

**AN ASSESSMENT FOR THE EFFECTS OF ELECTRONIC DATA
INTERCHANGE ADOPTION ON SUPPLY CHAIN
PERFORMANCE IN RETAIL INDUSTRIES IN KENYA CASE
STUDY OF NAKUMATT HOLDING LTD.**

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ABSTRACT

For nearly two decades, electronic data interchange (EDI) has been widely viewed as a technology pivotal to supply chain management that has also provided benefits to firms on multiple levels.

Many organizations are applying Electronic Data Interchange (EDI) to improve operational efficiency, enhance information quality, and achieve reductions in processing time of critically important business information. EDI today represents an opportunity to improve business processes and business controls directly even though challenges are expected. It is in light of the opportunities and challenges that this study is done, specifically focusing on the effects of EDI in Kenya considering the case of Nakumatt Holdings Limited.

Data was collected from 45 managers of the firm selected using convenient sampling. The respondents were asked about perceived benefits of EDI and perceived challenges of EDI implementation and application. The questionnaires were mainly hand delivered to the respondents. The data collected was analyzed with the use of frequency tables, proportion, percentages and cross tabulations factor.

From the factor analysis carried out on the variables of the effects of EDI application, the deduction drawn indicates that firms that apply EDI benefited. Some of the benefits include reduced errors, access to information, enhanced competitive capacity and improved trading partner relationship.

Despite the benefits of EDI application, it was also found that there are several challenges encountered in the implementation of EDI. From the factor analysis carried out on the variables of the challenges in the EDI implementation, the deduction drawn indicates some of