

**THE EFFECTS OF E-PROCUREMENT ON THE PERFORMANCE OF LARGESCALE  
RETAIL OUTLETS**

**(A CASE STUDY OF NAKUMATT AND UKWALA SUPERMARKETS IN  
NAKURU TOWN)**

**NANCY CHEROTICH**

**REG NO BBM/112/01606**

**ARESEARCH PROJECT SUBMITTED TO MOUNT KENYA UNIVERSITY IN  
PARTIAL FULFILMENT FOR THE AWARD OF DEGREE IN BUSINESS  
MANAGEMENT**

**SEPTEMBER 2015**

### **Abstract**

Procurement is the acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise or by any other contractual means of any type of works, assets, services or goods including or any combination. E-procurement is named as the revolution due to its potential to reduce the total costs of acquisition. The empirical and theoretical economic literature on procurement indicates that as the number of bidders (suppliers) increase the procurement price is significantly lower. The purpose of the study will be to determine how e-procurement affects performance of Nakumatt and Ukwala supermarkets in Nakuru Town, Nakuru County. The objectives of the study were ; To investigate whether e-procurement reduce transactional costs; To establish whether e-procurement increases the level of compliance to processes and procedures; To establish whether e-procurement provide management information and to determine whether e-procurement reduce price. This study utilized analytical exploratory research design. The study targeted procurement practitioners pertaining purchasing and supplies staff and also personnel in the selected user departments in the supermarket. Random and non-random sampling methods of selecting samples from a population were employed. The data was represented in tables and graphs. The results of this research are that e-procurement affects performance of firms positively. Both quantitative and qualitative methods have been used in this research work and the works of many different authors have been drawn upon. Conclusion was made in line with both the research topic and objectives of the study. Recommendations were made as to the extent to which e-procurement systems should be incorporated to meet both the goals of the firm of which the bottom line is wealth maximization for the owners as well as increasing the level of customer service.