AN INVESTIGATION INTO THE APPLICATION OF EFFICIENT INVENTORY MANAGEMENT IN SELECTED RETAIL OUTLETS

(A Study of Nairobi Town)

BY

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A RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD IN PURCHASING AND SUPPLY

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DECLARATION

This research proposal is my original work and has not been presented to any other university or institution for approval.

SIGNATURE  DATE

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L126/31035/12  24/1/2014

This research proposal has been submitted for examination with my approval as the university supervisor.

Signature  Date

Mr. BWIBO ADIERI  24/04/2014
ABSTRACT

The research aims at investigating the application of inventory management in selected retail outlets in Nairobi. Inventory refers to the materials held at the retail outlets for resale also referred to as merchandise, for the purposes of fulfilling identified need. Inventory management is the effective system of effectively and efficiently handling merchandise by retail outlets to ensure smooth flow of the supply chain. Inventory holding at the retail outlets helps to meet the fundamental objective of fulfilling the customers’ demands.

The research will address three objectives. These are the operation of inventory, the awareness of inventory management techniques and the challenges faced by retailers in inventory management in Nairobi town. The inventory management techniques to be investigated are lead times, reorder levels, buffer stocks, JIT and EOQ.

While investigating this, a case study of selected retailers in Nairobi will be applied. This will entail the businesses of supermarkets, hotels, hardwares, chemists, electronic shops, boutiques and shoe retail outlets.

The research design will involve administering questionnaires to the target population. The target population will be 80 selected retail outlets. The research will use stratified random sampling. It will be divided into strata who are the various retailers in Nairobi. The data will be analyzed qualitatively and quantitatively using statistics.

The findings of the research are bound to benefit various parties. First, the government which is bound to collect higher tax revenues with increase in the success of retail businesses. This will also reduce the rate of unemployment in the country. Consumers will also benefit through access of higher quality products at lower prices at convenient time. The retailers themselves will benefit through higher profits due to efficiency in their operations. Last but not least, the researchers will benefit through fulfillment of one of the university’s requirements.