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INFLUENCE OF MULTICHANNEL SUPPLY CHAINS NETWORKS ON THE PERFORMANCE OF SELECTED RETAIL FASHION OUTLETS IN NAIROBI

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ABSTRACT

Purpose: The general objective of this study was to investigate the influence of multichannel retailing networks on the performance of selected fashion outlets in Nairobi.

Methodology: The researcher used a descriptive research design, and the population and area of study was drawn from sampled outlets within Nairobi. The studies adopted stratified random sampling technique from the target population, as well as carried out a pilot study to pretest and validate the questionnaire. Multiple regression models were used to find out the importance of each of the four variables with reverence to the influence of multichannel retailing networks on the performance of selected fashion outlets in Nairobi.

Results: Data analysis revealed that shopping experience was important in explaining performance. This is supported by a p value of 0.01 which means that shopping experience is a statistically significant predictor of performance. Findings also revealed that distribution channel is important in determining performance as demonstrated by a p value of 0.00 and a beta coefficient of 0.468.this implied that distribution channel was a statistically significant predictor of performance. Findings also indicated that organization structure was important in determining performance as demonstrated by a p value of 0.000 and a beta coefficient of 0.352. Findings reveal that capital was important in explaining performance. This was supported by a p value of 0.03 and a beta coefficient of 0.107 which means that capital was a statistically significant predictor of performance.

Unique contribution to theory, practice and policy: The study recommends that the management of retail fashion outlets in Nairobi to conduct a market survey in order to establish the optimal shopping experience levels in order to reach out to more customers' and hence achieve high performance.

Keywords: *Supply chain, performance, distribution channels, organizational structure*

1.0INTRODUCTION

1.1 Background of the Study and Research Gap

While a lot has changed in world, retail has not changed. It's about attention to detail and focusing on the customer. Today the retail has declined from high street and changed to middle class and mobile driven technology. The earliest forms of retailing occurred in markets, where locally produced goods were drawn from everywhere around to provide basic commodities for home and workplace consumption (Kent & Omar, 2003:4). Retailers today are engaging in the multi-channel retailing across various new sales and service platforms, including social media, smartphones, websites, Internet couponing and third-party vendor relationships, among others. Multi-channel commerce is a phenomenon, that's growing globally, geared towards providing a choice of paths to purchase from and delivery of goods and services at the same time and it has a strong impact on a long term effect as a marketing channel strategy given influence it drives on customer value and market opportunities (Wren, 2007). Goldsmith and Goldsmith (2002) investigated online and offline buying practices and found out that there is generally no difference between the two; this is because buyers are both motivated by how cheap the buying process will be as compared to the overall enjoyment of the shopping experience. Change is inevitable and organizations must embrace change in lieu of the dynamic and advanced technologies and concepts.

However, Kent and Omar (2003:8) argue that not all retailing activities occur in store environments, as mail-order retailing evolved between the latter half of the nineteenth and the early part of the twentieth century's. A successful multi-channel strategy must offer customers a consistent quality of experience irrespective of the channel used, and this experience goes a long way in influencing customer's perception of any given brand. A worst nightmare for a retailer is when a consumer walks inside your outlet, contemplates on a purchase, and pulls out a smart phone to see if a better deal is available elsewhere, and walks away. Retailers must be keen to employ proven tactics to shape perceptions and take advantage of the fact that consumers care about more than just the price tag when they buy (Denscombe, 2007).

Multichannel retailing aims at providing boundless opportunities for brand engagement and interaction with customers across new platform, and this in return allows consumers to buy anywhere, pick up from anywhere and in the most convenient way. E-commerce and M-commerce are the latest additions to the multichannel mix and are fresh and interesting avenues for retailers to explore. However, the concept of multichannel existed long before through mail order catalogues, bricks and mortar stores, online, and via mobile technology; the latter two being the most recent, and currently fastest growing channels (Downes & Mui 2000).

Integration is one of the primary challenges to multichannel retailers in the eternal battle for customer loyalty. When customer's makes contact with a retailer-whether it be online, via a mobile application, via a catalogue, or in store- it's important that they are treated in the same way; and that the high level of service that a customer receives face-to-face is replicated via other channels (Hammer & Steven, 2004).

According to Hrebiniak, (2005), multichannel retailing is distribution of products across multiple sales channels. The increasing prevalence of multi-channel retailing calls for empirical research on the reasons for consumers' appreciation of that business model. Numerous empirical studies suggest trust as one of the most decisive experience of consumers' purchase intentions at

Internet-only retailers (Grabner-Kräuter & Kaluscha, 2003). We refer to trust as "individual-level internalization of norms of reciprocity, which facilitates collective action by allowing people to take risks and to trust that fellow citizens will not take advantage of them" he introduced the antecedents perceived interaction and perceived business tie and found evidence that people transfer trust from the traditional shopping channel to a Web-based organization.

1.2 Statement of the Problem

Customers have become channel agnostic, according to Post Amazon World, (RSR, 2012), and as a result, retailers are now forced to respond effectively with multichannel strategies. Inter-brand Customer service (IBDF, 2010), states that multichannel shoppers shop more than 50% more than single channel shoppers. According to National Research Foundation (NRF, 2013) 34% of customers use a minimum of three channels when shopping, while Retail systems research (RSR, 2012), states that 50% of retails with top-performing sales are operating more than four (4) sites online today.

Friedman (2002), Kotler (2003) and Armstrong (2004) states that a Multichannel supply network presents ample, seemingly boundless opportunities for brand engagement and interaction with customers; in Kenya according to Euromonitor International (EI) 2012, Kenyan-based retailers Naivas, Nakumatt and Uchumi dealing with a combination of fast moving consuming goods (FMCG) and a section of clothing, are introducing online shopping sites, and the offer should grow along with rising disposable incomes. EI (2012) further states that the three retailers have implemented the mobile payment system M-Pesa in their outlets, allowing their customers to pay with their phones as well as withdraw money, which only positions such retailers as service providers rather retailers who have embraced multichannel strategy. Schlenker and Crocker (2003), states that businesses are more concerned with developing new products and/or services than to advance technologically.

1.2 Objectives of study

The general objective of this study was to investigate the influence of multichannel retailing networks on the performance of selected fashion outlets in Nairobi.

1.2.1 Specific Objectives

The specific objective of this study was:

i. To find out the influence of shopping experience on the performance and sustainability of selected fashion outlets in Nairobi
ii. To establish the influence of organization structure realignment on the performance of selected fashion outlets in Nairobi
iii. To determine the influence of distribution channels on the performance of selected fashion outlets in Nairobi
iv. To assess the weight on sources of capital on the performance and sustainability of selected fashion outlets in Nairobi

2.0 LITERATURE REVIEW

2.1Theoretical Review

2.1.1 Theory of Consumer Decision Making (DCM) Styles of shopping

Journal of Business Research 59 (2006) 535–548 states that 'Retailers and shopping mall developers often seek to learn how and why people shop, moreover, consumers shopping online may modify or change the way they search for information to take advantage of certain unique characteristics of the Internet (Peterson and Merino, 2003). This search results in several paradigm proposals of different shopping typologies (Bellenger and Korgaonker, 1980; Darden and Reynolds, 1971;McDonald, 1993; Sharma and Levy, 1995; Stone, 1954; Walshet al., 2001a,b; Wang et al., 2004; Westbrook and Black, 1985). Time spent comparison shopping might serve as an important factor influencing a consumer's perception of decision quality (Kruger et al., 2004). Sproles (1985) and Sproles and Kendall (1986) provide the Consumer Styles Inventory (CSI), which is an early attempt to systematically measure shopping orientations using decision-making orientations. Sproles (1985) provides eight central decision-making dimensions to explain why shoppers behave in certain ways. One of the most important assumptions of this approach is that each individual consumer has a specific decision-making style resulting from a combination of their individual decision making dimensions. The theoretical assumption behind Sproles and Kendall's (1986) ideas about CDM styles is that consumers have eight different decision-making dimensions that determine the shopping decisions they make. CDM styles are thinking styles that are preferred ways of using the abilities that an individual develops over several years, that is, CDM styles serve to bridge personality and consumers' use of rules or heuristics stored in memory (Bettman and Zins, 1977; Sternberg and Grigorenko, 1997). Consequently, the expectation is that type of shopping mall does not affect the structure of CDM styles. Rationale: findings from prior research support the view that gender, age, and income influence the adoption of specific CDM styles Kamaruddin and Mokhlis, (2003); Walsh et al., (2001). Consumers 18- to 24-years-old are "more likely than other consumers to buy a product on the spur of the moment and change brands if the mood strikes" (Weiss, 2003, p. 31), whereas consumers 27- to 39-years old are "looking for products that seem less mass-marketed and more retro, while also being affordable" (Wiggins, 2004, p. 37)'

2.1.2 Theory of Distribution Channels

The role of distribution is to provide to a company the accomplishment of the task of delivering the product at a right time, place, and quantity at a minimum cost (Bucklin, 1966). A strategic decision as to the channel of distribution is a key element in the supply chain network (Coughlan et al., 2001; Jain, 2000), and often dictate all the channel structure influencing the type of agent or mediator, the coverage of the market, and the kind of distribution either direct or indirect. Although the distribution problem was one of the first issues analyzed by the marketing researchers in the beginning of the 20th century (Bartels, 1965), the distribution problem has an enormous importance in the marketing literature and managerial contexts today. A variety of approaches has been taken to distribution channel, but distribution structure and intensity has received little attention in academic research (Frazier and Lassar, 1996), but According to Stern and Reve (1980), channel theory is divided into two orientations: an economic approach and behavioral approach. The Economic approach analyzes the efficiency of the channel, studying issues like channel design and structure, while behavioral is sociological oriented, focusing on power, cooperation, satisfaction and conflicting channels. Empirical research in this area must be set up to develop more profitable ways to companies to reach the market. Distribution channels has become a powerful source of competitive differentiation, and companies have began to view this concept more than simply a source of cost savings but recognize it as a source of enhancing product or serve offerings as part of the broader supply chain process to create competitive advantage. (Mentzer et al, 2004).

Another aspect to distribution channel is the intensity according to Jobber (2001). Kotler (2000) and Fein and Anderson (1997), states three approaches of distribution channel, intensive distribution, selective distribution and exclusive distribution. Mallen (1996) states that an intensive distribution is one that considers distribution to as many outlets as possible. This approach is generally used for everyday goods such as milk, bread, tobacco products and soap, products for which the consumer requires a great deal of location convenience. According to Mallen (1996) intensive distribution tends to maximize sales for the simple reason that more outlets increase the possibilities of consumer contact.

Selective distribution involves the use of more than a few but less than all of the intermediaries who are willing to carry a particular product. Its generally applied on rarely bought goods such as DVDs, computers and cameras according to (Fein and Anderson 1997). It is used by established companies as well as by new companies seeking distributors. The essence here is that the company does not have to dissipate its efforts over too many outlets. Finally Exclusive distribution means limiting the number of intermediaries and in a stricter manner. Often it involves exclusive dealing arrangements, in which the resellers agree to carry Exclusive brands. By granting exclusive distribution, the producer hopes to obtain more dedicated and knowledgeable selling, (Kotler, 2000). Exclusive distribution is often used on capital goods such as cars according to Fein and Anderson (1997). This theory led to the third research question: How do distribution channels affect the performance of selected fashion outlets in Nairobi?

2.1.3 The Pure theory of Capital

The Pure Theory of Capital is a dynamic theory of economic change as a process in historical time. Hayek critiqued the theory and employed an improved version illustrating it to a river analogy to deliver a revealing insight into the complex time-lapse relationships that may exist between investments and the output of final consumption goods (Hayek, 1983), tributaries' flowing into the upper reaches of a river delivers ever-changing volumes of water. These are analogous to flows of new and replacement investment that are determined by relative factor prices, technological change and the interest rate. While Hayek acknowledges the validity of Keynes's analysis under certain conditions, his own theory demonstrates why it is that liquidity preference cannot determine the volume of real investment in all cases whatsoever, but rather why under conditions resembling full employment, an inflation-fed boom must ultimately be self-reversing. In this sense, Hayek and Keynes could be said to have merely been theorizing on opposite sides of the same, wicksellian theory of analogous to a constant rainfall (but changing dispersion) within the catchment of the river and its tributaries, are variations in the allocation of investment funds to diverse projects of different life duration. In the broadest perspective, the river represents the structure of capitalistic production that (given the dispersion of rainfall) delivers varying volumes of water (supply of final goods) quite independently of the level of the tide (demand for final goods) in the estuary. Spontaneous adjustments to prices and supply volumes are expected where supply and demand are not in equilibrium. Hayek rejects the

Keynesian argument that the path to full employment might begin with general measures to boost consumers' expenditure; that a modest increase in consumption goods' prices would encourage new investments and employment.

Both theoretically and empirically there is no single correspondence between sales of final goods and changes in the upper reaches. Indeed, Hayek believed it to be more generally the case that a revival of final demand in a slump was 'an effect rather than a cause of a revival in the upper reaches of the stream of production' (Hayek, 1983, p. 46). That initial impetus is most likely to emerge through spontaneous entrepreneurship, alertness to opportunities and anticipation of change in the widest sense. If entrepreneurs never altered their plans until after a change in final demand (or any other change) had actually occurred the adaptation of production to change would be so expensive as to make it in many cares impossible, because the capital available for investment in new forms would be so scarce (Hayek, 1941, p. 330). This theory led to the fourth research question: What is the weight on the sources of capital on the performance and sustainability of selected fashion outlets in Nairobi?

2.2 Empirical Studies

Sinha (2006) argue that it is mostly the family who is the consumer of the retail offering. Being of a collectivist culture, post purchase experience sharing through word of mouth is very effective in India. In addition he states that the store atmospherics and store facilities contribute to the organized retail experience and offer modern retailers a considerable advantage over traditional retailers. Several hypotheses related to typical purchase & post-purchase behaviors of the Indian consumers are tested using the same and relevant conclusions drawn.

According to Pierce and Robinson (2003), a key concern of top management in implementing strategy, particularly if it involves a major change, is that the right managers are in the right positions for the new strategy. Confidence in the individuals occupying pivotal managerial positions is directly and positively collated with the top management's expectation that the strategy can be successfully executed. Some of the characteristics to look out for include ability and education, previous track record and experience, personality and temperament. These, combined with gut feeling and top managers' confidence in the individual, provide basis for this key decision. One practical consideration in making key managerial assignments when implementing strategy is whether to emphasize current (or promotable) executives, or bring in new personnel. This is obviously difficult, sensitive and a strategic issue.

According Johnson and Scholes (2002), within any organizational structure, what makes organizations work are the formal and informal organizational processes. These processes can be thought of as controls on the organizational operations and can therefore help or hinder the translation of strategy into action. Processes range from formal controls (systems, rules and procedures) through social controls (culture and routines) to self-controls (personal motivation of individuals). According to Pearce and Robinson (2003), the structure is not the only means of getting things organized to implement a strategy. Reward systems, planning procedures, information and budgetary systems are other examples that should be employed.

According to Meyer and Stensaker, (2006), organizations need to develop capacity for change, by allocation and development of change and operational capabilities that sustain long term performance. They argue that making change happen without destroying well-functioning aspects in an organization and harming subsequent changes requires both capabilities to change in the short and long term, and capabilities to maintain daily operations.

According to research done by (Sodhi and Lee, 2007), Any supply chain risk management strategy which aims at reducing the vulnerability to disruption in the supply chain needs to consider all dimensions of risk. To assess risk in a supply chain context, companies must not only concentrate on direct risks of their own operations, but also the risks which are caused by other members in the supply chain. Organization needs to look at all risk sources which cover entire operations of the supply chain to ensure that they work seamlessly. The risk associated with one type of industry could be unique and can be distinct from the risks to another type of industries since they work in different environment. The magnitudes of risk for firms which fall under the same category are usually similar in nature. All these significant risk sources of a similar industry need to be identified and incorporated in the instrument which will be used for assessment of risk in the supply chain. The present supply chain risk related literature devoted little attention for addressing the above problem. Even though a number of risk sources are addressed in diverse literature under various risk constructs, few researchers have approached the supply chain risk management issues for a specific type of industry in a more holistic manner. The existing literature which address the risk of specific industry are as automotive industry (Blackhurst *et al.*, 2008), consumer electronics industry (Sodhi and Lee, 2007), EPC supply chain (Micheli *et al.*, 2008), transport operations (Sanchez-Rodrigues *et al.*, 2008), pharmaceutical (Enyinda *et al.*, 2009).

3.0 RESERCH METHODOLOGY

The researcher used a descriptive research design, and the population and area of study was drawn from sampled outlets within Nairobi. The studies adopted stratified random sampling technique from the target population, as well as carried out a pilot study to pretest and validate the questionnaire. Multiple regression models were used to find out the importance of each of the four variables with reverence to the influence of multichannel retailing networks on the performance of selected fashion outlets in Nairobi.

4.0 FINDINGS AND DISCUSSION

4.1 Sample Characteristics

The respondents were requested to indicate their gender. 80% of the respondents were female while the rest, 20 % were male. The results indicate that the retail fashion outlets are female dominated field. The results also indicated that majority 50% of the study participants were in technical and selling department compared to the management positions. The results are supported by the fact that most retail fashion outlets have more operational job offerings compared to management jobs. The dominant age of the respondents was between 25 to 30 years who comprised 45% followed by ages 18 to 25 years (25%). Sales being an active job requiring a lot of effort and energy will ordinarily find it difficult to attract older employees and hence the prevalence of youthful working force. The results further showed that 45% of the study participants had worked in their current jobs for a period of 1 to 4 years while 35% had worked for a period of less than 1 year. This kind of observation may be due to the fact that most fashion outlets have no proper strategies put in place to minimize turnover. About 45% of the respondents had attained diploma level education compared to a smaller number (15%) who had

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university education. Most of the fashion retail outlets have fewer managerial positions and they normally have bottom heavy human resource structures.

4.2 Descriptive Statistic

4.2.1 Performance

The study had one dependent variable (performance) and four predictor variables. Table 4.1 displays results of responses regarding performance of selected retail fashion. About ninety percent (90%) of the study participants indicated that the use of Multichannel had improved the level of sales to large extent; 85% indicated that the use of Multichannel had improved the level of profitability to a large extent, 90% of the study participants indicated that the use of Multichannel had improved the level of customer satisfaction to a large extent, 90% of the study participants indicated that the use of Multichannel had led to an increase in the number of customers and finally 90% indicated that the use of Multichannel had led to surpassing of the budgeted performance. These findings imply that the fashion retail outlets find the various use of Multichannel useful for improving the performance of their organizations. This is supported by a mean score of 3.00 and a standard deviation of 0.20. A mean score of 3 in a likert scale of 1 to 3 denotes to a large extent.

Table 4.1: Performance

Statement	No extent	Low extent	Large extent	Mean	Standard Deviation
Use of Multichannel have improved the level of sales	0.00%	10.00%	90.00%	3.00	0.00
Use of Multichannel have improved the level profitability	0.00%	15.00%	85.00%	3.00	0.00
Use of Multichannel have improved the level of customer satisfaction	5.00%	5.00%	90.00%	3.00	0.00
Use of Multichannel have led to an increase in the number of customers	10.00%	0.00%	90.00%	3.00	1.00
Use of Multichannel have led to surpassing of the budgeted performance	0.00%	10.00%	90.00%	3.00	0.00
Average	**3.00%**	**8.00%**	**89.00%**	**3.00**	**0.20**

4.2.2 Shopping Experience

The first objective of the study was to establish to what extent did shopping experience influence performance of fashion outlets. Results in Table 4.2 show that 85% indicated that the fashion outlets used Brick and Mortar to a large extent. Results also revealed that seventy five percent

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(75%) indicated that On-line catalogue Ordering was used to a large extent and another 60 % indicated that Interactive Television was also used to a large extent.

Meanwhile, 85% indicated that Website was used to a low extent, while eighty percent indicated that Catalogue ordering (hard copy) was also used to a low extent. Further findings also revealed that 80% used Smart phone to a low extent while another 75 % used mail orders to a low extent. A majority 80% of the respondents indicated that Telephone ordering was used to a low extent and another 85% indicated that Call centres was used to a low extent. Finally a majority of 65% felt that Internet was used to a low extent.

Table 4.2: Shopping Experience

Statement	No extent	Low extent	Large extent	Mean	Standard Deviation
Brick and Mortar	10.00%	5.00%	85.00%	3.0	1.0
Website	5.00%	85.00%	10.00%	2.0	0.0
On-line catalogue Ordering	10.00%	15.00%	75.00%	3.0	1.0
Catalogue ordering (hard copy)	5.00%	80.00%	15.00%	2.0	0.0
Interactive Television	15.00%	25.00%	60.00%	2.0	1.0
Smart phone	0.00%	80.00%	20.00%	2.0	0.0
Mail orders	15.00%	75.00%	10.00%	2.0	1.0
Telephone ordering	5.00%	80.00%	15.00%	2.0	0.0
Call centres	15.00%	85.00%	0.00%	2.0	0.0
Internet	0.00%	65.00%	35.00%	2.0	0.0
Average	**7.00%**	**77.00%**	**16.00%**	**2.00**	**0.20**

4.2.3 Distribution infrastructure

The study sought to determine the extent to which distribution infrastructure influenced performance of fashion outlets. The results are illustrated in figure 4.1 whereby majority 70% indicated that distribution infrastructure influenced performance to a very great extent.

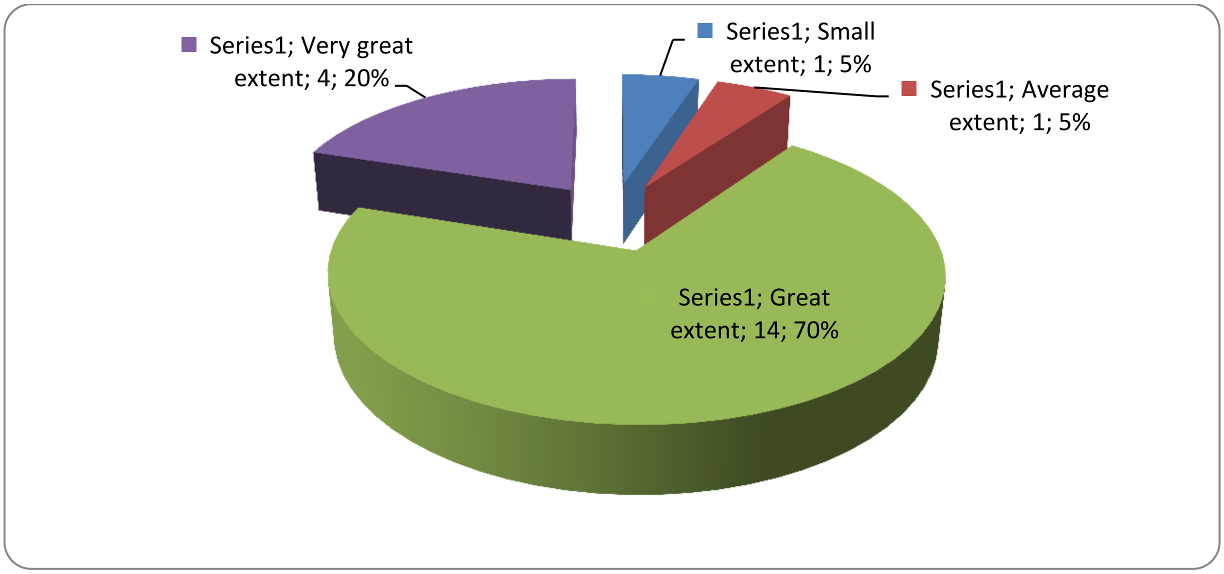

Figure 4.1: Distribution infrastructure

4.2.4 Distribution channels

Table 4.3 presents results of responses that addressed the second objective of the study. Results indicate that 90% of the respondents agreed that the retail store distributed their products through a variety of channels, email, Interactive TV, catalog, and Internet, as well as through their own retail stores. 90% agreed with the statement that supply chain performance models should encompass inter-firm supply chains (measurement across firms) in order to accommodate system-wide performance management. 80% had the view that intra-firm supply chain setup and performance (a focal construct of this research) should consider logistical costs, service performance, and asset utilization as key dimensions while another 95 % felt that the choice of distribution channel should consider product life cycle and lead times to meet customer's demand. The results were supported by a mean score of 4.00 and a standard deviation of 1.00.

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Table 4.3: Distribution channels

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std
The retail store distributes their products through a variety of channels, email, Interactive TV, catalog, and Internet, as well as through their own retail stores.	0.00%	10.00%	0.00%	75.00%	15.00%	4.00	1.00
Supply chain performance models should encompass inter-firm supply chains (measurement across firms) in order to accommodate system-wide performance management.	5.00%	5.00%	0.00%	80.00%	10.00%	4.00	1.00
Intra-firm supply chain setup and performance (a focal construct of this research) should consider logistical costs, service performance, and asset utilization as key dimensions	10.00%	5.00%	5.00%	65.00%	15.00%	4.00	1.00
Choice of distribution channel should consider product life cycle and lead times to meet customer's demand	0.00%	5.00%	0.00%	50.00%	45.00%	4.00	1.00
Average	**3.75%**	**6.25%**	**1.25%**	**67.50%**	**21.25%**	**4.00**	**1.00**

4.2.5 Organization Structure

The study sought to determine the extent to which organization structure influenced performance of fashion outlets. The results are illustrated in figure 4.7 whereby majority 63% indicated that organization structure influenced performance to a great extent.

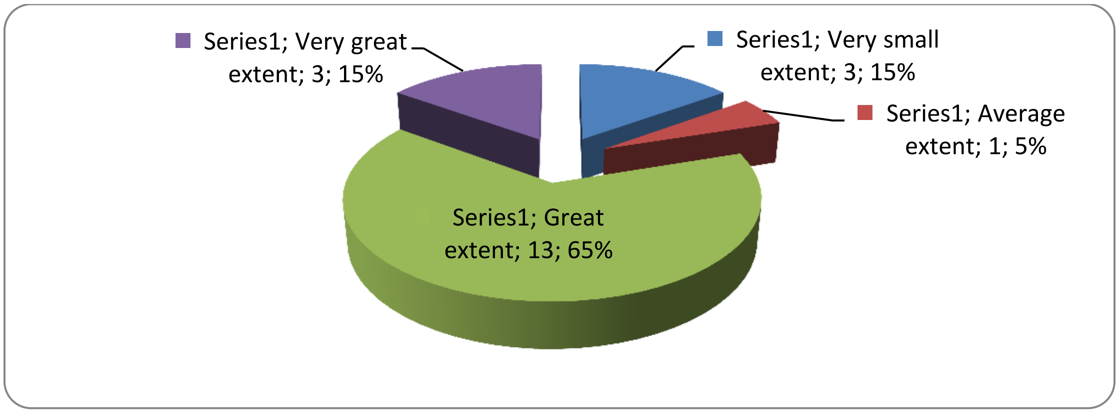

Figure 4.2: Organization Resources

4.2.5.1 Organization Resources and Capabilities

Table 4.4 presents results of responses that addressed the third objective of the study. Results indicate that 95% of the respondents agreed that the organizational structure determined how and when information was distributed as well as who made what decisions based on the information available. Ninety percent(90%) agreed that within any organizational structure, what makes organizations work are the formal and informal organizational processes, 95% agreed that the structure of an organization had a major effect on the overall financial performance while 85% agreed with the statement that continuously realignment of an Organization resources positions companies competitively in the market. The findings indicate that most respondents agreed that Organization Structure influence performance of a fashion outlet this was supported by a mean score of 4.00 and standard deviation of 0.75. These results imply that Organization Structure is a core factor of performance in a fashion outlet.

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Table 4.4: Organization Resources

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std
The organizational structure determines how and when information is distributed as well as who makes what decisions based on the information available	0.00%	0.00%	5.00%	90.00%	5.00%	4.00	0.00
Within any organizational structure, what makes organizations work are the formal and informal organizational processes.	5.00%	5.00%	0.00%	55.00%	35.00%	4.00	1.00
The structure of an organization has a major effect on the overall financial performance	5.00%	0.00%	0.00%	85.00%	10.00%	4.00	1.00
Continuously realignment of an Organization resources positions companies competitively in the market	10.00%	5.00%	0.00%	80.00%	5.00%	4.00	1.00
Average	**5.00%**	**2.50%**	**1.25%**	**77.50%**	**13.75%**	**4.00**	**0.75**

4.2.6 Capital

The study sought to determine the extent to which capital influence performance of fashion outlets. The results are illustrated in figure 4.3 whereby majority 60% indicated that capital influenced performance to a great extent. This implies that capital is a core factor for performance since the organization can purchase beyond the limit.

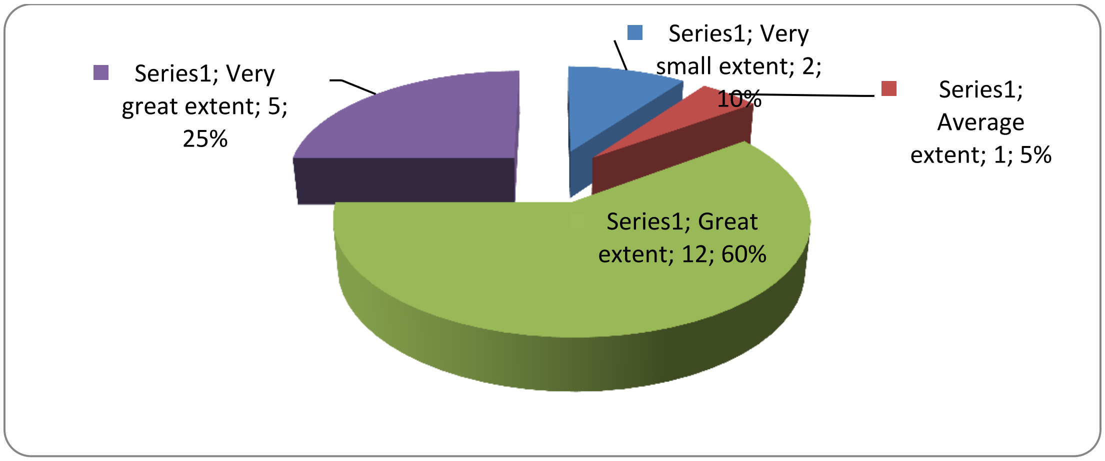

Figure 4.3: Capital

4.8.1: Capital

The fourth objective of the study was to establish whether capital influenced performance. Results on Table 4.8 show that majority 90% agreed with the statement that any supply chain risk management strategy which aims at reducing the vulnerability to disruption in the supply chain needs to consider all dimensions of risk.85% agreed with the statement that companies must not only concentrate on direct risks of their own operations, but also the risks which are caused by other members in the supply chain.95% had the view that the organization needed to look at all risk sources which covered entire operations of the supply chain to ensure that they worked seamlessly while 90% felt that all those significant risk sources of a similar industry needed to be identified and incorporated in the instrument which would be used for assessment of risk in the supply chain. The findings show that most of the respondents agreed with the statements as support by a mean score of 4.50 and a standard deviation of 1.00.

Table 4.5: Capital

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std
Any supply chain risk management strategy which aims at reducing the vulnerability to disruption in the supply chain needs to consider all dimensions of risk.	5.00%	0.00%	5.00%	25.00%	65.00%	4.00	1.00
Companies must not only concentrate on direct risks of their own operations, but also the risks which are caused by other members in the supply chain.	5.00%	10.00%	0.00%	15.00%	70.00%	4.00	1.00
The organisation needs to look at all risk sources which cover entire operations of the supply chain to ensure that they work seamlessly.	5.00%	0.00%	0.00%	20.00%	75.00%	5.00	1.00
All these significant risk sources of a similar industry need to be identified and incorporated in the instrument which will be used for assessment of risk in the supply chain	0.00%	5.00%	5.00%	15.00%	75.00%	5.00	1.00
Average	**3.75%**	**3.75%**	**2.50%**	**18.75%**	**71.25%**	**4.50**	**1.00**

4.3 Regression Analysis

The study employed multiple linear regression analysis in testing the influence of the predictor variables on the dependent variable. Table 4.9 shows the results for testing the robustness of the regression model. The results indicate that the regression model best fits in explain influence of multichannel supply chains networks on performance. This is supported by a composite strong and positive correlation of 0.788 and a coefficient of determination (R Square) of 0.621. This means that the predictor variables of the study can explain at least 62.1% of the variation in multichannel supply chains networks performance. The standard error of estimate (0.20666) is negligible which shows that the sample is close representative of the study population.

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Table 4.6: Regression Model Fitness

Indicator	Coefficient
R	0.788
R Square	0.621
Std. Error of the Estimate	0.20666

Table 4.7 shows the results on analysis of variance which indicate that the combined effect of the predictor variables is significant in explaining influence of multichannel supply chains networks performance with an F statistic of 6.131 and a p value of 0.004

Table 4.7: Analysis of Variance (ANOVA)

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.047	4	0.262	6.131	0.004
Residual	0.641	15	0.043		
Total	1.688	19			

Table 4.7 displays the regression output of the predictor variables. Results indicate that multiple channel, distribution infrastructure, organization resources and capital are statistically significant factors in performance. The beta coefficient indicates the direction and degree of influence of the predictor variable on the dependent variable. For example, a beta coefficient of 0.117 of multiple channels means that a unit change in multiple channel causes or leads to a 0.117 positive unit change in performance.

Variable	Beta	Std. Error	t	Sig.
Constant	1.627	0.679	2.397	0.03
Shopping Experience	0.117	0.023	5.086	0.01
distribution infrastructure	0.468	0.13	3.592	0.00
organization resources	0.352	0.04	8.800	0.00
capital	0.107	0.04	2.675	0.03

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Based on the findings of the study, the following conclusions are arrived at. Shopping experience is a key determinant of performance. On average, many retail fashion outlets are keen on using shopping experience for boosting their sales.

Based on findings it is possible to conclude that distribution channels infrastructure affects performance. Distribution channels are a key determinant of performance as they allows effective availability of fashionable goods. Therefore it can be concluded that the distribution channels are one of the key elements that should be considered by management as it proper management improves performance.

Organization resources influence the retail fashion outlet performance. The organization resources are crucial as they give a competitive muscle to the fashion outlet. Fashion outlets with more resources are more likely to employ more competent staff and also undertake extensive advertising. Therefore it can be concluded that organization structure determines the level and extent of performance.

Findings also led to the conclusion that capital is a core factor of retail fashion outlet performance. Therefore if an organization is entitled to capital it will be in a position to handle risks hence determining the level and extent of performance. Capital, be it human capital, organization capital or financial capital is a strength that leads to better retail outlet performance.

5.2 Recommendations

The recommendations to this study are in line with the objectives. It is recommended that the management of retail outlets should improve the shopping experience of shoppers by improving the ambience of retail outlets, by improving the spatial layout of the retail outlets. This may be done by having welcoming real shop colors, soft music and aerated spaces.

It is recommended that retail shops need to take into account the distribution infrastructure since doing so would provide the much needed competitive advantage. A well managed distribution infrastructure creates faith in organization products, improves customer shopping experience through provision of differentiated products on top of reducing the operating costs.

The organization resources need to be boosted. This can be done by either training the human resources or by recruiting qualified staff. In addition, the retail outlet may boost their resources by ploughing back their retained earnings.

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