

FACTORS AFFECTING PROCUREMENT IN THE RETAIL SECTOR:

A CASE STUDY OF NAKUMATT LIFESTYLE SUPERMARKET, NAIROBI

BY:-

SAMUEL MBURU KIMANI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF BACHELORS DEGREE IN PURCHASING
AND SUPPLIES MANAGEMENT TO MOUNT KENYA UNIVERSITY.**

JULY 2015

ABSTRACT

Procurement is one of the vital functions in an organization and it plays a vital role in acquiring the needed resources at the time required. However, in an effort to achieve this objectives the procurement staff experience various challenges that hinder the effective performance of their activities. Most importantly, retail organization by the nature of their operations, they are highly involved in procurement activities in order to be able to deliver the required products and services to their customers. Some of the major retail organizations are supermarkets and this study intention was to identify what factors affect their procurement function in terms of how to deliver efficiency and effectiveness to the organization.

In order to achieve this objectives, the researchers reviewed literature in the procurement field with a bias to the tendering process and its relevance to retail organizations, storage, the necessary skills required by procurement staff, the use of information and communication technology (ICT) in procurement and also information on product specification, Nakumatt lifestyle was selected due to the population it serves and the record sales in comparison with other branches with the country.

A semi structured questionnaire was used to collect the primary data. The questionnaire was divided into two parts, where the first part was used to determine general information of the shoppers and the second part was used to determine the factors affecting procurement in retail organizations. The data collected, analysed and thereafter data was presented using frequency tables and graphs.

The findings revealed that 91% of the respondents were of the opinion that staff skills offer procurement. A further 96% of the respondents felt that the use of proper material storage and the application of ICT in procurement contributed significantly to the success of the procurement function in retail organizations play a critical role in ensuring that there is proper acquisition of materials of the required nature takes place when needed and within the right timeliness. The research recommendations were that; there is need to periodically train the procurement staff in order to equip them with necessary skills, create ICT awareness and develop a proper supplier selection procedure and establish proper lead times in order to streamline procurement activities.