

Effect of electronic-purchasing on organization performance in fast moving consumer goods companies in Nairobi, Kenya. A case of selected firms

by

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APPROVAL

EFFECT OF ELECTRONIC-PURCHASING ON ORGANIZATION  
PERFORMANCE IN FAST MOVING CONSUMER GOODS COMPANIES IN  
NAIROBI, KENYA. A CASE OF SELECTED FIRMS

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In accordance with Daystar University policies, this thesis is accepted in partial fulfilment of the requirements for the Master of Business Administration degree.

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I declare that this thesis is my original work and has not been submitted to any other university or college for academic credit.

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## TABLE OF CONTENTS

APPROVAL .....	ii
ACKNOWLEDGEMENTS .....	v
TABLE OF CONTENTS .....	vi
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
LIST OF ABBREVIATIONS AND ACRONYMS .....	x
ABSTRACT .....	xi
DEDICATION .....	xii
CHAPTER ONE .....	1
INTRODUCTION AND BACKGROUND TO THE STUDY .....	1
Introduction .....	1
Background to the Study .....	2
Statement of the Problem .....	15
Purpose of the Study .....	16
Objective of the Study .....	16
Research Questions .....	17
Limitations and Delimitations of the Study .....	17
Justification of Study .....	18
Significance of the Study .....	18
Assumptions of the Study .....	19
Scope of Study .....	19
Definition of Terms .....	19
Summary .....	20
CHAPTER TWO .....	21
LITERATURE REVIEW .....	21
Introduction .....	21
Theoretical Review .....	21
General Literature Review .....	25
Empirical Literature Review .....	32
Conceptual Framework .....	36
Discussion .....	37
Summary .....	38
CHAPTER THREE .....	39
RESEARCH METHODOLOGY .....	39
Introduction .....	39
Research Design .....	39
Population of the Study .....	40
Target Population .....	41
Sample Size .....	42
Sampling Techniques .....	42
Types of Data .....	43
Data Collection Instruments .....	44
Pretesting .....	44
Reliability and Validity .....	45
Data Collection Procedure .....	46
Data Analysis Plan .....	46
Ethical Considerations .....	47
Summary .....	48

CHAPTER FOUR.....	49
DATA PRESENTATION, ANALYSIS AND INTERPRETATION .....	49
Introduction.....	49
Presentation, Analysis and Interpretation .....	49
Summary of Key Findings .....	62
Summary .....	63
CHAPTER FIVE .....	64
DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS .....	64
Introduction.....	64
Discussion of Key Findings .....	64
Conclusion .....	69
Recommendations .....	70
Areas for Further Research .....	71
REFERENCES .....	72
APPENDICES .....	77
Appendix A: Questionnaire .....	77
Appendix B: Research Permit.....	82
Appendix C: Anti-Plagiarism Report.....	83

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## LIST OF TABLES

<i>Table 3.1: Research Population</i> .....	40
<i>Table 3.2: Target Population</i> .....	41
<i>Table 3.3: Sample Size</i> .....	42
<i>Table 3.4: Reliability Test</i> .....	45
<i>Table 3.5: Questionnaire Distribution</i> .....	46
<i>Table 4.1: Response Rate Per Company</i> .....	49
<i>Table 4.2: Gender of Respondents</i> .....	50
<i>Table 4.3: Age of Respondents</i> .....	51
<i>Table 4.4: Management Level of Employees</i> .....	52
<i>Table 4.5: Years Worked in the Company</i> .....	53
<i>Table 4.6: Highest Level of Education</i> .....	54
<i>Table 4.7: E-Purchasing Applications Currently Employed in the Organization</i> .....	55
<i>Table 4.8: Level of Utilization of E-Purchasing Processes</i> .....	56
<i>Table 4.9: Regression Coefficients</i> .....	58
<i>Table 4.10: Organisational Culture and Organisational Policies</i> .....	61

LIST OF FIGURES

*Figure 2.1: Conceptual Framework* .....37

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## LIST OF ABBREVIATIONS AND ACRONYMS

EDI	Electronic Data Interchange
EP	Electronic Purchasing
ERP	Enterprise Resource Planning
FMCG	Fast Moving Consumer Goods
ICT	Information Communication Technology
PPOA	Public Procurement Oversight Authority

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## ABSTRACT

It is becoming increasingly necessary for organizations to provide cost-effective solutions to satisfy the customer needs using innovative methods. It is against this backdrop that this study sought to establish the effect of electronic purchasing on selected Fast Moving Consumer Goods organizations performance within Nairobi Kenya. The objectives of the study were objectives to; identify the electronic purchasing application deployed to manage the procurement to pay process, establish the level of organization performance, investigate the utilization level of the electronic purchasing application functions and find out the effects of electronic purchasing on selected FMCG organization performance. The study used a descriptive research design and sampled a total of 96 respondents. Data was collected using the questionnaire and the analysis of data was done by SPSS (Version 21) software. The study found out that the electronic purchasing applications currently employed by selected FMCG organisations included SAP ERP 61.44%, SAP ERP & Ariba E-sourcing together 28.9% and other Enterprise Resource Planning systems 9.6% as noted by the respondents respectively. There was a high level of utilization of electronic purchasing application in the select organizations. The study also found out that there was a 3.6% relationship between utilization level of electronic purchasing application and organisational performance. From these findings, the study concluded that there was an effect of electronic purchasing application on organisational performance. The study recommended that more emphasis be placed on the implementation of electronic purchasing systems in the organization.

## DEDICATION

It is with my deepest gratitude and warmest affection that I dedicate this thesis to my wife, Mrs. Emma Mugedo, who has been a constant source of knowledge and inspiration.

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