. 31-40 Years []
 - c. 40+ Years []

- 2) Kindly indicate your work experience
 - a. < 10 years []
 - b. 10-20 Years []
 - c. 20 + Years []

- 3) Please mark in the check box the highest level of qualification.
 - a. Diploma []
 - b. Bachelors/graduate []
 - c. Post graduate []
 - d. Professional qualifications []

Section B: Strategic Planning

This section aims at establishing the influence of strategic planning on performance of retail chain stores. Please indicate your agreement or otherwise with the following statements using the following Likert scale. Use a scale of: 5= Very Great Extent (VGE); 4= Great Extent (GE); 3= Moderate Extent (ME); 2=Small Extent (SE) and 1= Very Small Extent(VSE).

Description	1	2	3	4	5
The business has defined mission and vision, clarifying the purpose and long-term aspirations.					
The action plans provide information guides supermarkets in positioning itself effectively to meet customer needs and outperform competitors					
Strategic planning helps supermarkets allocate resources efficiently.					
There is collaboration arrangement for foresight that enables them to innovate and adapt to stay competitive.					
There is joint-product development for understanding customer needs and preferences allows business improve customer satisfaction and build loyalty.					

Section C: Strategic Resources Allocation

This section aims at establishing the influence of strategic resources allocation on performance of retail chain stores. Please indicate your agreement or otherwise with the following statements using the following Likert scale. Use a scale of: 5= Very Great Extent (VGE); 4= Great Extent (GE); 3= Moderate Extent (ME); 2=Small Extent (SE) and 1= Very Small Extent (VSE).

Description	1	2	3	4	5
We use advanced technologies to optimize operational processes, reducing costs and enhancing productivity					
The organization acquires capital for investments for running the business					
Technology-driven innovation enhances reduction of costs and customer satisfaction					
There is well-trained employees that contribute to better customer service and operational efficiency					
Our staff understand and adapt to market dynamics					
The organization has ensured that there adequate knowledge dissemination to all concerned employees					
We have adequate capital to meet customer expectations and sustain a competitive edge in the retail industry.					

Section D: Environmental Scanning

This section aims at establishing the influence of environmental scanning on performance of retail chain stores. Please indicate your agreement or otherwise with the following statements using the following Likert scale. Use a scale of: 5= Very Great Extent (VGE); 4= Great Extent (GE); 3= Moderate Extent (ME); 2=Small Extent (SE) and 1= Very Small Extent(VSE).

Description	1	2	3	4	5
Our retail chain effectively identifies emerging market trends in a timely manner					
We regularly monitor and analyze competitors' strategies to inform our own business decisions					
Our environmental scanning activities are well-aligned					

with our overall strategic goals					
The strategic alignment of organization efforts contributes significantly to the market share					
Our ability to respond to market trends identified through strategic alignment enhances customer satisfaction					
Our ability to respond to market trends identified through alignment enhances customer satisfaction					
Utilizing insights from trend identification helps us increase our market share.					

Section E: Risk management

This section aims at establishing the influence of risk management on performance of retail chain stores. Please indicate your agreement or otherwise with the following statements using the following Likert scale. Use a scale of: 5= Very Great Extent (VGE); 4= Great Extent (GE); 3= Moderate Extent (ME); 2=Small Extent (SE) and 1= Very Small Extent(VSE).

Description	1	2	3	4	5
Our risk avoidance strategies effectively protect our retail chain's profitability from potential losses					
Implementing risk avoidance measures positively influences our customers' satisfaction with our services and products					
Avoiding risks associated with market changes helps us maintain or increase our market share					
Using risk transference methods (e.g., insurance) helps improve our retail chain's profitability by minimizing financial losses					
Transferring risks (e.g., through contracts with suppliers) ensures consistent service quality, thereby enhancing customer satisfaction					

Risk transference strategies contribute to maintaining or growing our market share by ensuring stable operations and supply chains					
Accepting certain risks strategically allows us to allocate resources more effectively, which positively impacts our profitability					

Section G: Organizational Performance

The performance of retail chain stores can be measured over a period of time while looking into increase of products sales, increase of assets, increase of profits and market share. Please indicate your agreement or otherwise with the following statements using the following Likert scale. Use a scale of: 5= Very Great Extent (VGE); 4= Great Extent (GE); 3= Moderate Extent (ME); 2=Small Extent (SE) and 1= Very Small Extent (VSE).

Description	1	2	3	4	5
The number of products has increased in the last five years					
The number of employees has increased in the last five years					
Market share has increased in the last five years					
Profitability has increased in the last three years					
There are reduced customer complaints in the last five years					
The business has diversified its products in the last five years					
Customer loyalty has increased in the last five years					
Assets have increased in the last five years.					

Appendix III: Consent Form

CONSENT FORM RESEARCH TOPIC

Researcher: JAPHET SATNA

Program: **Master of Business Administration**

University: **Mount Kenya University**

Dear [Participant's Name], DISMAS LAGAT

I kindly request your participation in a research study conducted by a student pursuing a Master of at Mount Kenya University. The purpose of this study is to research on Strategic Practice. Your involvement in this study is entirely voluntary, and you have the right to withdraw at any time without any negative consequences. Your decision to participate or withdraw will not impact your relationship with Mount Kenya University or any other entity involved.

I want to assure you that your privacy and confidentiality will be strictly maintained throughout the study. Your personal information and responses will be treated with utmost care and will only be accessible to the researcher and, if necessary, the research supervisor(s). Your identity will remain anonymous unless you choose to disclose it willingly.

Your participation in this study will not provide you with any immediate benefits. It is important to note that your viewpoints and opinions may not necessarily align with those of other parties involved in the study. However, we encourage you to freely express your own viewpoint. If at any point you feel that a particular subject is sensitive and may pose a risk to your personal or professional safety, please let the researcher know, and appropriate measures will be taken to ensure your anonymity and well-being.

Should you require any additional assistance or information, please feel free to contact the researcher, JAPHET, who will be more than willing to address your concerns and provide any necessary clarification.

By signing this consent form, you indicate your understanding of the purpose and nature of this study and your voluntary participation. You also confirm that you have had the opportunity to ask questions and have received satisfactory answers.

Participant Information:

Name: [Participant's Name] DISMAN LUAT

Signature: [Handwritten Signature]

Date: 18/02/2025

Researcher's Statement:

I, JAPHET SAINA, as the researcher, affirm that I believe the participant has provided informed consent to participate in this study.

Researcher Information:

Name: JAPHET SAINA

Signature: [Handwritten Signature]

Date: 18/02/2025

For further information or inquiries, please contact:

Chairman,

MKU ERC,

P.O Box 342-01000, Thika.

Appendix IV: Introduction Letter



DIRECTORATE OF GRADUATE STUDIES

MBA/2017/70392

21st March, 2025

National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA

Dear Sir/Madam,


RE: SAINA KIPLLETING IAPHET – REGISTRATION NO. MBA/2017/70392

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is **“Influence of Strategic Management Practices on Performance of Retail Chain Stores in Nairobi City County, Kenya.”** It has been cleared by the University’s Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **April, 2025 and June, 2025**.

Any assistance accorded to the student will be highly appreciated.

Thank you.


Dr. **Samuel M. Karanja, PhD**
Director, Graduate Studies
Enc.

Mount Kenya University
P.O. Box 342-01000, THIKA
Office of the Director,
Graduate Studies

Appendix V: ERC Letter



REF: MKU/ISERC/4867
TO: SAINA KIPLETING JAPHET

Date: 20 March 2025

REG: MBA/2017/70392

Dear Sir/Madam,

RE: INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF RETAIL CHAIN STORES IN NAIROBI CITY COUNTY, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3589**. The approval period is **20/03/2025 - 19/03/2026**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC



Appendix VI: Nacosti-Research Licence

 <p>REPUBLIC OF KENYA</p>	 <p>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION.</p>
Ref No: 909837	Date of Issue: 28/April/2025
RESEARCH LICENSE	
	
<p>This is to Certify that Mr. Japhet Salna of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF LARGE RETAIL CHAIN STORES IN NAIROBI CITY COUNTY, KENYA for the period ending : 28/April/2026.</p>	
License No: NACOSTI/P/25/4172943	
Applicant Identification Number 909837	
 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION	
Verification QR Code 	
<p>NOTE: This is a computer-generated License. To verify the authenticity of this document, please Scan the QR Code using QR scanner application.</p>	
See overleaf for conditions	

Appendix VII: Plagiarism Report

SAINA KIPLETING JAPHET

ORIGINALITY REPORT

14%	9%	6%	14%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Mount Kenya University Student Paper	7%
2	Submitted to Kenyatta University Student Paper	6%
3	erepository.uonbi.ac.ke Internet Source	2%
4	ir-library.ku.ac.ke Internet Source	2%
5	www.emerald.com Internet Source	1%
6	www.capitalfm.co.ke Internet Source	1%
7	erepository.uonbi.ac.ke:8080 Internet Source	1%
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9	repository.iaa.ac.tz:8080 Internet Source	1%