AN ASSESSMENT OF THE EFFECT OF SUPPLIER SELECTION FACTORS ON SUPPLY CHAIN PERFORMANCE: A CASE OF NAKUMATT SUPERMARKET IN KISII TOWN

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A Research Project Submitted to the Board of Undergraduate Studies in Partial Fulfilment of the Requirement for the Award of Diploma in Stores and Supplies and Management, School of Business and Economics, Kisii University

DECEMBER, 2017
DECLARATION AND RECOMMENDATION

DECLARATION

I declare that this Research Project is my original work and has not been presented for examination in any other institution of higher learning or University for Diploma or Degree.

………………………………….                                                              ………………………….
Signature                                                                                                 Date
Ondigi Risper Kemunto
CB05/10502/15

RECOMMENDATION

This Research Project has been submitted for examination with my approval as university supervisor.

………………………………….                                                              ………………………….
Signature                                                                                                 Date
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Assistant Lecturer, School of Business and Economics
Kisii University
DEDICATION

This Research Project is dedicated to my dear parents Mr. Paul Ondigi and Mrs. Lucia Ondigi for providing me with support both financially and morally.
ACKNOWLEDGEMENT

First I would like to thank God for giving strength and good health throughout research project. I would like to express my appreciation for the support, advice and guidance I received from my supervisor Mr. Francis Magara. I thank him dearly for the time he devoted to this study and the guidance he provided in the final preparation of this research project. I also give thanks to Mr. Justine Onyoni for the advice and guidance he provided me with. Last but not least I would like to acknowledge the efforts put by my colleagues for the support they offered me through this period.
ABSTRACT

Supplier selection has emerged to be one of the most significant stages in the supply chain management process. Finding the optimal supplier which best suits the company’s requirements and contributes to the realization of the company’s supply chain management objectives can be a quite demanding task. Selection criterion like quality, cost, service delivery, on time delivery can help in achievement of the objectives. The general objective of this study was to assess the effect of supplier selection factors on supply chain performance of Nakumatt supermarket. The specific objectives of the study were: to find the effect of quality factors on supply chain performance of Nakumatt supermarket in Kisii town; to determine the effect of cost factors on supply chain performance of Nakumatt supermarket in Kisii town; to establish the relationship between supplier selection factors and supply chain performance of Nakumatt supermarket. Descriptive research design was used in collecting data from the respondents. The target population of the study was 70 employees from Nakumatt supermarket in Kisii town. Stratified random sampling procedure was used to select a sample size of 21 employees which is 30% of target population. Questionnaire was used as tool in collecting data. Reliability of the instrument was ensured by test retest method while validity of the instrument was ensured by seeking expert opinion of university supervisor. Collected data was analyzed by descriptive statistics that involved calculation of weighted average and percentages. It was then presented inform of frequency tables. The study found that, supplier selection based on quality factors improves quality products in Nakumatt supermarket in Kisii town and supplier selection based on cost factors results to reduction of production and material cost in the supermarket. Quality factor is the most effective and efficient supplier selection factor towards improvement of supply chain performance in the supermarket. It was concluded that, there is positive relationship between supplier selection factors and supply chain performance. It was therefore recommended that, all the supplier selection factors are important however supermarkets as well as organizations should put more focus on quality and cost factors when selecting suppliers. Supermarkets and other firms should consider supplier selection based on cost to ensure that while procuring, the cost is controlled and reduced.
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIPS</td>
<td>Chartered Institute of Procurement and Supply</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
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</table>
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study
Supplier selection from a global point of view encompasses the activities used to evaluate the capabilities of potential suppliers and then to select them to configure a buyer's supply chain for long-term competitive advantage (Tracey, 1999). Supplier selection is critical as firms become more and more dependent on their suppliers; the capabilities of those suppliers serve as key resources in the development of the buyer's own capabilities and performance. For example, Gonzalez and Quesada (2004) found that supplier selection was the most influential supply management process for achieving product quality. However, a firm's ability to create or enhance its own capability in a strategically important domain such as quality by leveraging supplier capabilities in quality may depend not only on its ability to select a capable supplier in the quality domain but also on its ability to successfully integrate the supplier into the firm's operations and network (Hong and Rao 2010). Successful supplier selection is a source for competitive advantage; they affect competitive performance of organizations positively if effectively selected (Petersen, 2005).

Having a set of good supplier selection factors is of critical significance for firms in supply chain management. Olhager and Selldin (2004) proposed that in the selection of supply chain partners, quality performance should be a prioritized criterion, while delivery reliability, cost efficiency, quantity flexibility and delivery speed are also important factors. Strategic purchasing is a primary task that firms need to carry out in supply chain management, as its main purpose is to enhance quality, promote punctual delivery, reduce lead time, develop long-term relationships with critical suppliers and obtain internationally competitive price offers (Talluri and Narasimhan 2004).

Stringent supplier selection factors by purchasing supply chain departments can help ensure that supply chain activities can be implemented effectively (Gonzalez, 2004). Previous studies have attempted to examine the relationship between determining variables which influence supplier selection and supply chain performance (Tracey, 2001). In selecting the right supplier, many studies
have critically examined factors such as product quality, price, supplier relationship management, delivery, decision making tools and techniques (Weber, 2009).

Previously, supplier selection factors often focused on a technical output evaluation, taking into account quality, reliability, delivery speed and the price offered. For many types of firms, the major aspects of the purchasing process are the acquisition of necessary materials, selection of the supplier and equipment and services (Weber, 1991). However, as time goes on and the working relationship becomes closer, there are more supplier selection factors than those mentioned above, with supplier predominantly being selected based on their performances on a global level. These global evaluations range from total cost analysis to the view of suppliers capacity in production planning, what their future holds in terms of manufacturing ability or the continuous improvement potential and closeness of relation (Choi and Hartley, 1996).

On the other hand Kahraman, (2003) stated that selection factors conventionally fall into one of the four following categories: supplier factors, product performance factors, service performance factors, and cost factors. This shows that supplier selection is a multi-objective decision to both minimize some factors and maximize others (Luo, 2009). Ellram (1990) proposed three factors for supplier selection. These are: the financial statement of the supplier, organizational culture and strategy of supplier, and the technological state of supplier.

Improper selection of potential suppliers can dwarf an organization’s supply chain performance. Adding that, selecting the right suppliers is imperative for an organization’s global marketplace competitiveness and that with strategic partnership with suppliers integrated within the supply chain waste and costs can be eliminated, improve quality and flexibility to meet end-customers’ value expectation (Enyinda, 2010). Gallego (2011) concludes that in as much as supplier selection factors is changing because of evolvement of market requirements, procurement department also prefer a multi-supplier factors aside the traditional price attribute. She claims the multi-supplier factors assigns not more than 15% to 25% of the purchase orders to the same supplier thereby providing the company more negotiating power and protecting the company against sudden price increases, or modifications in the delivery time.

According to Green & Inman (2005) supply chain performance is the ability to deliver quality products and services in precise quantities and at precise times with the aim to minimize total
cost of the products and services to the ultimate customers of the supply chain. Supply chain performance depends upon the agility, adaptability, and alignment of the supply chain partners in which supplier’s selection criterion is positively related to overall performance of the supply chain (Lee, 2004). Strategies that strengthen the competitive position of the supply chain serve to directly enhance supply chain performance, which will, in time, positively impact performance at the organizational level for each supply chain partner.

Nakumatt Holdings Ltd Supermarket is the largest retail market player in East Africa, Uganda and Rwanda, and still expanding to the wider East African region, Nakumatt has 50 stores dealing in general retail merchandise. Established in 1987, Nakumatt Holdings Limited stays ahead of competition by providing quality, value, service, variety lifestyle. Nakumatt store formats range from convenience stores, supermarkets to hypermarkets which showcase distinct world-class shopping floor layouts and amenities. Nakumatt prides in delivering quality, value, service, variety and lifestyle enhancing products. Nakumatt goal is to create a chain of superstores in strategic locations delivering quality, value, service, variety and lifestyle through various supply chain activities like suppliers selection factors (Mbuthia, 2014).

1.2 Statement of the Problem
Supplier selection has emerged to be one of the most significant stages in the supply chain management process. Finding the optimal supplier which best suits the company’s requirements and contributes to the realization of the company’s supply chain management objectives can be a quite demanding task. Selection criterion like quality, cost, service delivery, on time delivery can help in achievement of the objectives. Nakumatt supermarket has since tried to maintain quality products to its customers due to selection of suppliers who deliver quality goods in time and at faire price. However they also face challenges in the suppliers like other supply chain stores. Studies have been conducted on the concept of supplier selection factors includes: Lucas, (2015) who conducted study on supplier selection factors and supply chain performance in non-governmental organizations in Kenya and found that, suppliers have to be selected carefully, as they can have a very positive or a very adverse impact on the overall performance of the organization. Krop, E. & Iravo, M. A. (2016) evaluated the effects of supplier selection on performance of procurement function in West Pokot County government specifically evaluating value for money, quality of goods and services, process cost management and timely delivery.
They found that, cost based selection factors, quality and selection principles were the most important. Shiati, (2014) evaluated how determinants of supplier selection affect performance of Kakamega County and found that, cost and quality of supplies had a positive and significant association on the performance of public institutions, Kenya. Odhiambo, (2014) also conducted a study on effect of supplier selection practices and procurement performance in Nairobi city county and found that quality was the most important supplier selection factors adopted by the county. It is evident that limited studies exist on the relationship between supplier selection factors and supply chain performance. To fill this gap, the study therefore sought to assess the effect of supplier selection factors on supply chain performance.

1.3 Objectives of the Study

The general objective of the study was to assess the effect of supplier selection factors on supply chain performance of Nakumatt supermarket. The study was guided by the following specific objectives:

i. To find out the effect of quality factors on supply chain performance of Nakumatt supermarket in Kisii town.

ii. To determine the effect of cost factors on supply chain performance of Nakumatt supermarket in Kisii town.

iii. To establish the relationship between supplier selection factors and supply chain performance of Nakumatt supermarket.

1.4 Research Questions

i. What is the effect of quality factors on supply chain performance of Nakumatt supermarket in Kisii town?

ii. What is the effect of cost factors on supply chain performance of Nakumatt supermarket in Kisii town?

iii. What is the relationship between supplier selection factors and supply chain performance of Nakumatt supermarket?
1.5 Significance of the Study
The study would educate the existing and potential suppliers of supermarket on selection factors and the crucial role they play on the success/failure of supply chain performance of supermarkets. It will also educate them on quality goods, reasonable prices, timely deliveries among others add on supply performance. The findings of the study will provide a broad knowledge to supermarkets on how they can effectively select their supplier based on quality, cost and service levels then minimize cost. The study will be expected to contribute to the existing literature in the field of procurement and more specifically on supplier selection processes and criterion. It will aid in further theory formation and add up to the existing bank of knowledge. Nakumatt supermarket will use the findings and recommendations of this study to select their suppliers using the recommended supplier selection factors in the study.

1.6 Scope and Justifications of the Study
The study addressed the effect of supplier selection factors on supply chain performance of Nakumatt supermarket in Kisii town. The researcher specifically assessed quality and cost factors with their effects on supply chain performance of supermarkets in reference to Nakumatt supermarket in Kisii Town.

1.7 Limitations of the Study
The study was limited to the supplier selection factors on supply chain performance of Nakumatt supermarket in Kisii town; therefore its findings were not generalized to other retail stores in Kenya. Some employees did not contribute to the study due to pressure from work. The study did not take into account other supplier factors like suppliers performance history, technical capability, financial position, procedural compliance etc.

1.8 Assumptions of the Study
It was assumed that the respondents were available during the study and gave their honest opinion concerning the research questions. It was also assumed that the respondents interpreted the questions in the manner set out in the objectives. Most of the employees and suppliers had knowledge on the concept of supplier’s selection factors and how it affects supply chain performance.
1.9. Operational Definition of Terms

Supply chain performance: Supply chain performance is the ability to deliver quality products and services in precise quantities and at precise times with the aim to minimize total cost of the products and services to the ultimate customers of the supply chain.

Supply chain: Is a set of approaches utilized to efficiently integrate suppliers, manufacturers, warehouses and stores so that merchandise is produced and distributed at the right quantities, to the right locations, and at the right time in order to minimize system wide costs while satisfying service level requirements.

Suppliers selection: The process by which firms identify, evaluate, and contract with suppliers.

Cost factors: Selecting supplier based on its ability to minimize cost related with the product.

Quality factors: Selecting supplier based on their quality in relation to durability and ultimate products lifespan of their product.

Supplier: A person or business organization involve in the supply of goods and services.
CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Supplier Selection
Supplier selection is the process by which organizations identify, evaluate, and contract with suppliers, (Weber, 2001). Beil (2009) define supplier selection as the processes by which firms identify, evaluate and contract. Procurement Guidance material (2009) mentioned that, supplier selection is a complicated decision problem that involves balancing many tradeoffs where any set of factors must be considered in light of real-life constraints. According to Enyinda et al (2010), selecting the right suppliers is the quintessential aspect of strategic purchasing and supply chain management that can affect manufacturing firms. They mentioned that the selection process entails the evaluation of different alternative suppliers based on a multi-attribute decision making problem which is affected by different tangible and intangible attributes such as the traditional attributes, quality, and cost, service, flexibility, and delivery performance.

According to (Tahriri, 2008), supplier selection has become a very important area of consideration for purchasing managers in today’s highly competitive environment). They explained that, because the cost of raw materials purchased for production usually constitute a higher percentage of the total cost of finished products; it has become increasingly necessary for organizations to get the best value for money from suppliers. Additionally, they also said, suppliers are critical resources for manufacturing firms because firms spend up to 70% of their total expenditure on suppliers for the procurement of necessary raw materials. In light of this, they concluded that, supplier selection process which represents one of the most important activities of organizations must be incorporated into their core strategic decisions. To this effect (Enyinda, 2010) said improper selection of potential suppliers can dwarf an organization’s supply chain performance. Adding that, selecting the right suppliers is imperative for an organization’s global marketplace competitiveness and that with strategic partnership with suppliers integrated within the supply chain waste and costs can be eliminated, improve quality and flexibility to meet end-customers’ value expectation. Gallego (2011) concludes that in as much as supplier selection approach is changing because of evolvement of market requirements, procurement department also prefer a multi-supplier strategy aside the traditional price attribute. She claims
the multi-supplier strategy assigns not more than 15% to 25% of the purchase orders to the same supplier thereby providing the company more negotiating power and protecting the company against sudden price increases, or modifications in the delivery time.

2.2 Theoretical Review

2.2.1 Partner Selection Theory
The theory of partner selection basically routes for a step to step from the start point to the finish point selection process. It provides for clear guidelines on selecting suppliers in this scenario. Saffu and Mamman (2000) postulated that partner selection theory is restricted and concentrates on the factors for selecting partners rather than on the procedure of partner selection. Furthermore, the authors assume a rational decision-making process based on very specific selection factors. Depending on the objective of the agreement as a whole, specific partner characteristics are more or less valuable. A coherent selection criterion is developed to guide the selection process, often prioritizing the partner characteristics of significance. This criterion determines the partners or the suppliers who are selected.

Angeles and Nath (2000) collected information on organizations selection factors of their trading partners. They found out that strategic commitment and trading partner flexibility were among the factors that determine selection of trading partners. Rising economies industries from Mexico, Poland and Romania considered economic assets, technical capabilities, intangible assets and readiness to share knowledge were the main elements in selection of partners. Developed economies organizations from Canada, France and the United States of America picked their partners based on exceptional competencies, local market knowledge and accessibility of the partners (Saffu&Mamman, 2000). According to this theory, suppliers should be selected following clearly established procedure. Also suppliers should have certain characteristics that match the needs of the procuring entity such as Value for Money, Quality of products and Services, economic price and Process Cost Management.

2.2.2 Network Theory
McNichols and Brennan, (2006) noted that network theory focuses on dyadic and multi-organization relationships. The theory is concerned with the value creation through inter-organizational relations. This theory was first introduced during the 1970s and the 1980s and developed from the focus on relationships between just two entities, or strategic alliances,
towards an approach which entails multiple relationships between different counterparts throughout the supply chain (Wellenbrock, 2013). According to Chang, Chiang & Pai (2012) further affirm that the network theory is an intricate network model and its exact perspective depends on the relationships among the network partners. The networks theory has been in use for both global supply chain studies as well as supply chain in specific trade or countries (Peck, 2005). Networks theory provides framework for understanding and analyzing the several-party inter-organizational relations for increasing resources, capabilities, and competencies of the individual firms. This theory has been used in this study to show how organizations can network with several suppliers and select supplier who matches their selection factors.

2.2.3 Transaction Cost Theory
Ronald Coase, Chester Barnard, and Herbert Simon are among the early authors who describe the contributions of transaction cost theory to the existence of firms (Scott, 2003; Williamson, 2005). Whether we look at supply chain, as a network or as an integrated process, the transaction cost theory explains the vertical connection and integration of various elements of organizational supply chain, from second tier and first tier suppliers to first tier and second tier customers. Grover and Malhotra (2003) concluded that transaction cost theory applies to organizational supply chain management in four facets: effort, monitor, problem, and advantage. It also applies to the effort to build and maintain the relationship with suppliers; cost of monitoring the performance of suppliers; resolving the problems that arise in the business relationships; and engagement of suppliers in an opportunistic behavior. However, transaction cost theory is primarily concerned with the direct economic factors in organizations and hence fails to address some important aspects of the operation of organizational supply chain, including personal and human relations among actors in the supply chain (Grover & Malhotra, 2003).

2.3 Empirical Literature Review

2.3.1 Effect of quality factors on supply chain performance
Tracey & Tan (2001) describe quality in relation to durability and ultimate products lifespan while Dzever and Saives (2001) look at quality in terms of simplicity and flexibility of operation. User friendly products are always better and it is always good to include a manual to ease operation of the product. Empirical studies agree that quality should be defined through the eyes of the end customer if at all organizations are to remain competitive. Beamon (1999) adds that
the rejection rate of the product is defined in the number of parts rejected by the customers in fixed time period because of some quality problems. It also includes the defective parts detected in the incoming products. This show whether or not the frequent quality assessment of the parts has been done by the Supplier.

A study by Tracey (2008) on analysis of supplier and procurement issues in UK established that quality commitment is determining factor for qualified supplier and is a key element and a good resource to cut production and material costs in order to survive or sustain competitive position in respective markets, hence development of an effective and rational supplier selection is desirable. In the study, she observed that in South Korea for example, the supplier quality evaluation function’s role has dramatically increased as companies sought to gain competitive advantage in the global market place. The effects of supplier quality evaluation were seen as a strategic resource for reaching high quality levels, fast delivery and cost savings. Companies such as General Motors, Mark & Spencer have been able to gain an improved competitive position through a better management of their purchasing activities (Amelia & John, 2003).

A study conducted by Kitheka (2013) on supplier evaluation practices established that supplier performance measurement, supplier audits, supplier development and supplier integration are the most used supplier quality management practices. The study also established that from supplier quality management, an organization may enjoy among other benefits like reduced lead times, increased responsiveness to customers’, orders and enquiries, customer loyalty, increased profitability, reduced opportunity cost from lost sales and effective communication between the organization suppliers as well as customers.

2.3.2 Effect of cost factors on supply chain performance

The aim of cost factors is to identify vital element of cost associated with purchase. The most common cost related with a product is purchase price, transportation cost and taxes (Stanley and Gregory, 2001). Operational costs are also being considered during the supplier selection and profits cannot be maximized without cost minimization. Mwikali et al (2012) quoting Beamon (1999) adds that Price and Distribution Cost should be taken into consideration when using this criterion to choose suppliers. According to the author this costs high affect supply chain performance in terms of either reducing or increasing the cost of production which finally affect the profitability of the firm.
A buyer should equally look at a supplier’s price and cost factors. Evaluating a supplier’s cost structure needs a deep understanding of a supplier’s total costs, including: direct labor costs, indirect labor costs, material costs, manufacturing costs and the general overhead costs. Understanding cost structure of the supplier will help a buyer determine how efficiently a supplier can produce an item and at the same time provide means for identification of areas of cost improvement in order to achieve high supply chain performance (Handfield et al., 2008).

2.3.3 Relationship between supplier selection factors on supply chain performance

Selection of appropriate suppliers is one of the fundamental strategies for enhancing the quality of output of any organization, which has a direct influence on the company’s reputation since they can have a very positive or a very adverse impact on the overall performance of the organization (Weber et al. 2001). Cooperation between buyer and supplier is the starting point to establish a successful supply chain management and a necessary, but insufficient condition. The next level requires coordination and collaboration between buyer and suppliers. Supplier selection is largely seen as the most vital role of the procurement function since the organization’s suppliers can affect the price, quality, delivery reliability and availability of its products. Organizations feel that proper supplier selection would assist reduce product and material costs whilst ensuring a high degree of quality and after-sales services (Sonmez, 2006). The implication here is that an efficient appraisal should be in place for the successful procurement (Tracey, 2008).

The goal of every enterprise is to utilize limited resources in the most efficient manner so as to realize its objectives with minimal costs. This necessitates the selection of suppliers so as to ensure that an institution gets the best contracts in terms of quality, costs, flexibility and reliability. According to Gordon (2008), supplier evaluation refers to the practice of approving and evaluating potential suppliers using quantitative methods to make sure that the best class of suppliers is made available to supply products and services to an organization. Hald and Ellegaard (2011) define supplier evaluation as the process of quantifying the efficiency and effectiveness of supplier action. This means that supplier evaluation is a process of quantifying the abilities of the supplier and the buying institution conducts evaluation to stimulate the behaviour of the supplier. Possible changes in behaviour range from implementation of green
practices, improving social responsibility, improving quality, improving efficiency to lower costs, among others.

The financial criteria of supplier appraisal can give an important insight into supplier performance and supplier business practices which help reduce business risk, especially given firms’ increasing dependence on its key suppliers. Some of the supplier risks that appraisal can mitigate on include: financial, operational, increased geographic distance and the performance of sub-tier suppliers whom the prime supplier has no contact with or knowledge of (Gordon 2006). The quality criteria help the supplier in performance improvement (Gordon, 2006). Supplier appraisal is an effective motivation tool when it leads to continuous improvement activities and real supplier performance improvement. A buyer that appraises its suppliers helps them motivated to improve on quality, delivery, and costs especially if these are used as yardsticks to reward performing suppliers (CIPS, 2012). As Gordon, (2006) posits, supplier evaluation can: unearth the causes of performance difficulties; improve understanding of business operations; cultural factors and the leadership at the supplier which lead to follow-up activities, such as supplier training and development, and corrective actions that deal with supplier evaluation findings hence coming up with the best ways to obtain measurable and positive results which will at the end improve profitability and quality performance of buying firm.
2.4 Conceptual Framework of the Study

Orodho (2009), defines a conceptual framework as a model which diagrammatically shows the relationship between variables in the study.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
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<tbody>
<tr>
<td>Quality factors</td>
<td>Supply chain performance</td>
</tr>
<tr>
<td>Cost factors</td>
<td>Cost reduction</td>
</tr>
<tr>
<td>Relationship between supplier selection factors and supply chain performance</td>
<td>Efficiency</td>
</tr>
<tr>
<td></td>
<td>Effectiveness</td>
</tr>
</tbody>
</table>

**Figure 2.1: Conceptual Framework**

**Source (Researcher, 2017)**

In figure 2.1 above the study conceptualizes of independent variables which include supplier selection factors that the researcher specifically assessed ie quality factors and cost factors; the dependent variable is supply chain performance in terms of cost reduction, efficiency and effectiveness. For Nakumatt supermarket to achieve effective supplier selection that enhances supply chain performance, the procurement manager has to select supplier with focus on quality factors and cost factors. However, this selection will depend on the adopted sourcing strategies and existing procurement policies.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Design
According to Kothari (2004), research design refers to the plan and structure of investigating that helps the researcher to obtain answers to research questions. The researcher used descriptive research design in order to gather facts on the effects of supplier selection factors on supply chain performance of supermarket. This type of design was appropriate for gathering information, summarizing, presenting and interpreting it for the purpose of clarifying on the effect of supplier selection factors. Orodho (2004), recommended this as one of the best research designs. The design also gave results immediately and therefore useful in fixing shortcomings realized in the process of the study.

3.2. Study Area
The research was carried out in Nakumatt supermarket in Kisii County. The county is approximately 370 Kilometer from Nairobi the capital city of Kenya. The supermarket was chosen because it is convenient for the researcher and the required information for this study was obtained due to its nature in terms of supply chain management activities.

3.3. Target Population
Population refers to an entire group of individual, events or objects having common observable characteristics (Kothari, 2004). The study targeted population of 70 employees from Nakumatt supermarket in Kisii town. This comprised employees from stores and procurement department, finance department and production department.

Table 3.1 Targeted Population

<table>
<thead>
<tr>
<th>Respondents category</th>
<th>Target Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores and procurement</td>
<td>30</td>
</tr>
<tr>
<td>Finance and accounting</td>
<td>10</td>
</tr>
<tr>
<td>Production</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)
3.4. Sample Size and Sampling Procedure

Sample size is the number of items involved in the study as the respondents in the study. Sampling procedure on the other hand is the scientific process through which the sample elements are selected (Mugenda & Mugenda, 2003). This research used stratified random sampling procedure to select a sample to represent the entire population. According to Mugenda and Mugenda (2003) recommendations of sample size, 30% of target population was used to calculate the sample size and therefore 30% of the targeted employees were selected and that led to 21 employees working in Nakumatt supermarket. The table below shows target population and sample size for each respondent’s category.

**Table 3.2 Sample Size Determination**

<table>
<thead>
<tr>
<th>Respondents category</th>
<th>Target Population</th>
<th>Sample Size(30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores and procurement</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>Finance and accounting</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Production</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

3.5 Data Collection instrument

The researcher adopted the use of questionnaire as a method of data collection to the identified set of respondents. Questionnaire is an instrument used to gather data, which allows measurement for or against a particular viewpoint. Questionnaire is useful in that; it is efficient use of time that is information can be collected from a large number of people and the questions can be easily analyzed, anonymity is possible and everyone gets the same questions that is, it is standardized (Orodho, 2009). Questionnaire was chosen because the sampled population is literate and they are able to read interpret and write. Closed ended questionnaire was preferred because it enabled the researcher to get feedback according to the research objectives. The questionnaire was physically dropped to the selected respondents and picked after two weeks to give them more time to understand and go through the questions.

3.6 Instrumentation

3.6.1 Reliability of the Instrument

Reliability is a measure of the degree to which research instrument yield consistent results or data after repeated trials (Mugenda & Mugenda, 2003). Reliability is the degree to which a
particular measuring procedure gives equivalent results over a number of repeated trials (Orodho, 2009). To ensure reliability of the instruments, the researcher used test retest method in the study area using respondent from the targeted population who were not be part of the study sample.

3.6.2 Validity of the Instrument
Validity has to do with how accurately the data obtained in the study represents the variables of the study. If such data will be a true reflection of the variable, then inferences based on such data will be accurate and meaningful (Mugenda and Mugenda, 2003). Validity is a measure to the degree to which data obtained from research instruments meaningfully and accurately, reflect or represent theoretical concept (Omollo, 2009). To ensure validity of the questionnaire, the researcher sought the expert opinion of the University supervisor before going to the field to collect data.

3.7 Data Analysis and Presentation
According to Mugenda and Mugenda (2003) data analysis is the process of bringing order, structure and meaning of the data collected. Basing on (Mugenda & Mugenda 2003) recommendations on the use of descriptive statistics as a method of data analysis, the collected data was analyzed by descriptive statistics involving weighted average and percentages. It was then presented in form of frequency tables.

CHAPTER FOUR
DATA ANALYSIS, DISCUSSION AND PRESENTATION

4.1 Response Rate
Questionnaires were administered to 21 respondents and collected after two weeks to give them humble time to answer the questions. Only 18 respondents filled and returned the questionnaire, making a response rate of 85.7% with none response rate of 14.3%.

Table 4.1: Response Rate
### Category of Response

<table>
<thead>
<tr>
<th>Category of Response</th>
<th>Frequency</th>
<th>Percentages</th>
<th>Non response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores and procurement</td>
<td>9</td>
<td>42.8</td>
<td>0.0%</td>
</tr>
<tr>
<td>Finance and accounting</td>
<td>3</td>
<td>14.3</td>
<td>0.0%</td>
</tr>
<tr>
<td>Production</td>
<td>6</td>
<td>28.6</td>
<td>14.3%</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>85.7%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

**Source: Field Data (2017)**

From the table it shows that there was positive response. According to Dixon (2012), a response rate of 50% is adequate while a response rate greater than 70% is very good. This agreed with Mugenda and Mugenda (2003), that a 50% response rate is adequate, 60% good and above 70% very good. This shows that respondents were willing to positively participates in the study.

---

### 4.2 Demographic Characteristics of Respondents

The study analyzed age, educational level and level of experience then presented them as below in the following tables.

#### 4.2.1 Age Analysis

**Table 4.2: Age Categorization of Respondents**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-27</td>
<td>4</td>
<td>22.2</td>
</tr>
<tr>
<td>28-37</td>
<td>7</td>
<td>38.9</td>
</tr>
<tr>
<td>38-47</td>
<td>5</td>
<td>27.8</td>
</tr>
<tr>
<td>Above 48</td>
<td>2</td>
<td>11.1</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field Data (2017)**

From the table 4.2 above, age categorization of respondents was such that 22.2% of the respondents were aged between 18–27 years, 38.9% of the respondents were aged between 28–37 years, 27.8% of the respondents were aged between 38-47 and 11.1% of the respondents were
age above 48 years. This implies that most of the employees from Nakumatt supermarket in Kisii are young of age between (28-37).

4.2.2 Educational Level

The respondents were requested to indicate their educational level and the findings were presented as below

**Table 4.3: Level of Education**

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate</td>
<td>3</td>
<td>16.7</td>
</tr>
<tr>
<td>Degree</td>
<td>5</td>
<td>27.8</td>
</tr>
<tr>
<td>Diploma</td>
<td>9</td>
<td>44.4</td>
</tr>
<tr>
<td>Certificate</td>
<td>2</td>
<td>11.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

_Source: Field Data (2017)_

Investigations were made further to evaluate education levels of respondents and findings revealed that 16.7% of the respondents had masters level, 44.4% of the respondents were had degree, 44.4% of the respondents had diploma level and 11.4% of the respondents had certificate. The data shows that most of the employees in Nakumatt supermarket in Kisii town are degree holders. This indicates that they have adequate knowledge on supplier selection.

4.2.3 Level of Experience

**Table 4.4: Level of experience**

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>5</td>
<td>27.8</td>
</tr>
<tr>
<td>6-10</td>
<td>2</td>
<td>11.1</td>
</tr>
<tr>
<td>11-15</td>
<td>7</td>
<td>38.9</td>
</tr>
<tr>
<td>Over 15</td>
<td>4</td>
<td>22.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

_Source: Field Data (2017)_

From table 4.4, it shows that, 27.8% of employees have worked in Nakumatt supermarket in Kisii town for between 1-5 years, 11.1% of the employees have worked in the supermarket between 6-10 years, 38.9% of the employees have worked in the supermarket between 11 -15 years and 22.2% of the employees have worked in the supermarket for 15 years and above. This shows that most of the employees in Nakumatt supermarket in Kisii town have worked in the
supermarket for long period of time (between 11-15 years), indicating that they have enough experience to effectively contributes to the study.

4.3 Quality Factors and Supplier Selection Criteria
The aim of the researcher was to find out the effect of quality factors on supply chain performance of Nakumatt supermarket in Kisii town. The findings are presented as shown in the tables below;

Table 4.5: Effect of quality factors on supply chain performance

<table>
<thead>
<tr>
<th></th>
<th>Very high</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>Very low</th>
<th>Σfi</th>
<th>Σfiwi</th>
<th>Σfiwi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>18</td>
<td>39</td>
<td>2.2</td>
</tr>
<tr>
<td>production and material cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>8</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>18</td>
<td>75</td>
<td>4.2</td>
</tr>
<tr>
<td>Quality production</td>
<td>10</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>18</td>
<td>80</td>
<td>4.4</td>
</tr>
<tr>
<td>Reduced customers</td>
<td>0</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>18</td>
<td>50</td>
<td>2.8</td>
</tr>
<tr>
<td>responsiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced lead time</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>18</td>
<td>33</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Source: Field Data (2017)

From table 4.5 above, it shows how quality factors affect supply chain performance of Nakumatt supermarket in Kisii town. From the findings, quality production was rated high of 4.4, competitive advantage rated 4.2, reduced customers responsiveness rated 2.8, reduction of production and material cost rated 2.2, and reduced lead time rated 1.8. This shows that, supplier selection based on quality factors improves quality products in Nakumatt supermarket in Kisii town. This indicates that the management is committed towards continuous quality improvement to increase customers satisfaction. Tracey (2008) however found that quality commitment is determining factor for qualified supplier and is a key element and a good resource to cut
production and material costs in order to survive or sustain competitive position in respective markets, hence development of an effective and rational supplier selection is desirable.

4.4 Cost Factors and Supplier Selection Criteria

The aim of the researcher was to determine the effect of cost factors on supply chain performance of Nakumatt supermarket in Kisii town. The findings are presented as shown in the tables below;

<table>
<thead>
<tr>
<th>Table 4.6: Effect of cost factors on supply chain performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very high</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Reduction of</td>
</tr>
<tr>
<td>Competitive advantage</td>
</tr>
<tr>
<td>Technology leverage</td>
</tr>
<tr>
<td>Profitability</td>
</tr>
<tr>
<td>Quality production</td>
</tr>
</tbody>
</table>

Source: Field Data (2017)

From table 4.6 above, it shows how cost factors affect supply chain performance of Nakumatt supermarket in Kisii town. From the findings, reduction of production and material cost was rated high of 4.3, profitability rated 3.9, competitive advantage rated 2.8, quality production rated 2.4 and technology leverage rated 2.1. This shows that, supplier selection based on cost factors results to reduction of production and material cost in Nakumatt supermarket in Kisii town. This indicates management commitment towards cost reduction. These findings are in line with Mwikali et al (2012) that Price and Distribution Cost should be taken into consideration when using this criterion to choose suppliers. According to the author this costs high affect
supply chain performance in terms of either reducing or increasing the cost of production which finally affect the profitability of the firm.

4.5 Relationships between Supplier Selection Factors and Supply Chain Performance

The aim of the researcher was to establish the relationship between supplier selection factors and supply chain performance of Nakumatt supermarket. The findings are presented as shown in the table below;

<table>
<thead>
<tr>
<th>Supplier Selection Factor</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>$\sum f_i$</th>
<th>$\sum f_i w_i$</th>
<th>$\sum f_i w_i / \sum f_i$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality factor</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>18</td>
<td>77</td>
<td>4.3</td>
</tr>
<tr>
<td>Cost factor only help in</td>
<td>9</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>18</td>
<td>74</td>
<td>4.1</td>
</tr>
<tr>
<td>Delivery factor is</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>18</td>
<td>40</td>
<td>2.2</td>
</tr>
<tr>
<td>encouraged by the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>supermarket</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance factor</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>18</td>
<td>56</td>
<td>3.1</td>
</tr>
<tr>
<td>help in competitive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material availability</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>18</td>
<td>44</td>
<td>2.4</td>
</tr>
<tr>
<td>factor ensures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>continuous production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data (2017)

From table 4.7 above, it shows the relationship between supplier selection factors and supply chain performance of Nakumatt supermarket. From the findings, quality factor is the most
effective and efficient rated high of 4.3, cost factor only help in cost reduction rated 4.1, performance factor is help in competitive advantage rated 3.1, material availability factor ensures continuous production rated 2.4 and delivery factor is encouraged by the supermarket rated 2.2. This shows that, quality factor is the most effective and efficient supplier selection factor towards improvement of supply chain performance in Kisii Nakumatt supermarket. This indicates that, the supermarket focus more on quality factor in selecting suppliers which improves supply chain performance. This is supported by Sonmez, (2006) who stated that Supplier selection is largely seen as the most vital role of the procurement function since the organization’s suppliers can affect the price, quality, delivery reliability and availability of its products. Organizations feel that proper supplier selection would assist reduce product and material costs whilst ensuring a high degree of quality and after-sales services.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings
The aim of the study was to assess the effect of supplier selection factors on supply chain performance of Nakumatt supermarket. The first objective of the study was to find out the effect of quality factors on supply chain performance of Nakumatt supermarket in Kisii town. The researcher found that, supplier selection based on quality factors improves quality products in Nakumatt supermarket in Kisii town. This indicates that the management is committed towards continuous quality improvement to increase customers satisfaction.

The second objective of the study was to determine the effect of cost factors on supply chain performance of Nakumatt supermarket in Kisii town. The researcher found that, supplier selection based on cost factors results to reduction of production and material cost in Nakumatt supermarket in Kisii town. This indicates management commitment towards cost reduction.

The third objective of the study was to establish the relationship between supplier selection factors and supply chain performance of Nakumatt supermarket. It was found that; quality factor is the most effective and efficient supplier selection factor towards improvement of supply chain performance in Kisii Nakumatt supermarket. This indicates that, the supermarket focus more on quality factor in selecting suppliers which improves supply chain performance.

5.2 Conclusion
From the findings, it can be concluded that, supplier selection based on quality factors improves quality products in supermarkets in Kenya. This indicates that the management of the supermarkets is committed towards continuous quality improvement to increase customers satisfaction.
Secondly it was concluded that, supplier selection based on cost factors results to reduction of production and material cost in supermarkets in Kenya. This indicates management of supermarkets commitment towards cost reduction.

Lastly it was concluded that, quality factor is the most effective and efficient supplier selection factor towards improvement of supply chain performance in supermarkets. This indicates that, the supermarkets focus more on quality factor in selecting suppliers which improves their supply chain performance. There is therefore positive relationship between supplier selection factors and supply chain performance.

5.3 Recommendations

5.3.1 Recommendations for Policy and Practice
Based on the research findings, the research recommends that, all the supplier selection factors are important however supermarkets as well as organizations should put more focus on quality and cost factors when selecting suppliers. Because quality factor is important in quality improvement, firms should take into consideration what quality criteria measure supplier performance and capitalize on it to lead to production of quality products.

The study also recommends that, supermarkets and other firms should consider supplier selection based on cost to ensure that while procuring, the cost is controlled and reduced. This will eventually leads to the overall cost reduction.

5.3.2 Suggestions for Further Studies
The study mainly focused on the effect of supplier selection factors on supply chain performance of Nakumatt supermarket. Further study could be conducted in other supermarkets on the same subject. Further research should also be conducted to find out how quality and cost factors affects supply chain performance of organizations.
REFERENCE

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Göhlich, T. (2012). The Performance Effects of Mergers within the German Cooperative Banking Sector


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APPENDICES

APPENDIX I

LETTER OF INTRODUCTION

ONDIGI RISPER KEMUNTO
KISII UNIVERSITY
P.O. BOX 408 – 40200,
KISII.

TO
HUMAN RESOURCE MANAGER
KISII NAKUMATT SUPERMARKET,
P.O. BOX ………………………
KISII

Dear Sir/Madam,

RE: REQUEST TO COLLECT DATA FROM YOUR EMPLOYEES

I am a student at Kisii University, pursuing a Diploma in Procurement and Supplies as a partial fulfillment of the requirement for Award of a Diploma. I am to carry out a research entitled; ‘An assessment on effects of supplier selection factors on supply chain performance in organization with reference to Nakumatt Supermarket in Kisii. I am seeking your permission to collect data in your organization in order to complete my studies. The information obtained will be treated with utmost confidentiality and the result of the research will be for academic purpose only.

Yours faithfully,

Ondigi Risper Kemunto
APPENDIX II
QUESTIONNAIRE

Dear respondent,

I am a student of Kisii University taking diploma course procurement and supplies. I am undertaking a research on an assessment on effects of supplier selection factors on supply chain performance of an organization. The information gathered during this research study is for learning purposes and it’s totally private, confidential and anonymous.

Instructions

- Do not write your name anywhere on the questionnaire
- Tick where is appropriate and provide the relevant response where applicable
- Kindly answer all question carefully

PART I: BIO DATA

GENERAL QUESTIONS

1. What is your age bracket?
   a) 18-27
   b) 28-37
   c) 38-47
   d) Above 48

2. What is your highest education level?
   a) Diploma
   b) Degree
   c) Masters
   d) Any other, specify……………………………………………………………………………………………………
3. How long have you worked in the organization?
   a) 1-5
   b) 6-10
   c) 11-15
   d) Over 15

PART II: PERFORMANCE OF SUPPLY CHAIN

*Please tick (✓) where necessary*

4. Indicate how selection factors affect the following supply chain performance?

<table>
<thead>
<tr>
<th>Supply chain performance indicators</th>
<th>Very High 5</th>
<th>High 4</th>
<th>Moderate 3</th>
<th>Low 2</th>
<th>Very low 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost reduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhanced profitability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On time delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5. To what extent does supplier quality factors affect supply chain performance in your organization?

<table>
<thead>
<tr>
<th>Effect</th>
<th>Very High</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>Very low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of production and material cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced customers responsiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced lead time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART IV: COST FACTORS

6. To what extent does supplier cost factors affect supply chain performance in your organization?

<table>
<thead>
<tr>
<th>Effect</th>
<th>Very High</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>Very low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of production and material cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology leverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PART V: SUPPLIER SELECTION FACTORS AND SUPPLY CHAIN PERFORMANCE

7. To what extent do you agree with the following statement on the relationship between supplier selection factors and supply chain performance?

<table>
<thead>
<tr>
<th>Effect</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality factor is the most effective and efficient</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Cost factor only help in cost reduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery factor is encouraged by the supermarket</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance factor is help in competitive advantage</td>
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<td>Material availability factor ensures continuous production</td>
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Thanks for your co-operation