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

Margaret Kinyanjui
Masters Student, Jomo Kenyatta University of Agriculture and Technology, Kenya

CITATION: Kinyanjui, M. (2013). Influence of multichannel supply chains networks on the performance of selected retail fashion outlets in Nairobi. *International Journal of Social Sciences and Entrepreneurship, 1* (5), 833-866.

ABSTRACT

While a lot has changed in world, retail has not changed. It's about attention to detail and focusing on the customer. Rising consumer expectations and growing use of smart phones, online platforms, websites and tablets is putting more pressure on retailers to keep up with the changing environment. According to Booz & Company survey (2010), 68 percent of Web users like to do side-by-side (and site-by-site) product comparisons on the Internet before making purchases, and 49 percent feel that it is important to be able to order online and pick up the items in a store EI (2012). These features just hint at what consumers increasingly expect from retailers through multiple channels, a wish list that includes access to a wide swath of products online and more conveniently. The general objective of this study was to investigate the influence of multichannel retailing networks on the performance of selected fashion retail outlets, and specific objectives used to determine the influence included the following; the shopping experience, organizational structure realignment, distribution channels infrastructure and assessing the weight on sources of capital The researcher used a descriptive research design, and adopted a stratified random sampling technique from the target population, as well as carried out a pilot study to pretest and validate the questionnaire. Regression analysis 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. 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 was among the very most important predictor 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 also was another very important predictor 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. The study recommends that the retail Associations of Kenya need 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.

Key Words: *multichannel supply chains networks, performance, selected retail fashion outlets, Nairobi*

Introduction

While a lot has changed in world, retail has not changed (EI 2013). 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 (Stone et al. 2002). 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). Retailers today are engaging in the multi-channel retailing Dawson (2002) across various new sales and service platforms (Neslin et, al.2009), including social media, smart-phones, websites, Internet couponing and third-party vendor relationships, among others. Multi-channel commerce is a phenomenon, that's growing globally (Metters and Walton 2007), 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) 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 Magretta (2002), 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. Zhang et al. (2010), states that 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 (Zhang et al. 2010) 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).

Global perspective of Multichannel supply retailing network

A true multi-channel strategy covers purchases from a store, a website, telephone ordering, mail orders, interactive television, catalog ordering and comparison shopping sites Jones, (2008). The aim of a multi-channel retailing strategy is to maximize revenue and loyalty by offering customers choice and convenience. Social networks are becoming more and more popular in the world of the Internet, and particularly in the field of business, wherein it is being used as vital aspect of their marketing and customer relationship, hence it has enabled people to share information regarding their experiences as well as their perceptions and perspectives about what they consume (Robin & Oliver, 2009).

Multichannel retailing has paved the way for retailers to do business seamlessly in multiple countries. By adopting a multi-channel distribution strategy and simultaneously offering customers different channels for alternative utilization they try to satisfy the distinct customers' needs in particular situations (Mathwick, Malhotra & Rigdon 2002). High street retailers are now increasingly adopting multi-channel distribution strategies, by selling not only in stores but also through Internet and other electronic devices or catalogs, while seeking to target different consumers.

According to O'DeMars (2005), the key benefit for retailers currently supplying on a multichannel platform, is that it gives them more opportunities to get their product in front of customers whom they wouldn't have been able to reach with a single channel; however an emerging area of concern is how to handle international orders from a tax perspective, and retailers need to understand the tax implications of operating in each country so that they can make informed business decisions, For example, retailers with limited international operations may find it most straightforward to let international customers order through one-based international website.

Multichannel also allows retailers to increase revenues and profitability, which is fundamentally what being in business, is all about (Porter, 1991). As their international business expands, they will likely consider hosting different parts of the business and different websites in multiple countries, customer loyalty is one of the biggest challenges in today's retail market regardless of whether you're a single or multichannel retailer (O'DeMars, 2005), therefore the more opportunities you have to get customers engaged with your product, the bigger your advantage. Consumers are now bombarded with so many messages persuading them to buy, and if retailers will not take this seriously, then they're effectively conceding defeat to the opposition/competitor.

Retailers have taken notice, and many have designed mobile applications for the iPhone (EI, 2012), the Android Operating system and various tablet devices in hopes of enhancing traditional retail offerings. A recent adopter is Michaels, a large specialty crafts retailer that in 2011 introduced a mobile-optimized site application and mobile coupons aimed at boosting in-store traffic and improving customers' in-store experiences Scholte, (2004).

Azuma and Fyernie (2003) claims that fashion is perceived to be one of the most essential parts of civilization as it reflects the great culture of the past. Multichannel retailing is an undeniable force right now when it comes to claiming the latest fashion trend; the web and mobile are fundamentally changing the way people shop (Berman & Thelen 2004) and challenging traditional bricks and mortar retailers. This idea of multichannel retailing allows the retailer to smartly integrate all departments into one main core so that there is no difference between digital and physical stores offering. Rising consumer expectations and growing use of smart phones and tablets is putting more pressure on retailers to keep up with the changing environment. Customers not only demand for a seamless shopping experience, but also they have entered into the recovery cycle, where their sensitivity to price has remained key (Slack & Lewis, 2002).

Marks and Spencer, so often the barometer of high street performance, noted that its Christmas period saw online sales rise by more than 20 per cent, while overall like-for-like sales on general merchandise fell by 1.8 per cent. This is a clear signal of the importance of alternative channels. The consumer's new empowerment has increased pressures on retailers to more quickly react to demand and trend cycles, adding yet another new layer of uncertainty (Stoddard, Harmer & Haver, 2006).

Not embracing multiple channels is simply not an option. Retailers must realize they're in a race with every other competing retailer to the finishing line of multi-channel customer satisfaction, and the challenge for retailers will be to offer a consistent shopping experience across all channels and allow consumers to research buy and collect wherever they want (Stephenson, 2005).

Kenyan perspective of a Multichannel supply retailing network

The wholesale and retail sectors in Kenya are showing great promise in driving the economic growth and are currently the biggest contributor to the Gross Domestic Product growth accounting for 15.2% EI (2013), of the overall growth after agriculture and ahead of transport and communication, according to the 2013 World Bank Economic Survey. The sector posted a 6.4 per cent growth rate in 2012 to be the third best performing sector after electricity supply industry which grew by 12.6 per cent followed by the financial services at 6.5% in 2012 (RoK, 2013).

While Kenya continue to explore fashion trends and consume from the global brands like Zara, Marks and Spencer, Caterpillar and clarks shoes among others we are still seeing the most preferred channel of distribution being the brick and motor National Economic survey (NEC, 2012). Kenyan-based retailers Naivas , Nakumatt and Uchumi who have 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 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, (EI 2012) which only positions such retailers as service providers rather retailers who have embraced multichannel strategy. Eventually, the primary task of a multichannel supply platform is to work as a tool for building trust and loyalty in customer relationships and manage the processes associated with customer acquisition and retention. (Slack et al.2008). Turnbull and McNicholas (2002) conclude that most small store owners do not recognize the significance of the Internet as a strategic tool for increasing sales. This indicates that there are still misconceptions about this channel; hence this begs the concern as to when the multichannel supply chains networks will be adopted in-order to impact the performance of the retail chain stores.

Statement of the problem

Customers have become channel advocates, 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 (NEC, 2012), 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.

In view of these there is a clear suggestion that there is lack of knowledge and understanding of the different channels of retail supply chain networks hence hindering its adoption. Other concerns according to the ICT Board, (2013) is that there exists an insecure delivery systems which is a major force hampering more than one retail supply channel platform, while EI (2012), states that the limiting factor to the development of a multi-channel strategy in Kenya is mainly driven by consumers' limited access to hardware and poor levels of network capacity. In addition Turnbull and McNicholas (2002) indicate that for such businesses, the fear of the unknown is a possible impediment to their adoption and exploitation of the multichannel network. These factors therefore explain why the fashion retailers among other retailers as researched by EI (2012) are missing out on unexploited opportunity that multichannel supply network can offer. This therefore forms the base of this study that sought to explore the influence that multichannel supply chains networks can have on the performance of selected fashion retail outlets.

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.

Specific Objectives

The specific objective of this study was:

1. To find out the influence of shopping experience on the performance and sustainability of selected fashion outlets in Nairobi.

2. To establish the influence of organization structure realignment on the performance of selected fashion outlets in Nairobi.

3. To determine the influence of distribution channels on the performance of selected fashion outlets in Nairobi.

4. To assess the weight on sources of capital on the performance and sustainability of selected fashion outlets in Nairobi.

Theoretical Review

Theory of Consumer Decision Making (DCM) Styles of shopping

Journal of Business Research 59 (2006) 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; McDonald, 1993; Sharma and Levy, 1995; Walshet al., 2001; 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 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 according to Walshet al., (2001), 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 other 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)'

Research has found that consumers differ in their motivations to shop and the value they derive from comparison shopping due to varying perceptions of the value of time spent shopping, Johnson et al., (2004). Journal of Business Research 59 (2006) states characteristics of eight consumer decision-making styles and experiences which include the following. 1. a perfectionist/high quality-conscious consumer who systematically search for the best quality products possible; 2. a brand consciousness/price equals quality consumer who is concerned with getting the most expensive and well-known brands; 3. a Novelty and fashion conscious consumers who likes new and innovative products and who gain excitement from seeking out new things; 4. a recreational and shopping conscious consumer whose decision style of shopping is to take pleasure in shopping and shops just for the fun of it; 5. Price conscious/value for the money; this is a decision style of some consumers who are concerned with getting lower prices. 6. an Impulsiveness/careless consumers who tend to buy spontaneously and who are unconcerned about how much money they spend; 7. a confused by over-choice consumers who feel they have too many brands and stores to choose from; and finally 8. a habitual/brand loyal decision style of consumers who shop at the same. Shopping is increasingly seen as a leisure activity (Martin and Mason, 1987; Jansen-Verbeke, 1987) and, as such, fulfils a role in family and social life which goes beyond the traditional shopping activities (Miller, 1998) of buying in provisions and other goods when required. The above theory instigated the first research question: What is the influence of shopping experience on the performance and sustainability of selected fashion outlet?

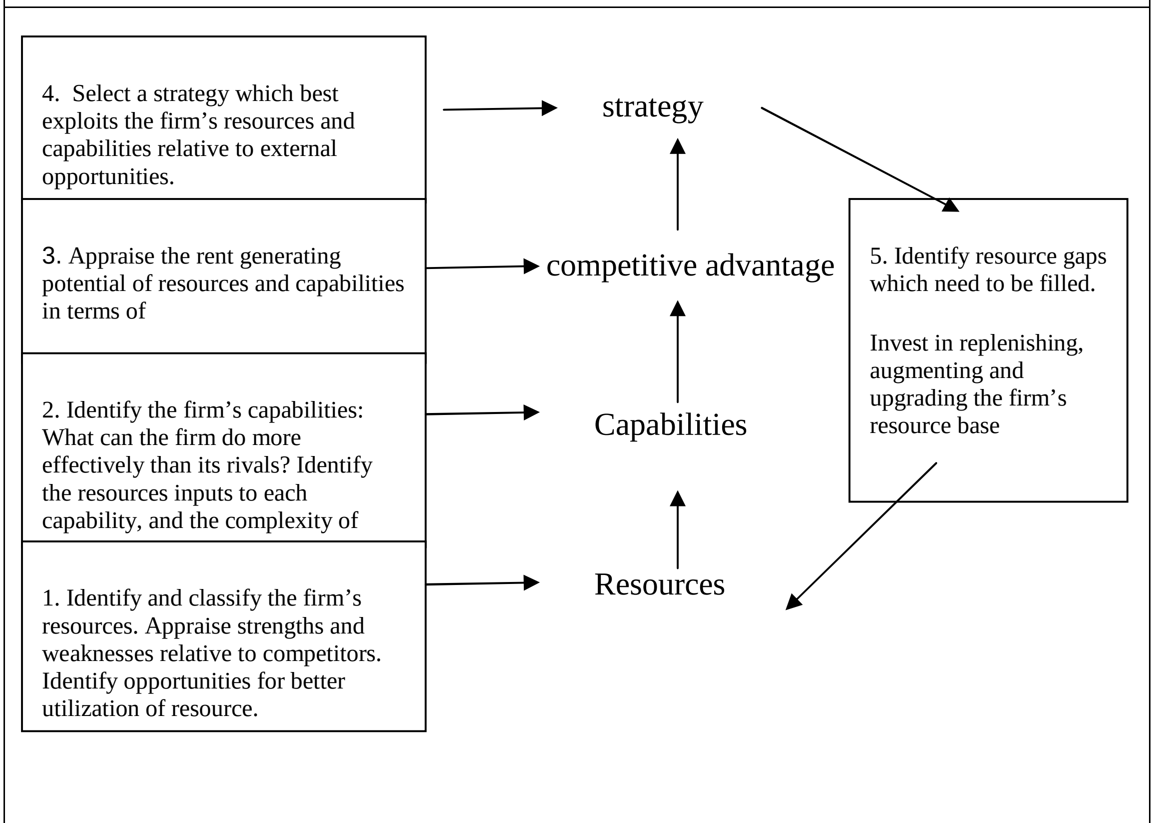
Theory of Resources and Capabilities

Porter's (2001) strategic development process starts by looking at the relative position of a firm in a specific industry, by first considering the firm's environment and then tries to assess what strategy may maximize the firm's performance. As from the theory of resources and capacities it is habitual to consider that those sources are internal and external factors of the enterprises (Grant, 2001). The entrepreneur then, by means of the strategy combines these factors establishing his distinctive competencies. Stalk, Evans, and Shulman (1992) states that competitive advantage is based on the ability to respond to evolving opportunities which depends on business processes or capabilities. Business success involves choosing the right capabilities to build, managing them carefully, and exploiting them fully.

Jordan and Graves (1995) studied this problem for a single stage supply chain and determined that a "chaining" strategy is effective; however he continues to say supply chains with multiple stages are shown to suffer from inefficiencies than do single stage supply chains. John Kay (1993) argues that the source of competitive advantage is the creation and exploitation of distinctive capabilities, and that the value of any advantage created depends on its sustainability and its appropriability, while Jordan and Graves (1995) is quick to mention that there exist a level of flexibility in configuration that's multiple supply chains provide against these inefficiencies which does not exist in a single supply chain platform. Supply chains with a large number of products or stages, additional flexibility is advisable, (Griffiths & Howard 2009) especially for stages in which the capacity is no t much greater than the expected demand. This extra layer of flexibility should again be added in accordance with the guidelines of Jordan and Graves (1995) to create another chain structure overlaying the initial chain structure.

People's skills are a key resource in business's today as stated by (Singleton, 1989). He adds and says "modern technology in many working environments imposes more cognitive demands upon operators than physical demands", with that in mind it then explains why more recent, problems such as vigilance (Parasuraman, 1987), complacency (Parasuraman, Singh, Molloy, & Parasuraman, 1992), and trust (Muir & Moray, 1996) have been touted as causes for performance differences between manual and automated control. It may seem paradoxical, but automated systems can both reduce and increase MWL. According to Hughes & Dornheim, (1995), this can lead to mental underload during highly automated activities such as cruise flight, but mental overload during more critical operations like take off and landing. Extremes of MWL can create conditions of overload or underload, which may both be detrimental to performance (Wilson & Rajan, 1995). The notion of an optimal level of MWL is based on attentional resource theory, whereby overload or underloads can each cause psychological strain due to a mismatch between demands and capabilities (Byrne & Parasuraman, 1996; Gopher & Kimchi, 1989).

A Resource-Based Approach to Strategy Analysis: A Practical framework



Source: Porter, M. E. (2001) Strategy and the Internet

The purpose of the paper is also to provide insight into the notion that multiple-stage capacity planning under uncertainty involves hedging in view of remaining competitive and relevant in the market. This theory led to the second research question: How does organization structure realignment affect the performance of selected fashion outlets in Nairobi, Kenya?

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, Cassab & MacLachlan (2009), 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 (Chiu et al. 2011), 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. It’s 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).

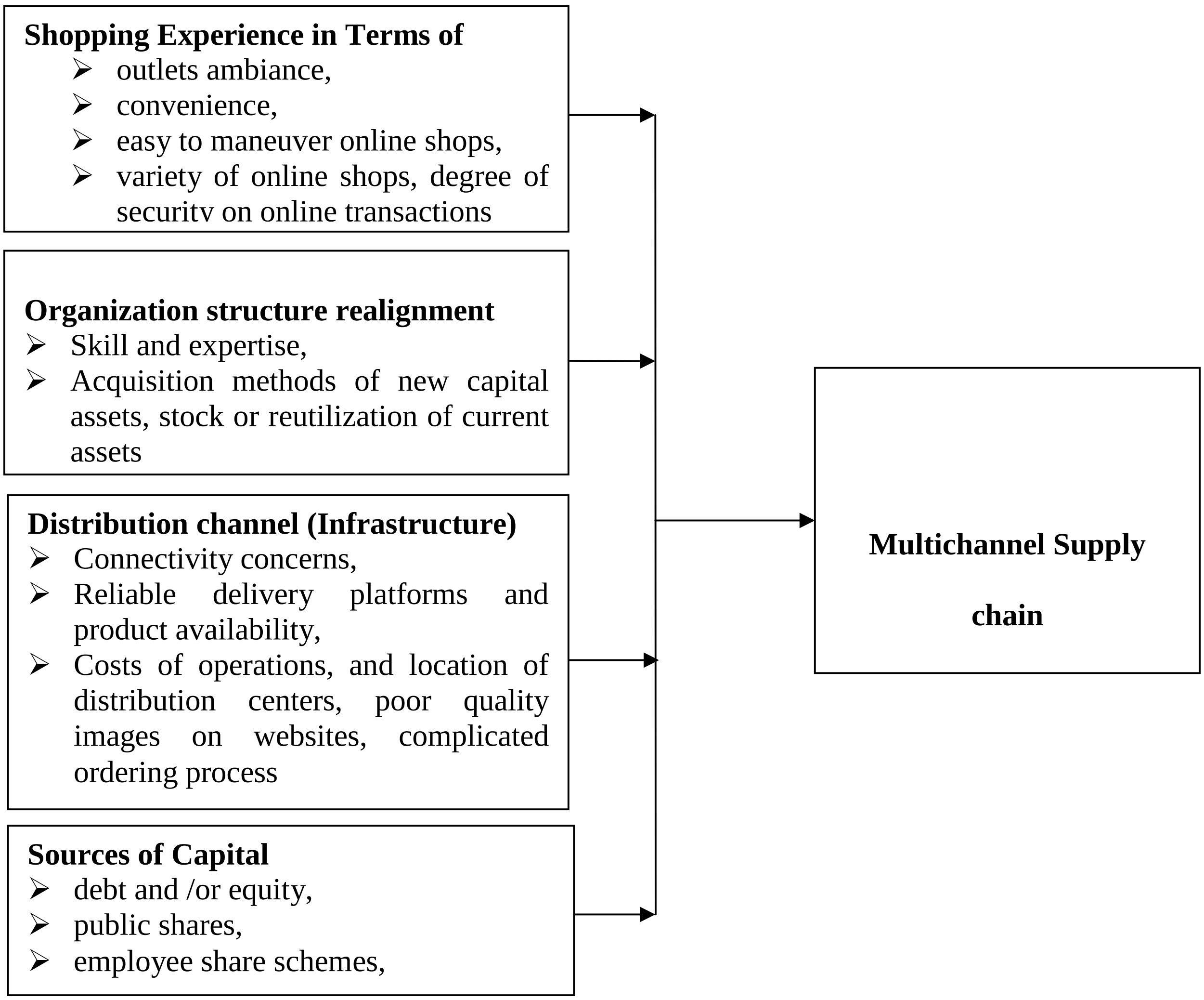
This theory led to the third research question: How do distribution channels affect the performance of selected fashion outlets in Nairobi?

The Pure theory of Capital

The Pure Theory of Capital is a dynamic theory of economic change as a process in historical time. (Hayek 1983) 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 (1983), 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,). 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,). 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?

Conceptual Framework



Independent Variable *Dependent Variable*

Conceptual Discussion

Shopping Experience of Customers

Past shopping behaviors have primarily been based on consumer motives for shopping (Bellenger and Korgaonkar, 1980; Westbrook and Black,1985).Creating superior customer experience is paramount objectives in today's retailing environments, and retailers globally have embraced the concept of customer experience management, with many incorporating the notion into their mission statements. Brown, Pope and Voges (2001) define shopping orientations as related to general predisposition toward the acts of shopping. Dabholkar (1994) asserts that individual are likely to expect and behave in a certain way prior to some knowledge experienced, Therefore, shoppers with prior online purchase experiences that resulted in satisfactory outcomes, will continue to shop on the Internet in the future (Shim, et. al., 2001). Unfortunately, if these past experiences are evaluated negatively, customers will be reluctant to engage in the same mode of shopping in the future. This explains the importance of turning existing Internet shoppers into repeat shoppers by providing them with satisfying alternative shopping experiences (Weber and Roehl, 1999).)

For example, Toyota's mission statement is to sustain profitable growth by providing the best customer experience and dealer support. Additionally, a recent IBM report identifies customer experience as a key factor for companies to use in building loyalty to brands, channels and services (Badgett, Boyce, and Kleinberger, 2007).

Consumers also may be motivated by the ability to implicitly derive a certain set of utilities by patronizing a given type of shopping setting (Sarkar et al., 1996). These utilities may include location (place utility), expanded store hours and quick, efficient checkout (time utility), and an efficient inventory and distribution system that enables consumers immediate possession (possession utility) of the goods purchased. Yet despite the recognition of the importance of customer experience by practitioners, the academic marketing literature investigating this topic has been limited. For example, Pine and Gilmore (1999) argued that creating a distinctive customer experience can provide enormous economic value for firms, and Frow and Payne (2007) derived managerial implications, such as the careful management of customer 'touch points', based on qualitative case studies. To the best of our knowledge only a limited number of articles explore customer experience in depth from a theoretical perspective. More specifically, Gentile, Spiller, and Noci (2007) empirically investigate the specific role of different experiential features in the success achieved by some well-known

Organization Structure Realignment

Today, most companies distribute their products through a variety of channels, such as wholesale, catalog, and Internet, as well as through their own retail stores. Within the wholesale channel, manufacturers often try to sell to various types of retailers, including department stores, specialty stores, discount stores, and national chains. For retailers, expanding the number of stores is a way to diversify risk, while also leveraging efficiencies across a greater number of stores and products in view of the available capital and human resource.

According to Jones Lang of Real Estate landscape research, while many apparel retailers had a tough time in 2002 and 2003, they continued to expand both domestically and internationally, February 2013, Between quarter one (1) of 2009 and Quarter three (3) 2012 inclusive, retailers directly accounted for some 35% of all logistics property taken-up across Europe, with that purely dedicated to online retail representing some 15% of all take-up by retailers, or 5% of all take-up. In the UK, Amazon recently announced a requirement for round 20 warehouses between

5,000 sq m and 10,000 sq m around the UK's main urban areas, to accommodate demand for same day delivery. Macy's, the department store chain in the US, is converting nearly 300 stores out of it 800 plus national network to include additional storerooms for local order fulfillment. May 2010, Marks & Spencer announced the launch of a new version of its Web site, designed to be easily accessible from mobile devices. This decrease can attributed to a higher-level company decision to strategically focus its efforts on stores above certain cut-off levels of sales per square foot

Distribution channel

Building on the idea of collaboration in the apparel supply chain, Johnson (2002) writes about the importance of collaboration in producing a steady stream of innovative products particularly for short-life products, like apparel or computers. Gereffi developed a framework called "global commodity chains" (Gereffi, 1994, 1999) also called "global value chain" (Gereffi and Memedovic, 2003), that tie the concept of the value-added chain directly to the global organization of industries (Gereffi and Klorzeniewicz, 1994). In this article, the value chain is defined as the range of activities involved in the design, production and marketing of a product. (Gereffi et al' 1994) highlights the growing importance of new global buyers (primarily retailers and brand marketers) as key drivers in the formation of globally dispersed and organizationally fragmented production and distribution networks and also highlights the importance of coordination across firm boundaries.

As physical distances between the various players of the apparel supply chain have increased, due to globalization of production, so has supply chain complexity. Thus, companies in the apparel industry must find new ways to leverage their supply chain partnerships through information integration and collaboration, embracing multichannel supply strategies, while improving products and reducing supply chain costs. Johnson (2002) examines how players throughout the apparel supply chain, starting from raw fiber producers to retail stores, are reinventing their businesses through web-centric collaborative product management to ensure better management of the increasing supply chain complexity.

In some supply chains, products must be produced before demand is realized. By carrying inventory, a supply chain can meet some of the excess demand. A strategic inventory placement tool is detailed in Graves and Willems (1998). The selection of entities to perform the supply chain activities can affect the inventory requirement through the lead time of the various activities, Willems (1999).

Sources of Capital

Retailers' approach to the multi-channel offering has significantly changed in the past few years as consumers are aggressively driving multi-channel growth. Shoppers demonstrate greater loyalty to multi-channel retailers and they tend to spend more if they are offered the same wide range of products, regardless of whether the purchase opportunity is presented on-line, in stores, through a catalogue or over the phone. The wholesale and retail sectors in Kenya are showing great promise in driving the economic growth and are currently the biggest contributor to the Gross Domestic Product growth accounting for 15.2% of the overall growth after agriculture and ahead of transport and communication, according to the (2013) Economic Survey.

Working capital controls the balance in the account but more importantly the way the underlying functions are run. James (2011) asserts that managers must find short term projects that generate cash such as sale of non productive assets. Retailers are also expected to deliver the same highest standard of service at all points of order, using a wide offering of delivery options that can suit their customers' lifestyles and their growing expectations. If their working capital is frozen; retailers might keep in stock very slow moving lines which should actually be with their suppliers. By securing a short-term future for the business the turnaround leaders creates a window of opportunity within which they can develop and implement medium and long-term survival plan, Stuart (2006). The essential management objective is the generation of short-term cash flow forecasts for it's a critical element in rebuilding predictability of the business. Retailers can notice a distinct high cost in a traditional delivery model scenario including overstock inventory, physical storage space, transport from suppliers into the warehouse, warehousing and operational cost, and finally packaging and last-mile delivery.

Stephen (2006) however argues that the cash must be managed for them to be long-term potential for minimizing the value of the business entity. This is all about addressing a deteriorating situation and taking control of cash flow and short term financing, which begins with fully understanding of all cash sources and minimizing cash outflows until there is a recovery plan. The successful executions of such projects not only free up incremental liquidity but also restore credibility with suppliers, customers and employees. Prioritization of issues is essential during business recovery and stabilizing the crisis must always come first. In many ways surviving is the most difficult step of all. Eliminating losses is one thing, but achieving an acceptable return on the firm's investment is quite another.

Grant (2009) point out that action must be taken immediately to ascertain the principle reason for poor cash flows and to correct the problem as swiftly as possible. Having good working management means running the company effectively with as little money tied up in the current accounts as possible. If possible, short-term bridge funding sources are identified and pursued to fill the gaps. In addition to the tight financial discipline, there is gradual decentralization which requires better communications on how the business is doing, more effectively feedback on cost controls and the development of profit center mechanisms targeted toward the customer. The task is helping the organization to act as a whole to respond as one when the environment shifts.

Empirical review

This chapter introduces a case study on the Indian retailing environment representing different offerings and industries. India has seen tremendous growth in modern retail, and various factors affect the consumer's shopping experience at modern retail outlets and have varying influence on consumer satisfaction The discussion in this chapter will review the strategies in multi-channel supply network India has applied , their offerings and ultimately how these elements are seen contributing to the success of their business

Shopping Experience

India as mentioned has seen tremendous growth in modern retail. In this study a model of the shopping experience was envisaged, regressing satisfaction with the shopping experience at a modern retail store vis-a-vis store attributes. Retailing is India s largest industry accounting for over 10 per cent of the GDP and 8 per cent of the total employment. According to estimates by the India Retail Report 2007 Indian's domestic market for clothing, textiles, and fashion accessories is estimated to 19 percent which is fully organized. The apparel retail sector has also shown a 30.3 per cent year-on year growth since 2004. Apparel and accessories retailing is the largest segment of organized retailing in India constituting 38.9 percent of the total organized retailing business (Goyal and Mittal, 2007).

Sinha (2006) argue that it is mostly the family who is the consumer of the retail offering. India being a collectivist culture, most post purchase experience is shared through word of mouth and has proved to be very effective. 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.

In the Indian context traditional stores offer limited SKUs or range of products in comparison to modern retail outlets. Therefore consumers expect variety when they shop in a modern retail outlet. (Sinha, Agarwal, & Gupta, 2008), confirmed the hypothesis that Indian consumers appreciate variety at modern retail outlets, and a large variety of products in one store increases shopping convenience. On the other hand consumers seek variety in line with the utilitarian motivation of convenience shopping according to Patel & Sharma, (2009), and this is what they find emotionally rewarding. In addition according to the study, shoppers found shopping similar to exploration (Sinha, 2003), and they looked for excitement and were curious to know about new things (Sinha, 2003). Hence, a hypothesis was developed, and the study concluded that stock availability, quality, brand variety, knowledgeable salespeople, layout- space, lighting, product display, category variety and convenient location are factors relevant in their order of influence in the modern retail format.

Organization Structure Realignment

Organization structure is the blue print of the relationships that exist in any organization. According to (Drucker, 1989) a good organization structure does not by itself produce good performance but poor organization structure makes good performance impossible no matter how good the individual managers may be. The structure varies according to the organization strategy and the orientation of the top management. Many authors have noted the impact of structure alignment and its effect on the success of any organization (Peris et al., 2006). There are various dimensions of organization structure, mainly governed by organizational leader's perceptions and preferences in response of adopting a strategic structure alignment. These dimensions include formalization, Specialization, Standardization, Centralization, flexibility and complexity of work flow. These six dimensions were proposed by Pugh et al., (1968) in their research work titled dimensions of organization structure.

Indeed, in response to different environmental circumstances, the organizational structure is conditioned by decisions regarding the internal organizational level in general and design variables in particular (formalization, specialization, standardization, centralization, decentralization and complexity of work flow), both of which are governed by organizational leaders' perceptions and preferences in response to external contingency factors. The variables taken into account in this study are Customer orientation.

According to Pierce and Robinson (2003), a key concern of top management in implementing strategy, is by having the right managers in the right positions. 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, however in addition some of the characteristics to look out for include ability and education, previous track record and experience, and lastly 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 on promotable basis consider) 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.

Distribution Channels

Several dimensions of supply chain performance have been suggested in the literature, related to for example financials and cost, time, quality, as well as customer service (Fawcett and Cooper, 1998; Beamon, 1999; Morgan, 2004; Töyli *et al.*, 2008). Holmberg (2000) suggests that supply chain performance models should encompass inter-firm supply chains (measurement across firms) in order to accommodate system-wide performance management. In this research we limit our perspective on how the properties of the inter-firm supply chain affect performance in the focal firm (measurement inside a firm), i.e. intra-firm supply chain performance.

Based on the prior literature, intra-firm supply chain performance (a focal construct of this research) includes three dimensions: logistics costs, service performance, and asset utilisation. These dimensions are further defined as follows. Logistics cost components are classified, following Töyli *et al.* (2008), as transportation cost, warehousing cost, cost of capital tied in the inventory and logistics administration costs. Customer service performance is defined as perfect order fulfilment and order fulfilment cycle time (Fawcett and Cooper, 1998). Asset utilisation includes cash-to-cash cycle time and inventory days of supply (Fawcett and Cooper, 1998; Farris and Hutchinson, 2002; Töyli *et al.*, 2008).

To address the above mentioned problem, we develop an instrument by identifying the significant supply chain risk sources under major supply chain risk constructs for assessing the supply chain risk of industries which are similar in their risk profiles. We focus on the supply chain risk issues of one such industry namely, heavy engineering industry. The firms falling under the category of heavy engineering type industry are found to have similarities in the risk sources. In this study, a sample of four firms is considered to represent the heavy engineering industry for the development and validation of risk assessment instrument. This paper also prioritizes the supply chain risk constructs based on their severity of impact which enables the top management to focus their attention based on the relative importance of various risk constructs.

Sources of Capital

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).

As noted by Sheffi (2005), an enterprise's ability to recover from a disaster is strengthened by incorporating flexibility and redundancy into their supply chain. Redundancy involves the establishment of reserves or back-up options that can be deployed in times of disruption. On the other hand, flexibility characterizes the sensing capabilities, which enable enterprises to identify potential threats and respond accordingly (Hale and Moberg, 2005; Rowat, 2004; Sheffi and Rice, 2005). It is in the balance of redundancy and flexibility that managers can utilize supply chain mapping to influence resilience.

Research Methodology

Research Design

Orodho (2003) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. Further Donald (2006) notes that a research design is the structure of the research, it is the ‘‘glue ’’ that holds all the elements in a research project together. For the purposes of this study, the researcher used a descriptive research design. Donald (2006) notes that a descriptive research design seeks to describe a unit in detail and it is a way of organizing educational data and looking at the object to be studied as a whole. Thus, this approach was appropriate for this study, since sampled retail outlets were case studies which providing a natural setting on which data was collected.

Population

In statistics, target population is the specific population about which information is desired. According to Ngechu (2004), a population is a well-defined or set of elements, events or group of things that are being investigated. This definition ensures that population of interest is homogeneous. The population and area of study was drawn from selected retail outlets within Nairobi; and it was done in stores. The study focused more on the section and particularly on the sales staff, store managers and customers who are interacting on day to day with the organizations. So the researcher intended to examine a target population of 61 staff, management and customers within the retail outlets. Mugenda & Mugenda (1999), explains that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study.

Sampling and Sampling Procedure

According to Cooper & Schindler (2003), the sampling frame describes the list of all population units from which the sample was selected. Sampling plan describes how the sampling unit, sampling frame, sampling procedures and the sample size for the study. The study adopted stratified random sampling technique from the target population. According to Deming (1990) stratified proportionate random sampling technique produces estimates of overall population parameters with greater precision and ensures a more representative sample is derived from a relatively homogeneous population. Stratification aims to reduce standard error by providing some control over variance. Respondents will be drawn from 61 customers, staff and managers from the selected fashion retailers.

Ngechu (2004) emphasizes the importance of selecting a representative sample through making a sampling frame. From the population frame the required number of subjects, respondents, elements or firms was selected in order to make a sample. Stratified proportionate random sampling technique was used to select the sample. The structure within the selected retail stores has put staff in three categories thus the study categorized the population into four strata i.e. top level managers, middle level managers, low level managers and/or customers. From each stratum the study used simple random sampling to select 61 respondents. Statistically, in order for generalization to take place, a sample of at least 30 elements (respondents) must exist. Kothari (2004) argues that if well chosen, samples of at least 10% of a population can often give good reliability. This study, however, used 30% of the target population. Other literatures have shown that sample size selection to a great extent is judgmentally decided. Stratified random sampling technique was used since population of interest is not homogeneous and could be subdivided into groups or strata to obtain a representative sample.

Data Collection Methods and Instruments

According to Ngechu (2006) there are many methods of data collection. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. This is because each tool and instrument collects specific data. Also, Best and Kahn (2004) in a case study, data may be collected by a wide variety of methods. Donald (2006) notes that there are two major sources of data used by respondents'; primary and secondary data. Primary data is information gathered directly from respondents and for this study the researcher used questionnaires. Secondary data involved the collection and analysis of published material and information from other sources such as annual reports, published data. Thus in this study the researcher employed the use of survey questionnaire for data collection.

Data Collection Method

The researcher administered the questionnaire individually to selected employees of the selected stores and customers who are the target population. The researcher exercised care and control to ensure all questionnaires issued to the respondents are received and to achieve this, the researcher maintained a register of questionnaires, which was sent, and which were received.

Data Analysis

The collected data was thoroughly examined and checked for completeness and comprehensibility. The data was then summarized, coded and tabulated. The data was then analyzed using descriptive statistics with the help of the statistical package for social sciences (SPSS). Specifically, the researcher endeavored to use measures of central tendency mean and modes. The study also used inferential statistics. The study used regression models to analyze the variable, and with help of Statistical Package of Social Sciences Version 20. Multiple regression models was useful to find out the importance and the direction of their relationship of each of the four variables with reverence to the influence of multichannel retailing networks on the performance and sustainability of selected fashion outlets selected within Nairobi.

The regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Performance

β_0 = Constant Term

$\beta_1, \beta_2, \beta_3, \beta_4$ = Beta coefficients

X_1 = shopping experience

X_2 = organizational structure

X_3 = distribution channels

X_4 = sources of capital

e = Error Term

The results were then presented in tables and charts.

Findings and Discussion

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. This may also imply that ladies are best in fashion sales. 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. 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 university education. Most of the fashion retail outlets have fewer managerial positions and they normally have bottom heavy human resource structures. Most jobs offered by fashion retail outlets are clerical and manual and does not call for higher qualifications to perform such duties.

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.

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 (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 centre's was used to a low extent. Finally a majority of 65% felt that Internet was used to a low extent.

The findings agree with those of Shim, et. al., (2001) who noted that shoppers with prior online purchase experiences resulted in satisfactory outcomes, and will to continue to shop using alternative channels like internet in the future. This explains the importance of turning existing shoppers through current channel into repeat shoppers by providing them with satisfying shopping experiences (Weber and Roehl, 1999).

Distribution infrastructure

The study sought to determine the extent to which distribution infrastructure influenced performance of fashion outlets. Majority 70% indicated that distribution infrastructure influenced performance to a very great extent. 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.

The findings agree with those of Graves and Willems (1998) who found out that in some supply chains, products must be produced before demand is realized. By carrying inventory, a supply chain can meet some of the excess or unforeseen demand, and this can be achieved through a strategic inventory placement tool detailed in Graves and Willems (1998). The selection of entities to perform the supply chain activities can affect the inventory requirement through the lead time of the various activities as illustrated by Willems (1999).

The finding also concur with those of Töyli *et al.* (2008) who asserted that based on the prior literature, intra-firm supply chain performance includes three dimensions: logistics costs, service performance, and asset utilisation. These dimensions are further defined as follows. Logistics cost components are classified, following Töyli *et al.* (2008), as transportation cost, warehousing cost, cost of capital tied in the inventory and logistics administration costs. Customer service performance is defined as perfect order fulfilment and order fulfilment cycle time (Fawcett and Cooper, 1998). Asset utilisation includes cash-to-cash cycle time and inventory days of supply (Fawcett and Cooper, 1998; Farris and Hutchinson, 2002; Töyli *et al.*, 2008).

Organization Structure

The study sought to determine the extent to which organization structure influenced performance of fashion outlets. Majority 63% indicated that organization structure influenced performance to a great extent. 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 a formal or informal organizational processes is what makes an organization work, 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. These results imply that Organization Structure is a core factor of performance in a fashion outlet supported by a mean score of 4.00 and standard deviation of 0.75.

The findings concurred with those of Drucker (1989) who asserted that a good organization structure does not by itself produce good performance but poor organization structure makes good performance impossible no matter how good the individual managers may be". The structure varies according to the organization strategy and the orientation of the top management. Many authors have noted the impact of structure alignment and its effect on the success of any organization (Peris et al., 2006). There are various dimensions of organization structure, mainly governed by organizational leader's perceptions and preferences in response of adopting a strategic structure alignment.

The findings also agreed with those of Johnson and Scholes (2002) who noted that 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.

Capital

The study sought to determine the extent to which capital influence performance of fashion outlets. 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. 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.

The findings agreed with those of Sodhi and Lee (2007) who asserted 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. 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.

Regression Analysis

The study employed multiple linear regression analysis in testing the influence of the predictor variables on the dependent variable. Table 1 shows the results for testing the robustness of the regression model. The results indicate that the regression model best fits in explaining the influence of multichannel supply chains networks on performance. This is supported by a composite strong and positive correlation (R) 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.

Table 1: Regression Model Fitness

Indicator	Coefficient
R	0.788
R Square	0.621

Table 2 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 2: Analysis of Variance (ANOVA)

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

Table 3 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.

Table 3: Regression Output of the Predictor Variables

Variable	Beta	Sig.
Constant	1.627	0.03
Shopping Experience	0.117	0.01
distribution infrastructure	0.468	0.00
organization resources	0.352	0.00
Capital	0.107	0.03

Summary of Findings

The objective of the study was to determine the influence of Multichannel strategies in the performance of selected retail outlets. The study investigated the impact of shopping experience, distribution channels, organizational structure and capital on the performance of retail outlets and found out that they had significant impact as illustrated below.

What is the influence of shopping experience on the performance of selected fashion outlets?

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.

How does organization structure realignment affect the performance of selected fashion outlets in Nairobi?

The second objective established the effect of distribution channel on multichannel supply chains networks on performance, and results from data analysis show 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 implies that distribution channel is a statistically significant predictor of performance.

How does the Distribution channel affect the performance of selected fashion outlets?

Results from data analysis shows that organization structure is important in determining performance of a retail outlet, demonstrated by a p value of 0.000 and a beta coefficient of 0.352. Managers should consider adopting new and more distribution channel that can allow for reach to a wider market share.

What is the weight on the sources of capital on the performance of selected fashion outlets in Nairobi?

The fourth objective of the study was to establish the effect of capital on performance. Data analysis revealed that capital was important in explaining performance. This is supported by a p value of 0.03 and a beta coefficient of 0.107 which means that capital is a statistically significant predictor of performance. Investors and shareholders must continuously seek to inject capital to support new business strategies for sustainability.

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 tend to enjoy repeated sales driven by past shopping experience. A shopping experience whether virtual or physical allows the customer to engage with your brand and later become loyal.

Based on findings it is possible to conclude that distribution channels infrastructure affects performance; this has been well demonstrated in that they they allow effective availability of current and new fashionable goods, as well as providing convenience of shopping and a platform to access a wider market. Therefore it can be concluded that the distribution channels are one of the key elements that should be considered by management when considering appropriate management strategies that can improve performance.

Organization resources have proven to influence the performance of the retail fashion outlet performance by demonstrating how crucial resources play in yielding a competitive muscle to the organization, as such an outlet can operate under optimal effectiveness and efficiencies. This may include opening operations to new locations, attracting and employing skilled and competent human capital; undertake extensive advertising as well form strategies that will sustain the business. Therefore it can be concluded that organization structure determines the level and extent of performance significantly

Findings also led to the conclusion that capital is a core factor of retail fashion outlet performance, and 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.

Recommendations

The recommendations to this study are in line with the objectives, and that they can be applied with firm considering adopting or improving a multi-channel supply platform. For each objective the following recommendations would apply.

1. It is recommended that the management of retail outlets should improve the shopping experience of shoppers by engaging some of the following concepts: improving the ambience of retail outlets, revamping the stores with colors and fresh layouts, soft music and aerated spaces, an option to access and view products from a virtual site, as well as a an option to shop in a brick and mortar. In addition consider opportunities to surprise the customers with new technologies and innovation and with a wide range of products to select from.
2. It is recommended that retail shops need to take into account the distribution infrastructure since doing so it would position the outlet strategically in the market among its competitors. 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.
3. 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. It may also call for redirecting available resources to areas that will add value and increase performance in the business.
4. The retail outlets should boost their capital by getting into strategic alliances. This may reduce economic risks associated with the expansion of retail outlets. The retail outlets may need to conduct private placements to generate more capital or get strategic investors on board.

References

Arvanitis, S. (2005). “Computerization, Workplace Organization, Skilled Labour and Firm Productivity: Evidence for the Swiss Business Sector”. *Economics of Innovation and New Technology*, 14(4),

Babbie, E., 2010. *The Practice of Social Research*. Belmont, CA: Wadsworth

Baldwin, J.R. & J. Johnson (1995) “Business Strategies in Innovative and Non- Innovative Firms in Canada,” Analytical Studies Research Paper Series 11F0019MIE1995073. *Research Policy, 25,*

Barney, J. (1991) ‘Firm resources and sustained competitive advantage’, *Journal of Management* 17:

Bartels, R. (1965). Development Of Marketing Thought: A Brief History. In *Science In Marketing.* Schwartz, G. (Ed.). New York: Wiley & Sons.

Bendell, J. (2006). *Debating NGO Accountabilit*y (UN Non-Governmental Liaison Service Development Dossier). Geneva: United Nations Press.

Bellenger, D.N., Korgaonkar, P.K. (1980). Profiling the recreational shopper. J Retail 1980; (Fall).

Berman, B. & Thelen, S. (2004) A guide to developing and managing a well-integrated multichannel retail strategy. International Journal of Retail & Distribution Management, vol. 32, no. 3

Brynjolfsson, E. and Hitt L. (2000). Information Technology,Organization Transformation and Business Performance,” *Journal of Economic Perspectives*, 14:

Brown, M., Pope, N. and Voges, K. (2001). ‘Buying or browsing? An exploration of shopping orientations and online purchase intention’, European Journal of Marketing , 37(11), 1666-168

Burns, N., and Grove, S., K. (2003). *Understanding nursing research (3rd ed.).* Philadelphia: W.B. Saunders Company.

Bucklin, Louis P.. A (1966). Theory of Distribution Channel Structure, Berkeley, CA,IBER Special Publications.

Cassab, H. & MacLachlan, D. L. (2009) A consumer-based view of multi-channel service. Journal of Service Management, vol. 20, no. 1

Chiu H.-C., Hsieh Y.-C., Roan J., Tseng K.-J. & Hsieh J.-K. (2011) The challenge for multichannel services: Cross-channel free-riding behavior. Electronic Commerce Research and Applications, vol. 10, no. 2

Cleveland, G.; Schroeder, R. G.; Anderson, R. G. and Anderson, J.C. (1989). A theory of production competence. A theory of production competence. *Decision Sciences*, v. 20, n. 4

Clinton, B. (2007). *Giving: How each of us can change the world.* New York: Random House. Commission on Global Governance.

Colvin, G. (2000) "Managing in the Info Era." *Fortune*,pp. F6–F9 Cooper, D., R. and Schindler, P., S. (2003). '*Business Research Methods. 10th edition'*. Boston: McGraw-Hill Irwin.

Coughlan, A., Anderson, E. Stern, L., El-Ansary, A. (2001). *Marketing Channels*. New York: Prentice Hall.

Dawson, J. 2002. Current and future retail structures for Scotland. Supporting discussion paper prepared for Symposium on the Future of Retailing. Edinburgh, February 21

Dabholkar, P. (1994). 'Incorporating choice into an attitudinal framework: analyzing models of mental comparison processes', Journal of Consumer Research, 21(1),

Denscombe, M., (2007). The Good Research Guide: for small-scale social research (3rd Maidenhead: Open University Press

Downes, L. and Mui., C, (2000). Unleashing the Killer Application: Digital Strategies for Market Dominance: Boston, Harvard Business School

Eriksen, B. and Mikkelsen, J., (1996). "Competitive Advantage and the Concept of Core Competence in The Organization of Industry" In Foss, N and Knudsen, C., (1996), *Towards a Competence Theory of the Firm*: London, Routledge

Farris M. T. (II), Paul D. Hutchison, (2002) "Cash-to-cash: the new supply chain management metric", International Journal of Physical Distribution & Logistics Management, Vol. 32 Iss: 4

Fawcett, Stanley. and Cooper, Bixby, "Logistics Performance Measurement and Customer Success", Industrial Marketing Management, Vol. 27, 1998

Fein, A. J., and Anderson, E. (1997). Hutterns of credible commitments;Territory and brand selectivity in industrial distributions channels. Journal of Marketing, Vol 61, pp. 19

Foss, N. J. and Knudsen, C. (1996) *Towards a Competence Theory of the Firm*. London: Routledge,

Fowler A. F (1997). Authentic NGDO Partnerships in the New Policy Agenda for International Aid: Dead End or Light Ahead? *Development and Change.* Vol. 29, No. 1,

Frazier, G.L.; Lassar, W.M., Determinants of Distribution Intensity. *Journal of Marketing*, V.60 (October 1996),

Goyal, B.B. and Mittal, Amit (2007), Gender Influence on Shopping Enjoyment: An Empirical Study , Indian Management Studies Journal, 11(2),

Griffiths, G.H. & Howard, A. (2009) Balancing clicks and bricks – strategies for multichannel retailers. Journal of Global Business Issues, vol. 2, no. 1

Hammer , M., & Steven S . (2004). Ignore Operations at Your Peril. *Harvard Business Review*, 6565

Hayes, R., Pisano, G., Upton, D. and Wheelwright, S. (2005). *Operations, Strategy and Technology: Pursuing the Competitive Edge*, New York: John Wiley.

Hayes, R.H. and Wheelwright, S.C. (1984) *Restoring our competitive edge:*, New York: John Wiley

Hrebiniak, L., G. (2005) *Making Strategy Work,* New Jersey: Wharton School Publishing

Hunt, S.D., 1991. Modern Marketing Theory: Critical Issues inthe Philosophy of Marketing Science.Southwestern Publishing, Cincinnati, OH

Jain, S. (2000). *Marketing: Planning & Strategy*. 6.ed. Cincinnati: Thomson Learning.

Jeffery, M. and Leliveld, I. (2004). Best Practice in IT Portfolio Management, *MIT Sloan Management Review,*

Jillo A., and Kisinga, F., (2008). NGO Law Reform in Kenya: Incorporating Best Practices : *The International Journal of Not-for-Profit Law* Volume 11, Issue 4

Jones, F. (2008) *Communicating* Strategy: Hampshire, Gower

Johnson, G., Scholes, K. and Whittington, R. (2005) *Exploring Corporate Strategy* (7th Edition), Harlow: Prentice Hall.

Johnson, E. J., Moe W.W., Fader, P.S., Bellman, S., and Lohse, G. L. "On the depth and dynamics of online search behavior", Management Science, Vol.50, No.3: 299-308,2004.

Kameri-Mbote, P., (2002). Global Environmental Governance and Community-based Conservation in Kenya: Berlin, Heidelberg, Springer

Kent, T. and Omar, O. (2003). *Retailing.* New York: Palgrave Macmillan

Kim, S. K., Ping-Hung, S. (2003). Journal of Marketing Research (JMR); Feb 2003, Vol. 40 Issue 1,

Kothari, C., R. (2003). *Research Methodology; Methods and Techniques*: New Age International (P) Ltd, New Delhi New Age International (P) Limited Publishers.

Kothari, C., R., (2004). *Research Methodology; Methods and Techniques*: New Age International (P) Ltd, New Delhi

Kotler, P., (2000). Marketing Management. (10th ed.). New Jersey: Prentice Hall

Lewis, P., (1994). Information Systems Development: Systems Thinking in the Field of Information Systems , London, Pitman.

Lindblom, C.E., 1987. Alternative to validity: some thoughtssuggested by Campbell's guidelines. Knowledge: Creation, Diffusion, Utilization 8

Lusthaus, C. (1999). *Enhancing Organisational Performance, A Toolbox for Self- Assessment,* IDRC, Ottawa Montreal: Universalia

Magretta, J. (2002) Why Business Models Matter. Harvard Business Review, vol. 80, no. 5

Mallen, *B. (1996).* Selecting channels of distribution: a multi-stage process. *International Journal of Physical Distribution & Logistics Management*. Bradford: Vol.26, Iss. 5;

Mahoney, J. and Pandian, J. R. (1992). The resource-based view within the conversation of strategic management. *Strategic Management Journal*, v. 13, n. 5,

Metters, Richard and Steve Walton (2007), "Strategic Supply Chain Choices for Multi-Channel Internet Retailers," *Service Business*, 1

Mentzer, J. T., Min, S., and Bobbitt, M. L., (2004). Toward a unified theory of logistics. International Journal of Physical Distribution & Logistics Management, Vol. 34, pp.

606-627

Mills, J. F., Platts, K.W., Bourne, M.C.S.B and Richards, H. (2002) *Competing through Competences*, Cambridge: Cambridge University Press.

Mintzberg, H., Lampel, J., Quinn, J., and Ghoshal, S. (1990). *The strategy process: Concepts, contexts, cases* (4th ed.). Englewood Cliffs, NJ: Prentice Hall.

Mugenda, M. and Mugenda, G. (1999). Research Methods. Quantitative and Qualitative Approaches. Nairobi, Kenya

Mugenda, O.M. and Mugenda, A.G. (2003) Research Methods: Quantitative and Qualitative Approaches. Nairobi: Acts Press.

Mbwesa, K J (2006). Introduction to management research, a student handbook.Jomo Kenyatta Foundation, Nairobi, Kenya.

Nachmias, D. and Nachmias, C, (1996). Research Method in the social sciences: Boston, St.Martins Press

Neslin, Scott A., Dhruv Grewal, Robert Leghorn, Venkatesh Shankar, Marije L. Teerling, Jacquelyn S. Thomas, and Peter C. Verhoef (2006), "Challenges and Opportunities in Multichannel Management," *Journal of Service Research*, 9 (2)

Nyamwange S. O. (2001). Operations Strategies Applied for the Competitiveness of Kenyan Large Manufacturing Firms. MBA Project University of Nairobi.

O'DeMars, W. E. (2005). NGOs and transnational networks: Wild cards in world politics. London: Pluto Press

Patel, V., & Sharma, M. (2009). Consumers' Motivations to shop in Shopping Malls: A Study of Indian Shoppers. Advances in Consumer Research ,

Porter, M. E. (1991). Towards a Dynamic Theory of Strategy. *Strategic Management Journal*, v. 12,

Prahalad, C. K. and Hamel, G. (1990). 'The core competence of the corporation' *Harvard Business Review* 68(3):

Reynolds, P.D., 1971. A Primer In Theory Construction, Bobbs-Merrill Educational Publishing, IN

Rumelt, R. (1984). Towards a strategic theory of the firm. In: Lamb, R. B. (ed), *Competitive Strategic Management*. Englewood Cliffs: Prentice Hall

Scarborough, H. (1998) Core Competencies from an Organizational Perspective. *British Journal of Management*, v. 9, n. 3,

Shim, S. and Bickle, M.C. (1994), Benefit segments of the female apparel market: Psychographics, shopping orientations, and demographics, Clothing and Textiles Research Journal, 12 (2),

Sinha, P. K. (2003). Shopping Orientation in the evolving Indian market. Vikalpa , 20,

Sinha, M., Agarwal, R., & Gupta, C. (2008). Organized Retailing and its Effect on the Consumers Buying Behaviour:with special reference to Agra City. Journal of Marketing & Communication , 4, Single ton, W. T. (1989). The Mind at work : psychological ergonomics Cambridge : Cambridge University Press

Skinner, W. (1996). Manufacturing Strategy on the "S" Curve". *Production and Operations Management*, v. 5, n. 1,

Slack, N. and Lewis, M. (2002). *Operations Strategy*, Harlow: Pearson Education.

Slack, N.; Chambers, S.; Johnston, R.; Betts, A. (2006). *Operations and process management: principles and practice for strategic impact*: Harlow, Prentice Hall

SlackStalk, G. , Evans P. & Shulman L. E (1992). "Competing on Capabilities: The New Rules of Corporate Strategy."*Harvard Business Review,*

Stephenson, C. (2005). Non governmental organizations (NGOs). Boulder: *Conflict Research Consortium*

Stern, Louis W. & Torger Reve, Distribution Channels As Political Economies: A Framework For Comparative Analysis. *Journal Of Marketing*, 44 (Summer), 52-64. 1980

Stoddard, A., Harmer, A., & Haver, K. (2006). *Trends in policy and operations* Humanitarian Policy Group 284 Briefing Paper No. 24.

Stone, M., Hobbs, M. & Khaleeli, M. (2002) Multichannel customer management: The benefits and challenges. Journal of Database Marketing, vol. 10

Tumbull, A. and McNicholas, C. (2002). *RetailSMEs and e-tailing: are entrepreneurial indications consistent with marketing opportunities?*

Trochim, W., (2005). *Research Methods: The Concise Knowledge Base*. Cincinnatti, OH: Atomic Dog Publishers.

United Nations Office at Geneva. (2007). United Nations Office at Geneva: Non Governmental organizations

Van Slyke, D. M. (2007): "Agents or Stewards: Using Theory to Understand the Government-Nonprofit Social Service Contracting Relationship". *Journal of Public Administration Research and Theo*ry. 17,

Voss, C. (1995). Operations Management - from Taylor to Toyota and Beyond. British *Journal of Management*, v. 6, n. 1,

Werbach, A. (2009). *Strategy for Sustainability: A Business Manifesto.* Boston: Harvard Business Press

Wernerfelt, B. (1984) 'A resource based view of the firm', *Strategic Management Journal* 5:171–180.

Westbrook, R. A., and Black, W.C. (1985). A motivation-based shopper typology. J Retail 1985;61:78–1 (Spring)

Zhang, J., Farris, P. W., Irvin, J. W., Kushwaha, T., Steenburgh, T. J. & Weitz, B. A. (2010) Crafting Integrated Multichannel Retailing Strategies. Journal of Interactive Marketing, vol. 24, no. 2.