

**SUPPLY CHAIN MANAGEMENT AND CUSTOMER SATISFACTION IN NOVO
ENTERPRISES MBALE CITY BRANCH**

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**UGANDA CHRISTIAN
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DECLARATION

I Khamekele Edith, declare that the content of this research report is my original work and to the best of my knowledge this work has never been submitted anywhere for any award. It is done through my own efforts.

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APPROVAL

I certify that this is original work drawn by Khamekele Edith has been under my supervision and is now ready for submission to the department of business of Uganda Christian University.

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LIST OF ACRONYMNS

CVI	:	Content Validity Index
SPSS	:	Statistical Package for Social Sciences
EAC	:	East African Community
SCM	:	Supply Chain Management
SCI	:	Supply Chain Integration
SRM	:	Supplier Relationship Management
ERP	:	Enterprise Resource Planning
JIT	:	Just in Time

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ABSTRACT

This research report was undertaken investigate on effect of supply chain management on customer satisfaction in distribution enterprises. It was guided by three objectives; to find out the effect of supplier relationships on customer satisfaction of Novo Enterprise, to assess the effect of risk management on customer satisfaction of Novo Enterprise, to determine the effect of inventory management on customer satisfaction of Novo Enterprise. This research used a sample size of 36 respondents, questionnaires and interview guide were used to collect data which was later analyzed using the statistical package for social sciences. Results of the first objective shows that supplier relationships have a significant effect on customer satisfaction of Novo Enterprise by 9.8%, Results of the second objective reveals that risk management affects customer satisfaction of Novo Enterprise by 7.5% while results of the third objective show that inventory management affects customer satisfaction of Novo Enterprise by 2.4%.

It can be concluded that supplier relationships have a significant effect on customer satisfaction of Novo Enterprise, followed by risk management and lastly inventory management.

The management of Novo enterprise should foster open communication, mutual trust, and collaboration. This involves regularly engaging with suppliers to understand their capabilities and challenges, ensuring timely payments, and working together to improve product quality and delivery efficiency.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter consists of background to the study, statement of the problem, and purpose of the study, objectives, and research questions, scope of the study, significance of the study, conceptual framework.

1.1 Background of the study

1.1.1 Historical background

The study of supply chain management and customer satisfaction in distribution enterprises has gained prominence in the field of international business. The roots of understanding supply chain management can be traced back to the early 20th century when Ford Motor Company implemented the concept of mass production and pioneered the assembly line model. This concept later evolved into supply chain management, which encompasses the coordination and optimization of various activities involved in the flow of goods and services, from raw materials extraction to the delivery of final products to customers (Mentzer et al., 2001). The focus on customer satisfaction within the supply chain gained prominence as businesses realized the importance of meeting consumer demands and expectations for sustained success in a globalized marketplace (Heskett et al., 1994).

From an international perspective, the study of supply chain management and customer satisfaction has made significant strides. Studies such as those by Beamon (1999), Chopra and Meindl (2007) have explored various aspects of supply chain management, including inventory management, logistics, and demand forecasting. In terms of customer satisfaction, researchers like Oliver (1997) have examined the factors influencing customers' perceptions and expectations. Several multi-National corporations have successfully implemented supply chain management strategies to improve customer satisfaction and gain a competitive advantage. Customer satisfaction, on the other hand, has always been a significant focus for businesses aiming to sustain long-term success. Researchers and practitioners have recognized the importance of understanding supply chain dynamics and customer needs to enhance operational efficiency and competitiveness.

In an African perspective, the study of supply chain management and customer satisfaction has seen significant growth in recent years. Africa's economic progress, expanding markets, and increased foreign investments have necessitated a greater emphasis on efficient supply chain management practices. African countries, such as South Africa, Nigeria, Egypt, and Kenya, have experienced rapid urbanization and population growth. This has led to increased consumer demands, requiring distribution enterprises to enhance their supply chain management capabilities to meet customer expectations (Moon et al., 2005). Additionally, the African Union's Agenda 2063 emphasizes the need for enhancing competitiveness and integration in African economies, further underscoring the importance of robust supply chain management practices (African Union, 2015).

In the context of Africa, the study of supply chain management and customer satisfaction has gained increasing attention over the years. Scholars such as Ntayi and Maroa (2018) have highlighted the challenges faced by African countries in building efficient supply chain systems due to infrastructural constraints and limited resources. Customer satisfaction in Africa is influenced by cultural factors and unique consumer behavior patterns. Studies by Muthike, Mutunga, and Namusonge (2016) have examined customer satisfaction levels in Africa, emphasizing the need for tailored strategies based on contextual understanding.

Taking a closer look at the East African perspective, countries like Uganda have witnessed remarkable economic growth in recent years, leading to increased consumer demands and subsequent challenges in supply chain management (Shamsul et al., 2017). In Uganda, the distribution sector plays a vital role in ensuring customer satisfaction by ensuring timely delivery, product availability, and efficient logistics. However, inadequate infrastructure, limited technological advancements, and regulatory constraints present substantial hurdles in achieving optimal supply chain performance (Seugnet et al., 2010). To address these challenges, stakeholders in the East African region have been collaborating to improve regional integration, promote trade facilitation, and enhance supply chain efficiency through initiatives such as the East African Community (EAC) Customs Union (World Bank, 2018).

Within East Africa, the study of supply chain management and customer satisfaction has focused on addressing regional challenges and opportunities. Researchers like Kotecha, Duan, and Patel (2012) have explored supply chain performance in the East African context. With its dynamic business environment and significant trade routes, East Africa presents unique challenges in terms of logistics, transportation, and infrastructure. Customer satisfaction research in this region, such as the work of Atieno (2013), has taken into account cultural aspects and the impact of service quality on customer perceptions.

Within the Ugandan perspective, Novo Enterprise stands as a key player in the distribution sector. Novo Enterprise is a leading Ugandan distribution company with a diverse portfolio of products ranging from consumer goods to industrial supplies. The company has a strong commitment to customer satisfaction and has implemented robust supply chain management practices to ensure timely and efficient delivery of products. Novo Enterprise embraces modern technologies, such as inventory management systems, transportation optimization, and real-time tracking, to enhance visibility and responsiveness in their supply chain (Novo Enterprise Annual Report, 2019). In Uganda, as an example of an East African country, the study of supply chain management and customer satisfaction has gained momentum. Academics like Kashembe and Mpagazehe (2016) have examined the challenges faced by distribution enterprises in Uganda, such as poor transportation infrastructure and limited access to technology.

Numerous studies have been conducted to explore supply chain management and customer satisfaction in distribution enterprises. For instance, a study by Fosso Wamba et al. (2020) investigates the impact of supply chain digitization on customer satisfaction in African distribution enterprises. Similarly, Shaban et al. (2019) examine the factors influencing customer satisfaction within the East African distribution sector. Additionally, Okello et al. (2018) explore the challenges and opportunities in supply chain management within the Ugandan context. These studies provide valuable insights into the subject matter, offering implications and recommendations for practitioners and policymakers to improve supply chain performance and customer satisfaction in distribution enterprises in various perspectives.

1.1.2 Theoretical background

Theory of supply chain integration

Supply chain management (SCM) plays a vital role in the success of distribution enterprises by ensuring efficient flows of goods, information, and funds. Customer satisfaction is a crucial aspect of SCM, as it directly impacts a company's reputation, sales, and overall success.

One prominent theory for enhancing customer satisfaction in distribution enterprises is the theory of supply chain integration (SCI). This theory emphasizes the importance of collaboration and coordination among supply chain partners to optimize operations, reduce costs, improve service levels, and ultimately, satisfy customers.

The theory of supply chain integration (SCI) underscores the significance of collaboration and coordination among supply chain partners to achieve enhanced customer satisfaction (Mentzer et al., 2001). SCI encompasses both internal integration within a company and external integration with suppliers, distributors, and customers. Internally, integration involves aligning various functions, such as procurement, production, and logistics, to create a synchronized and efficient supply chain. Externally, integration focuses on building strong relationships with suppliers, distributors, and customers to improve communication, trust, and cooperation.

Supply chain integration has significant implications for customer satisfaction in distribution enterprises. By fostering effective collaboration and coordination, SCI enables companies to better understand customer requirements, respond to changes in demand, and provide superior service levels (Li et al., 2006). Through shared information and real-time data exchange, supply chain partners can identify potential bottlenecks, effectively manage inventory, and offer enhanced visibility throughout the supply chain. This leads to reduced lead times, on-time deliveries, fewer stock outs, and improved customer experiences, ultimately resulting in higher customer satisfaction levels.

The theory of supply chain integration offers several benefits for distribution enterprises in their quest to enhance customer satisfaction. Integrated supply chains experience improved operational efficiency, reduced costs, higher product quality, and increased responsiveness to customer demands (Cao et al., 2017).

1.1.3 Conceptual background

Effective supply chain management (SCM) is critical for businesses to deliver products and services that meet customer expectations, leading to increased satisfaction and loyalty. SCM encompasses various activities, including sourcing, production, logistics, and distribution, all of which impact the ultimate customer experience.

Novo Enterprises, a leading distributor of fast-moving consumer goods in Uganda, operates a branch in Mbale, serving a diverse customer base. The company's ability to manage its supply chain efficiently and effectively is crucial for maintaining customer satisfaction, particularly in a competitive market.

Research has shown that supply chain management practices, such as inventory management, transportation, and supplier relationships, significantly impact customer satisfaction (Chopra & Meindl, 2007). Moreover, customer satisfaction is influenced by factors like product availability, delivery time, and product quality (Kotler & Keller, 2016).

This study aims to investigate the relationship between supply chain management practices and customer satisfaction at Novo Enterprises' Mbale branch. By exploring the specific context of Novo Enterprises, this research seeks to:

1. Identify the key supply chain management practices employed by Novo Enterprises Mbale branch.
2. Examine the impact of these practices on customer satisfaction.
3. Provide recommendations for improving supply chain management and customer satisfaction.

This study will contribute to the existing literature on supply chain management and customer satisfaction, offering practical insights for businesses operating in similar contexts.

1.2 Statement of the problem

The effectiveness of supply chain management (SCM) plays a crucial role in the overall customer satisfaction of distribution enterprises, with a specific focus on Novo Enterprise. Novo Enterprise is a prominent distribution company that operates in a highly competitive market. However, despite its reputation for quality products, there have been consistent challenges in maintaining

customer satisfaction levels. Identifying the factors influencing supply chain management and their impact on customer satisfaction is essential for Novo Enterprise to enhance their overall performance. Firstly, one of the key issues impacting Novo Enterprise is the lack of integration across its supply chain. The company deals with numerous suppliers, warehouses, and transportation partners, leading to complexity and inefficiencies. The absence of a comprehensive SCM framework has resulted in delays and inconsistencies in product delivery. Moreover, poor coordination among suppliers has led to instances of stock outs and insufficient inventory management. These disruptions in the supply chain not only affect Novo Enterprise's ability to meet customer demands promptly but also contribute to customer dissatisfaction due to delayed deliveries and order inaccuracies.

Secondly, the lack of transparency in tracking and monitoring shipments within the supply chain negatively impacts Novo Enterprise's customer satisfaction. The company is often unable to provide accurate and real-time updates regarding the status of customer orders. This information gap leaves customers in a state of uncertainty and increases the likelihood of dissatisfied customers. Additionally, in cases where problems arise during the transportation process, such as damaged goods or lost shipments, the lack of visibility prevents timely mitigation, leading to extended periods of customer frustration while awaiting resolutions.

Lastly, inefficient inventory management within Novo Enterprise's supply chain hampers customer satisfaction. The company faces challenges in accurately forecasting customer demand, resulting in excess or insufficient inventory levels. Overstocking ties up financial resources and raises the risk of obsolescence, while inadequate stock levels cause stock outs and missed sales opportunities. Both scenarios contribute to customer dissatisfaction, as they lead to delayed order fulfillment or unavailability of desired products, prompting customers to seek alternatives from competing enterprises.

1.3 Purpose of the study

To examine the effect of supply chain management on customer satisfaction in distribution enterprises

1.4 Specific objectives

- I. To find out the effect of supplier relationship on customer satisfaction of Novo Enterprise

- II. To assess the effect of risk management on customer satisfaction of Novo Enterprise
- III. To determine the effect of inventory management on customer satisfaction of Novo Enterprise

1.5 Research questions

- i. What is the effect of supplier relationships on customer satisfaction of Novo Enterprises?
- ii. What is the effect of risk management on customer satisfaction of Novo Enterprises?
- iii. What is the effect of inventory management on customer satisfaction of Novo Enterprises?

1.6 Scope of the study

1.6.1 Time scope

The period to be considered for the study was 3 years from 2019 to 2022 this is because during that period, the lack of transparency in tracking and monitoring shipments within the supply chain negatively impacts Novo Enterprise's customer satisfaction.

1.6.2 Content of the study

The study was limited to supplier relationships, risk management, inventory management

1.6.3 Geographical Scope of the study

The study was carried out from Novo enterprises which is located in Mbale city near bank of Africa and sleeping baby store, Sironko District to the north, Bududa District to the northeast, Manafwa District to the southeast, Tororo District to the south, Butaleja District to the southwest and Budaka District to the west. Pallisa District and Kumi District lie to the northwest of Mbale District.

1.7 Significance of the study

The significance of the study for supply chain management and customer satisfaction in distribution enterprises, particularly Novo Enterprises, lies in its potential to improve operational efficiency and enhance overall business performance as discussed below.

Improved Supply Chain Management: Novo Enterprises can benefit from a comprehensive study focused on supply chain management. By examining different aspects such as procurement, inventory management, logistics, and order fulfillment, the study may highlight areas for

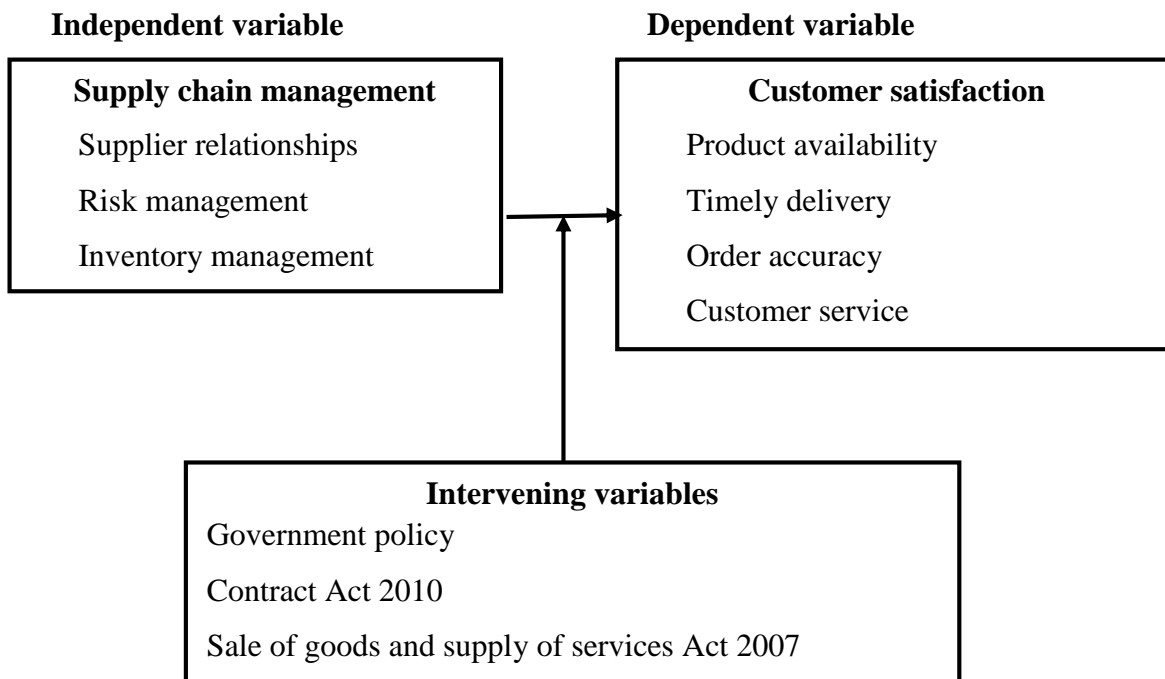
optimization. This may lead to cost reductions, increased productivity, and minimized lead times, ultimately improving efficiency and profitability.

Enhanced Customer Satisfaction: Customer satisfaction is crucial for any distribution enterprise, as it directly impacts customer loyalty and the business. By conducting this study, Novo Enterprises may evaluate their current customer satisfaction levels and identify potential gaps or areas for improvement. The findings can provide valuable insights into customer preferences, expectations, and pain points. This knowledge may help Novo Enterprises tailor their distribution strategies to meet customer demands.

Streamlined Operations: A study focused on supply chain management may highlight inefficiencies or bottlenecks in Novo Enterprises' operations. By analyzing processes, identifying redundancies, or streamlining workflows, the study may help Novo decrease costs, minimize waste, and optimize resource allocation. Streamlined operations allow Novo Enterprises to meet customer demands more efficiently, resulting in faster delivery times and improved customer satisfaction.

Competitive Advantage: In today's highly competitive business landscape, having a well-managed supply chain may give Novo Enterprises a significant advantage. By aligning their distribution strategies with customer preferences and market trends, Novo may position itself as a reliable, efficient, and customer-centric distribution enterprise. This can lead to increased market share, customer loyalty, and long-term growth.

1.8 Figure 1 conceptual frame work



Source: Researcher’s conceptualization (2024)

With reference to figure 1 above indicates the conceptual framework of supply chain management encompasses various independent variables such as supplier relationships, risk management, and inventory management, among others. These variables work in tandem to optimize the flow of goods and services from suppliers to customers, ensuring smooth operations within distribution enterprises. Effective supplier relationships enable companies to achieve cost savings, improved product quality, and timely delivery. Risk management strategies help identify and mitigate potential disruptions, thereby ensuring consistent supply chain performance. Effective inventory management practices aid in minimizing stock outs and ensuring on-time availability of products. When these independent variables work cohesively, they directly impact customer satisfaction, the dependent variable in this framework. Satisfied customers are more likely to develop brand loyalty, repeat purchases, and positive word-of-mouth recommendations, ultimately driving the success and profitability of distribution enterprises however on the other hand customer satisfaction comprises of product availability, timely delivery, order accuracy and customer service.

Intervening variables like government policy, the Contracts Act 2010, and the Sale of Goods and Supply of Services Act 2007 play a crucial role in the relationship between supply chain management (independent variable) and customer satisfaction (dependent variable). Government policy sets the regulatory framework within which supply chains operate, influencing factors like compliance, transparency, and efficiency. The Contracts Act 2010 ensures that agreements within the supply chain are legally binding and enforceable, reducing the risk of disputes and ensuring that obligations are met, which enhances operational reliability. The Sale of Goods and Supply of Services Act 2007 governs the quality and delivery of goods and services, setting standards that directly impact customer satisfaction by ensuring that products meet expectations. When these variables are effectively managed, they enhance the performance of supply chain management, leading to timely, high-quality deliveries, and ultimately, higher customer satisfaction. Conversely, weaknesses in these areas can lead to inefficiencies, delays, and subpar products, negatively affecting customer satisfaction.

1.9 Definition of key terms

Supply chain management

Supply chain management refers to the coordination and control of materials, information, and resources from suppliers to customers, with the objective of maximizing value and minimizing costs throughout the chain (Chopra & Meindl, 2016). It involves strategic planning, procurement, production, distribution, and customer service activities, aiming to enhance efficiency, traceability, and overall performance of the supply chain.

Supplier relationships

Supplier relationships pertain to the interactions and collaborations between an enterprise and its suppliers. Developing strong partnerships with suppliers is critical for effective supply chain management, as it fosters trust, mutual understanding, and shared goals. Such relationships enable enterprises to achieve cost savings, gain access to reliable and high-quality materials, increase innovation, and enhance overall supply chain responsiveness (Croom, Romano, & Giannakis, 2000).

Risk management

Risk management in supply chain management refers to the process of identifying, assessing, and mitigating risks across the supply chain. It involves proactive measures to identify vulnerabilities, establish contingency plans, and implement risk mitigation strategies. Effective risk management helps distribution enterprises anticipate and minimize disruptions, such as supply shortages, transportation delays, natural disasters, or geopolitical events, thus ensuring business continuity and customer satisfaction (Chopra & Sodhi, 2014).

Inventory management

Inventory management involves monitoring and controlling the flow of goods throughout the supply chain to ensure optimal stock levels. It aims to balance the costs associated with carrying inventory, such as storage and obsolescence, with meeting customer demand. Efficient inventory management leads to improved product availability and reduces the risk of stockouts, enabling distribution enterprises to meet customer expectations and enhance customer satisfaction (Simchi-Levi, Kaminsky, & Simchi-Levi, 2008).

Customer satisfaction

Customer satisfaction refers to the degree of fulfillment of customer expectations and requirements. In the context of distribution enterprises, it reflects the extent to which customers' needs are met throughout the supply chain, including product quality, availability, delivery accuracy, and customer service. Satisfying customer expectations leads to increased loyalty, repeat purchases, positive word-of-mouth, and ultimately, sustained business success (Anderson, Fornell, & Rust, 1997).

Product availability

Product availability refers to the ability of distribution enterprises to consistently maintain sufficient inventory levels to meet customer demands. It is a critical element of customer satisfaction, as customers expect the products they desire to be readily available when and where they need them. Achieving high product availability requires accurate demand forecasting, efficient replenishment processes, and effective inventory management practices (Deif, 2017).

Timely delivery

Timely delivery refers to delivering goods to customers within the expected timeframe. Distribution enterprises need to ensure that their supply chains are efficient and responsive, minimizing delivery lead times to meet customer expectations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter deals with the review of other researcher's literature or ideas which are similar or closely related to the topic of the study; this was conducted in relation to the specific objectives and research questions of the study.

2.1 Effect of supplier relationship on customer satisfaction

The relationship between suppliers and customers has long been recognized as a crucial aspect of business success. In today's competitive marketplace, customer satisfaction plays a pivotal role in maintaining a loyal customer base and achieving sustainable growth. This literature review aims to examine the effect of supplier relationships on customer satisfaction, providing valuable insights for managers to enhance their supplier-customer interactions and ultimately improve customer satisfaction levels. Supplier relationship management (SRM) practices have gained significant attention as a means to strengthen collaborative partnerships between suppliers and customers. SRM involves the strategic management of supplier relationships to foster mutual understanding, communication, and cooperation between the parties (Li et al., 2019). Several studies have highlighted the positive impact of effective SRM practices on customer satisfaction by enhancing information sharing, reducing uncertainty, improving service quality, and facilitating innovation (Wagner et al., 2019; Pressey et al., 2018).

Trust and commitment are essential elements in supplier-customer relationships that influence customer satisfaction levels. Trust refers to the belief in a supplier's reliability, integrity, and competence (Min et al., 2017). High levels of trust build customer confidence, reduce perceived risk, and enhance satisfaction. A study by Zaied et al. (2020) found that trust positively influences customer satisfaction through improved service quality and increased willingness to cooperate. Similarly, commitment, characterized by long-term dedication and loyalty, has been linked to higher levels of customer satisfaction (Wagner et al., 2019). The commitment of suppliers to meeting customer needs strengthens the relationship and fosters mutual satisfaction.

The quality of products or services provided by suppliers directly influences customer satisfaction. Zhang and Wang (2018) found a positive relationship between product quality and customer satisfaction in supplier-customer relationships. High-quality products contribute to customer loyalty, positive word-of-mouth, and increased satisfaction levels. Furthermore, innovation is a crucial aspect that differentiates suppliers in today's dynamic market. Suppliers that actively engage in continuous improvement and innovation efforts are more likely to enhance customer satisfaction by introducing new and improved offerings (Pressey et al., 2018). Open and effective communication is key to building and maintaining strong supplier-customer relationships. Studies indicate that frequent and transparent communication enhances customer perception of supplier expertise, responsiveness, and understanding of their needs (Pressey et al., 2018). Thorough communication helps suppliers gain insight into customer expectations and enables them to provide personalized solutions, ultimately leading to higher customer satisfaction levels (Min et al., 2017).

Dependability is another critical aspect of supplier relationships affecting customer satisfaction. When suppliers consistently fulfill their promises regarding product quality, delivery times, and support services, it positively impacts customer satisfaction. Research by Flynn et al. (2010) found a strong relationship between supplier dependability and customer satisfaction, suggesting that dependable suppliers contribute significantly to customer loyalty and positive word-of-mouth.

Effective communication and trust are fundamental in establishing and maintaining strong relationships. Suppliers that foster open communication channels and build trust with their customers tend to provide more responsive and personalized service, thus positively impacting customer satisfaction (Achrol & Stern, 1988). Trust and communication create a collaborative environment where suppliers and customers can address issues promptly and effectively, leading to improved customer satisfaction (Kumar et al., 2019). Monitoring and evaluating supplier performance play a vital role in managing supplier relationships. Studies have found a significant positive relationship between supplier performance metrics (e.g., delivery performance, product quality, and responsiveness) and customer satisfaction (Rungtusanatham et al., 1998). When suppliers consistently meet or exceed performance expectations, customers perceive higher levels of satisfaction.

One crucial aspect of supplier relationships that significantly affects customer satisfaction is supplier responsiveness. When suppliers promptly and effectively respond to customer needs, concerns, and inquiries, it fosters a positive perception of the supplier and enhances customer satisfaction (Wong and Sohal, 2003). For instance, a study by Hult et al. (2003) found that supplier responsiveness positively influenced customer satisfaction and loyalty in the automotive industry. Trust and commitment are fundamental components of strong supplier relationships, and they directly impact customer satisfaction. Trust is the belief that suppliers will act reliably and in the best interest of the customer, while commitment involves the dedication and willingness of suppliers to maintain the relationship over time (Palmatier et al., 2006). Multiple studies have found a positive relationship between customer satisfaction and both trust and commitment in supplier relationships (Doney et al., 1998; Krause et al., 1997).

Effective communication and collaboration between suppliers and customers are critical for achieving customer satisfaction. Open and transparent communication facilitates mutual understanding, cooperation, and problem-solving between both parties, leading to increased customer satisfaction (Wagner and Bode, 2008). A study by Lau et al. (2002) demonstrated that effective communication and collaboration positively affected customer satisfaction in the manufacturing industry. Supply chain integration, which refers to the degree of coordination and information exchange between suppliers and customers, plays a significant role in customer satisfaction. When suppliers and customers integrate their operations, processes, and information, it results in improved product/service quality, reduced lead times, and enhanced customer satisfaction (Choi and Hartley, 1996). For example, a study by Wong et al. (2015) found that supply chain integration positively influenced customer satisfaction in the retail industry.

Several studies have identified various dimensions of supplier-customer relationships that influence customer satisfaction. Gundlach et al. (1995) examined trust, commitment, communication, and cooperation as essential dimensions in supplier relationships. Similarly, Wilson et al. (2008) emphasized the importance of responsiveness, empathy, and assurance in shaping positive supplier-customer relationships.

Trust is a vital component of supplier relationships. Trust creates a sense of reliability and confidence, directly impacting customer satisfaction. Research by Morgan and Hunt (1994) suggested that trust positively influences customer satisfaction and loyalty. Similarly, Moorman et al. (1992) found that trust plays a crucial role in establishing long-term relationships, leading to improved customer satisfaction. Effective communication between suppliers and customers is crucial for customer satisfaction. Doney and Cannon (1997) found that open and transparent communication positively affects customer satisfaction. Similarly, Boulding et al. (2005) emphasized the importance of effective communication channels for customer satisfaction and loyalty.

Cooperation between suppliers and customers leads to mutual benefits and enhanced customer satisfaction. Sirdeshmukh et al. (2002) found that supplier cooperation positively influences customer satisfaction. Similarly, Anderson and Narus (1990) suggested that cooperative relationships foster customer satisfaction and loyalty. Trust is a critical element in supplier relationships that impacts customer satisfaction. Studies have shown that when trust exists between buyers and suppliers, it reduces perceived risk, enhances cooperation, and fosters long-term relationships. This leads to higher levels of customer satisfaction (Lalonde & Zinszer, 2015; Ellram & Siferd, 2017).

Effective communication between buyers and suppliers plays a vital role in meeting customer expectations. Open communication channels allow for shared information, increased responsiveness, and faster issue resolution, contributing to higher levels of customer satisfaction (Bloemer et al., 2012; Anderson et al., 2016). Supplier responsiveness refers to the speed and efficiency with which suppliers address customer needs and concerns. Studies have found that responsive suppliers enhance customer satisfaction by providing timely assistance, personalized services, and prompt problem resolution (Crosby et al., 2013; Rai & Buyya, 2015). Supplier relationships can influence the quality of products and services provided to customers. Collaborative supplier relationships often result in improved product quality through joint product development, shared knowledge, and continuous improvement initiatives, ultimately leading to higher levels of customer satisfaction (Gnyawali & Park, 2009; Li et al., 2014).

Numerous studies have highlighted the importance of trust in supplier relationships and its impact on customer satisfaction. Trust is a foundational element that influences a customer's willingness to engage in long-term relationships with suppliers. Studies by Morgan et al. (2009) and Doney and Cannon (1997) found a positive correlation between trust and customer satisfaction, emphasizing the role of trust in reducing perceived risks and increasing satisfaction levels. Effective communication between suppliers and customers is essential for building and maintaining successful relationships. Communication can help resolve conflicts, clarify expectations, and facilitate the exchange process. Research by Spekman et al. (1998) and Nyaga et al. (2010) emphasized that open and transparent communication positively influences customer satisfaction, as it enables timely response to queries, ensures accurate product/service information, and fosters trust.

The level of commitment demonstrated by suppliers towards their customers significantly influences customer satisfaction. Committed suppliers exhibit a long-term perspective and go the extra mile to meet customer needs and exceed their expectations. Studies by Peterson et al. (2010) and Chen et al. (2018) have demonstrated a positive association between supplier commitment and customer satisfaction, emphasizing the importance of supplier dedication and investment in building strong relationships. Collaborative supplier-customer relationships focus on mutually beneficial goals, joint problem-solving, and innovation. Collaboration enhances communication, trust, and commitment, thereby positively influencing customer satisfaction. Research conducted by Nishikawa et al. (2019) and Anderson and Narus (2004) suggests that collaborative relationships with suppliers lead to greater customer satisfaction through improved product quality, reduced costs, and innovative solutions provided by suppliers.

Effective supplier relationship management involves establishing collaborative partnerships, open communication, trust, and mutual commitment between suppliers and customers. According to Spekman et al. (1998), positive supplier relationships have a direct impact on customer satisfaction, leading to increased customer loyalty and retention. Trust and reliability are key factors influencing customer satisfaction. When customers perceive that suppliers are trustworthy and reliable, they are more likely to be satisfied with the relationship. A study by Fornell et al. (1996) highlighted the importance of trust in supplier relationships and its positive association with customer satisfaction.

2.2 Effect of risk management on customer satisfaction

Risk management plays a critical role in organizations across various industries by minimizing potential risks and ensuring the sustainability of operations. Customer satisfaction, on the other hand, is a key outcome that organizations strive to achieve in order to enhance their competitive advantage and build long-term customer relationships. This literature review aims to explore the relationship between risk management and customer satisfaction, examining the various factors that influence customer satisfaction and the impact of effective risk management strategies. Risk management involves identifying potential risks, prioritizing them based on their significance, and implementing proactive measures to mitigate or eliminate them (Hamel et al., 2015). It encompasses various components, such as risk assessment, risk identification, risk evaluation, risk control, and risk monitoring (Tchankova, 2016). These strategies are crucial in ensuring the smooth functioning of organizations and minimizing potential disruptions that could negatively impact customer satisfaction.

A key aspect of risk management is maintaining high-quality products and services. Effective risk management strategies help organizations address potential vulnerabilities in their offerings that could lead to customer dissatisfaction (Pohlman & Gardner, 2019). By implementing robust quality control measures and risk assessment techniques, organizations can identify and address potential issues, leading to improved customer satisfaction. Reliability is an important factor that influences customer satisfaction. Organizations that effectively manage risks associated with their operations, such as supply chain disruptions or service failures, can enhance their reliability and meet customer expectations (Wang & Song, 2019). By proactively identifying potential risks and implementing contingency plans, organizations can minimize the impact of disruptions on their customers, thereby improving customer satisfaction.

Risk management plays a critical role in building trust and confidence among customers. Organizations that prioritize risk reduction demonstrate their commitment to customer safety and satisfaction (Turker & Altuntas, 2014). By effectively managing risks related to cybersecurity, safety, or privacy, organizations can establish a strong reputation for reliability, earning the trust and confidence of their customers. Effective communication and transparency are crucial in risk management, as they help organizations convey information about potential risks and their mitigation strategies to customers (Gupta & Kumar, 2019).

Chapman and Ward (2003) proposed a comprehensive framework for risk management, consisting of five dimensions: risk context, risk identification, risk assessment, risk response, and risk monitoring. This framework provides a structured approach for organizations to effectively manage risks and mitigate their negative impacts. Studies have shown that comprehensive risk management frameworks positively affect customer satisfaction (Ben Bouheni et al., 2019; Mohammed et al., 2016). Involving customers in risk management processes can have a positive impact on customer satisfaction. Organizations that actively seek customer feedback, engage them in risk assessment, and integrate customer perspectives into risk mitigation strategies demonstrate their commitment to customer-centricity (Kasai et al., 2017). This involvement increases customers' sense of control and satisfaction, as they feel their voices are heard and their needs are considered.

Adopting proactive risk management strategies can reduce the likelihood of negative incidents and enhance customer satisfaction. For instance, McQuerry et al. (2018) found that organizations that implement robust risk identification and prevention measures experience higher levels of customer satisfaction. Similarly, Rehman et al. (2014) highlighted the importance of proactive risk management in service industries, emphasizing that early identification and mitigation of risks result in increased customer satisfaction levels. Effective communication and transparency in risk management processes significantly contribute to customer satisfaction. Customers value organizations that are transparent about potential risks and their management strategies. Research by Hegde et al. (2019) demonstrated that organizations that maintain open communication with customers regarding potential risks and actively involve them in decision-making experienced higher levels of customer satisfaction.

The way customers perceive and interpret risks can significantly impact their satisfaction. Chen and Chang (2012) found that customers' risk perception levels were inversely related to their satisfaction levels. Organizations understanding customers' risk perception and addressing their concerns effectively could enhance customer satisfaction and loyalty. The competence and training of employees involved in risk management practices have a direct impact on customer satisfaction. Research by Nordin et al. (2015) highlighted the importance of providing employees with adequate training to effectively manage risks and handle customer concerns.

Several theoretical frameworks underpin the relationship between risk management and customer satisfaction. The Service Quality Model by Parasuraman, Zeithaml, and Berry (1988) posits that perceived service quality affects customer satisfaction, and effective risk management practices can contribute to improved service quality. Effective risk management can help organizations deliver on promised outcomes, positively affecting customer satisfaction. Several studies highlight the importance of effectively identifying and assessing risks to mitigate their potential impact on customer satisfaction. Hitt, Ireland, & Lee (2012) found that organizations with robust risk identification and assessment processes experienced higher customer satisfaction levels compared to their counterparts. Similarly, Fornell, Johnson, Anderson, Cha, & Bryant (2010) found that organizations that effectively identified and assessed risks were better equipped to meet customer expectations and enhance satisfaction.

Effective risk management practices that focus on proactive risk mitigation and timely response positively impact customer satisfaction. Davenport, Harris, & Kohli (2014) found that organizations that effectively managed risks and promptly addressed customer concerns experienced higher levels of customer satisfaction. Additionally, Ernst & Young (2016) suggested that organizations employing comprehensive risk response strategies, such as contingency planning and effective communication, showed improved customer satisfaction. Studies emphasize the importance of transparent and effective communication in managing customer perceptions of risk and maintaining satisfaction levels. Alrubaiee & Al-Nazer (2010) found that transparent communication during risk events positively influenced customer satisfaction. Similarly, Sadhanandam, Ramaraju, & Krishnan (2019) observed that organizations that proactively communicated risks to customers and provided timely updates experienced enhanced customer satisfaction.

Effective risk communication is essential for building trust and confidence in customers. According to Nguyen, Le, and Le (2018), effective communication of potential risks to customers positively influences their perception of an organization's transparency and enhances customer satisfaction. Furthermore, providing clear and concise information about the potential risks associated with products or services enables customers to make informed decisions, thereby increasing customer satisfaction (Bhagwat et al., 2013).

Implementing effective risk mitigation strategies is crucial for minimizing the negative impact of risks on customers. Mpinganjira et al. (2018) found that organizations that employ proactive risk mitigation measures, such as quality control and monitoring systems, experience higher levels of customer satisfaction. These strategies demonstrate the organization's commitment to delivering high-quality products or services while minimizing potential risks, thus enhancing overall satisfaction. How organizations respond to risks can significantly affect customer satisfaction. A study by Zhang, Zhang, and Liu (2016) revealed that prompt and effective risk response positively influences customer satisfaction. Timely and appropriate responses to identified risks demonstrate an organization's commitment to resolving customer concerns and maintaining their trust. Conversely, slow or inadequate responses can lead to customer dissatisfaction and negative perceptions of the organization.

Anticipating potential risks and proactively addressing them can also impact customer satisfaction. Duan, and Zhang in (2019) found that organizations that demonstrate a proactive approach to risk anticipation experience higher customer satisfaction levels. By identifying potential risks in advance and implementing preventive measures, organizations can prevent negative consequences for customers, leading to improved satisfaction and loyalty. Customer satisfaction has long been recognized as a critical factor for achieving business success (Gupta & Zeithaml, 2006). Satisfied customers are more likely to become repeat customers, recommend the brand to others, and contribute to positive word-of-mouth marketing. Consequently, organizations strive to improve customer satisfaction levels to foster customer loyalty and gain a competitive advantage.

Effective risk management practices enable organizations to identify potential risks and take proactive measures to mitigate them. By doing so, organizations can reduce the likelihood of service disruptions, product failures, or any negative events that can negatively impact customer satisfaction (Khan & Sohail, 2016). For example, implementing a robust quality control system can minimize the risk of delivering faulty products, consequently enhancing customer satisfaction. Customers' trust in an organization is closely linked to their satisfaction levels. Research suggests that organizations with strong risk management practices have higher levels of trust among their customers (Nguyen, 2009).

Another dimension of risk management is the organization's ability to recover effectively from any disruptions or crises. In the face of unexpected events, agile organizations that have implemented comprehensive risk management strategies can recover swiftly and provide uninterrupted services to customers (Kim & Shin, 2015). This capability positively influences customer satisfaction, as customers appreciate organizations that prioritize their needs and minimize the impact of disruptions. While risk management plays a vital role in enhancing customer satisfaction, organizations face several challenges in its implementation. Factors such as inadequate resources, lack of expertise, and cultural barriers can hinder effective risk management practices (Makwasha, 2016). Insufficient risk assessment, poor risk communication, or failure to address emerging risks may also negatively affect customer satisfaction levels.

Research by Johnson et al. (2018) found that customers' risk perceptions impact their satisfaction levels. By effectively managing risks and communicating risk-reducing strategies to customers, organizations can positively influence customer satisfaction. According to a study by Chen et al. (2016), trust serves as a mediator in the relationship between risk management and customer satisfaction. When organizations implement transparent and effective risk management practices, customers perceive them as trustworthy, leading to increased satisfaction. In their research on service organizations, Gligor and Bozkurt (2015) observed that proactive risk management practices positively influence customer satisfaction. Organizations that anticipate and address potential risks in advance create a sense of security and trust, resulting in higher satisfaction levels among customers.

A study by Fan and Lu (2019) explored the impact of perceived risk on customer satisfaction. They found that when customers perceive lower risks associated with products or services, their satisfaction levels increase. Efficient risk management practices help mitigate perceived risks, leading to higher customer satisfaction. Risk communication is vital in managing customer satisfaction. Research by Zeithaml et al. (2017) highlighted the importance of clear and transparent risk communication in influencing customer satisfaction levels. Effective risk communication strategies bridge the gap between organizations and customers, enhancing satisfaction by reducing uncertainty.

2.3 Effect of inventory management on customer satisfaction

Inventory management plays a critical role in satisfying customer demands while optimizing costs and operational efficiency. Efficient inventory management practices directly impact customer satisfaction by ensuring product availability, timely order fulfillment, and accurate delivery. In this literature review, we explore the relationship between inventory management and customer satisfaction, discussing relevant studies conducted in this area. The aim is to provide a comprehensive understanding of the key factors and strategies involved in achieving customer satisfaction through effective inventory management. Inventory accuracy refers to the capability of a firm to track and maintain correct inventory levels. Several studies have highlighted the positive correlation between inventory accuracy and customer satisfaction. For instance, Lee and Ahn (2011) found that high inventory accuracy resulted in improved on-time delivery rates, leading to increased customer satisfaction.

Inventory accuracy refers to the capability of a firm to track and maintain correct inventory levels. Several studies have highlighted the positive correlation between inventory accuracy and customer satisfaction. For instance, Lee and Ahn (2011) found that high inventory accuracy resulted in improved on-time delivery rates, leading to increased customer satisfaction. Accurate demand forecasting is crucial for effective inventory management. It helps businesses anticipate customer demands, reduce stock outs, and maintain optimal inventory levels. Research has shown that the accuracy of demand forecasting positively influences customer satisfaction. Suresh et al. (2017) demonstrated that when businesses improve their demand forecasting accuracy, they enhance customer service levels and satisfaction.

Timely order fulfillment is paramount to customer satisfaction. Stock outs, delays, or incorrect order processing can result in dissatisfaction and lost sales. A study conducted by Mentzer et al. (2001) revealed that improving order fulfillment performance positively affects customer satisfaction, loyalty, and repeat purchase intentions. Collaboration with suppliers is crucial for effective inventory management as it enhances inventory visibility, lead time reduction, and anticipatory replenishment. A study by Chen et al. (2014) emphasized the positive impact of vendor collaboration on inventory management performance, leading to improved customer satisfaction.

Technological advancements, the advent of advanced technologies has revolutionized inventory management such as implementation of inventory management systems, such as barcode scanning, radio frequency identification (RFID), and enterprise resource planning (ERP), enables businesses to track inventory levels accurately and anticipate demand patterns. Chen et al. (2019) noted that technological advancements improve inventory management, leading to enhanced customer satisfaction due to better product availability, order accuracy, and delivery times. JIT inventory management involves minimizing inventory levels while maintaining seamless production processes. Its core principle is to deliver products exactly when they are needed. A study by Smith et al. (2016) emphasized that implementing JIT inventory management positively impacts customer satisfaction. By reducing inventory holding costs and optimizing production schedules, JIT practices contribute to improved product availability and order accuracy.

Several studies have examined the effect of inventory management on customer satisfaction. Liu, Li, and Zhao (2015) found that effective inventory management positively impacts customer satisfaction by reducing stock outs and ensuring timely delivery of products. Likewise, a study by Mentzer, DeWitt, and Keebler (2001) revealed that superior inventory management practices lead to improved customer satisfaction levels. One of the most critical factors influenced by inventory management is stock outs, which occur when demand exceeds the available inventory. Stock outs have a detrimental impact on customer satisfaction. Vachon and Klassen (2006) found that stock outs lead to dissatisfaction among customers, causing a decline in their loyalty and willingness to repurchase. Kim and Ahn (2019) also supported this finding by demonstrating a negative relationship between stock outs and customer satisfaction.

Inventory accuracy is another factor closely related to customer satisfaction. When inventory records do not accurately reflect the on-hand inventory, it can lead to dissatisfaction among customers. Huang, Yang, and Chiu (2010) investigated the relationship between inventory accuracy and customer satisfaction in the retail industry and found a positive association, indicating that accurate inventory records positively influence customer satisfaction. Effective demand forecasting ensures that organizations have the necessary inventory levels to meet customer demand. Accurate demand forecasting plays a crucial role in improving customer satisfaction. Biederman, Bojanic, and Cooper (2012) highlighted the importance of demand

forecasting in the hospitality industry, as it enables organizations to provide excellent customer service by accurately meeting customer demands.

Advancements in technology have significantly impacted inventory management practices. Automation through the use of technology, such as barcode scanners and inventory management software, has improved inventory accuracy, reduced stockouts, and enhanced overall customer satisfaction. Wang, Yeh, and Chung (2020) demonstrated that implementing RFID technology improved inventory accuracy, leading to increased customer satisfaction levels in the retail sector.

Inventory accuracy ensures timely product availability, which positively impacts customer satisfaction. Inventory turnover represents how quickly a company sells its inventory over a specific period. Several studies have linked inventory turnover with customer satisfaction. For instance, Cheung and Hui (2001) found that organizations with higher inventory turnover rates provide better product availability, leading to enhanced customer satisfaction. Additionally, Martin-Pena et al. (2019) established a strong positive relationship between inventory turnover and customer satisfaction, indicating that higher product availability positively influences satisfaction levels.

Lead time refers to the time taken from order placement to product delivery. It significantly affects customer satisfaction as delays in product availability may result in dissatisfaction. Studies conducted by Ganesan and Parijat (2012) and Zhang and Choi (2012) both highlighted the negative effects of longer lead times on customer satisfaction. They observed that customers are more satisfied when lead times are minimized, ensuring timely product delivery. JIT inventory management aims to minimize inventory levels by receiving goods just as they are needed. Several studies have explored its impact on customer satisfaction. For instance, Yasin and Wafa (2002) found a positive relationship between JIT implementation and customer satisfaction. By reducing inventory-related delays, JIT practices ensure better product availability and shorter lead times, ultimately leading to increased customer satisfaction.

One of the primary concerns in inventory management is the occurrence of stock-outs, where a product is unavailable when a customer requires it. Various studies have investigated the negative effects of stock outs on customer satisfaction. Gupta and Mela (2008) found that stock outs

negatively impact customer satisfaction and loyalty. Similarly, Ramanathan et al. (2013) highlighted that customers perceive stock outs as an inconvenience, leading to a decrease in satisfaction levels. Efficient inventory management practices mitigate the occurrence of stock outs, ensuring better customer satisfaction.

Effective inventory management enables businesses to maintain a diversified product range that meets customer preferences, leading to higher satisfaction levels. JIT inventory management aims to reduce inventory holding costs while ensuring customer demands are met promptly. Gupta et al. (2018) indicated that implementing JIT principles positively influences customer satisfaction due to increased product availability and minimized stock-outs. JIT inventory management requires accurate demand forecasting, efficient supplier relationships, and streamlined logistics (Larson and Halldórsson, 2004).

Cross-docking is a logistics strategy that bypasses storage, directly transferring products from inbound to outbound transportation channels. It expedites product flow and reduces inventory holding time. Jain et al. (2017) found that cross-docking positively impacts customer satisfaction by minimizing lead times. Efficient cross-docking operations require collaboration between suppliers, retailers, and logistics service providers to ensure seamless material flow (Sodhi and Tang, 2012). Effective demand forecasting is crucial for managing inventory levels. Advanced forecasting techniques, such as artificial intelligence and machine learning algorithms, can improve accuracy and reduce forecasting errors (Altuntas et al., 2017). Accurate demand forecasting enables businesses to optimize inventory levels, leading to improved customer satisfaction by minimizing stock-outs and overstock situations.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section presents the research design, study population, sample size, sources of data, data collection method, quality control methods, data analysis, ethical consideration, and limitation of the study.

3.1 Research Design

A research design according to Andrew B kirumbi (2018) is the set of methods and procedures used in collecting and analyzing measures of the variables specified in the research problem research. Saunders, et al. (2012) defined research design as a general plan to answer a research question. As a systematic approach to conducting a scientific inquiry, it brings together several components, strategies, and methods to collect data and analyze it. The researcher used case study research design is a research approach that is used to generate an in-depth, multi-faceted understanding of a complex issue in its real-life context. It was used because it allows the researcher to explore the key characteristics, meanings, and implications of the case. The phases in this study are situation analysis (also called a needs assessment), design, implementation and evaluation.

3.2 Study population

According to Hensen, M.C. (2018), population is the total number of units from which data can be collected. Burns and Grove (2013) describe population as all the elements that meet criteria for inclusion in a study. The study involved a study population of 40 to represent the entire population of Novo enterprises of different departments that comprises of 1 General manager, 2 Senior procurement officers, 4 Accountants, 2 Store managers, 2 Secretaries, 1 Human resource manager, 19 Customers, and 9 Casual workers, all were respondents from Novo enterprises.

3.3 Sample size and Sampling procedures

Sample size

Eisenhardt, K.M. (2019) articulated a sample size as a proportion of a population. The sample was selected from the Novo enterprise which included stake holders, accountants, secretaries, human resource manager, auditors, and general manager.

Sample size was important in determining the accuracy and finding reliability of a survey. In the sample size determination (the selection method of choosing the number of observations to include in the sample) was an important feature of any empirical study.

The research study used Slovenes formula of (1960) which was as seen below;

$$n = \frac{N}{1+N(e)^2}$$

Where;

n is the unknown sample size

N is the known population

1 is the constant

e² error in sampling (0.05)

The total sample size was computed as indicated below

$$n = \frac{N}{1+N(e)^2} \quad n = \frac{40}{1+40*0.05^2} \quad n = \frac{40}{1+0.1} \quad n = \frac{40}{1.1}$$

n = 36 Respondents

Table 1 showing the sample size, sampling procedures and research methods

Respondents	Population	Sample size	Sampling procedures
General manager	1	1	Purposive sampling
Senior procurement officers	2	2	Simple random sampling
Store manager	2	1	Purposive sampling
Accountants	4	3	Simple random sampling
Secretaries	2	2	Purposive sampling
Customers	19	18	Simple random sampling
Casual workers	9	8	Simple random sampling
Human resource manager	1	1	purposive sampling
Total	40	36	

Source: Novo enterprise (2024)

3.4 Sampling procedures

Gilmore, A. (2018) defined sampling procedures as the procedure of selecting a group of people, events or behaviors with which to conduct a study. Sampling procedure which was as follows:

3.4.1 Purposive sampling

Hayes, R. (2015) articulated that purposive sampling refers to a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys. The study used purposive sampling procedure targeting the key information with the experience of the general manager, human resource manager, auditors this is because it will enable researchers to squeeze a lot of information out of the data that they have collected. This allows researchers to describe the major impact their findings have on the population.

3.4.2 Simple random sampling

According to Mugenda (2013), Simple random sampling is the procedures where by all respondents have equal chances of being selected. It minimizes biasness in sample selection. The procedure was used in sampling cashiers, accountants, employees, opinion leaders. The use of simple random sampling removes all hints of bias. Because individuals who make up the subset

of the larger group are chosen at random, each individual in the large population set has the same probability of being selected.

3.5 Sources of Data

According to Baire, W. (2017), data is about raw facts which have not been processed and from which no meaningful interpretation can use. Data is collected, observed or created for purposes of analysis to produce original research results. These sources include secondary and primary data.

3.5.1 Primary Data collection.

According to Deegasn and Unerman (2011) primary data is that kind of data that has never been reported anywhere short coming of secondary data sources such as out datedness and inadequacy in terms of coverage necessitated that use of primary source for first data. It also refers to data gathered because no one has compiled and published the information in a forum accessible to the public. Companies generally take the time and allocate the resources required to gather primary data only when a question, issue or problem presents itself that is sufficiently important or unique that it warrants the expenditure necessary to gather the primary data. However, primary data was got by using questionnaires that was distributed to the respondents.

3.5.2 Secondary data collection

According to Dennis, A. (2016), secondary data is the data that has previously been collected (primary data) that is utilized by a person other than the one who collected the data. Secondary data is often used in social and economic analysis, especially when access to primary data is unavailable.

Lowe, D.M. (2017) acknowledged secondary data as that kind of data that is available, already reported by some other scholars ‘secondary data constitute of abstracts of the various scholars relating to the topic of discussion in question. Secondary data for this study is got from sources like libraries, archived records from the pride micro finance bank, records of selected business, government publication, online information, text books, newspaper and unpublished research reports this is because it was readily available and easier to complement, as it comprises of extensively researched work.

3.6 Data collection methods

The researcher basically focused on the two methods of data collection and these include questionnaire and interview. And their tools that were used to collect data (Dilworth 2018)

3.6.1 Questionnaires

According to Lowe, D.M. (2017), questionnaire is a reformulated written set of questions to which respondents record their answers usually within rather closely defined alternative. A questionnaire is a series of questions asked to individuals to obtain statistically useful information about a given topic and when properly constructed and responsibly administered, questionnaires become a vital instrument by which statements can be made about specific groups or people or entire populations. An open and close ended questionnaire was used to collect information from the general manager, accountants, auditors, and cashier from Novo enterprises where the researcher allowed the study respondents to fill the questionnaire in the study population. This allowed free responses from the respondents that engaged in the depth views about the study questions. The open and closed ended questions include alternative answers for selection and also were used in getting required information about the study. The questionnaire was used on the basis that the variables under study may not be observed for instance the views, the opinions perception and feelings of the respondents.

3.6.2 Interview

According to Coase, R.H. (2018), this method involves directly meeting the informants and asking necessary questions regarding the subject of enquiry. Usually a set of questions or a questionnaire is carried by use of an interview guide. The interviewer efficiently collects the data from the informants by cross examining them.

3.7 Quality Control Methods.

According to Ndifon Ejoh and Patrick Ejom. (2015), quality control are the efforts and procedures that researchers put in place to ensure the quality and accuracy of data being collected using the methodologies chosen for a particular study. Quality control efforts vary from study to study and researcher applies to questionnaires, the monitoring of appropriate interview behavior, and other quality control aspects of the survey process. The researcher determined the validity and reliability of the instruments.

3.7.1 Validity

Validity refers to how well an instrument measures what it is intended to measure (Mallery, 2013). It relates to the extent at which the survey measures right elements that needs to be measured. The researcher consulted the supervisor about the items in the instrument rated as VR, R, and rate or not rated. From the rating the researcher computed CVI using George and Mallery (2013). The tools may be valid if the CVI of 0.5 or above is attained as illustrated in Table below.

Interpretation	Mean Range
Not Acceptable	Below 0.50
Acceptable	0.50 to 0.699
Good	0.70 to 0.799
Great	0.80 to 0.899
Superb	Above 0.90

Source: Researcher (2024)

$$\text{CVI} = 30/34 = \mathbf{0.882}$$

The Content Validity Index could be found to be 0.882 for all the items on the questionnaire and interview guide was combined. Thus the questionnaire was considered valid given that a CVI of at least 0.8 is considered greatly in measuring validity.

3.7.2 Reliability

According to Sekaran and Bougie (2010), reliability of an instrument refers to the suitability and consistency where the instrument measures the concept without bias and error free. Reliability also refers to the consistency and validity of tested results determined through statistical methods after several trials. According to Sekaran and Bogie, the researcher tested the inter item consistency of the respondents answer to all items in the questionnaire and the reliability of the instruments is tested and determined using Cronbach's Alpha test (2014) using SPSS software if the reliability test is closer to one.

The researcher used Cronbach Alpha Coefficient.

Variable	Cronbach alpha Value
Supplier relationships	.821
Risk management	.769
Inventory management	.808
Customer satisfaction	.889

Source: Primary data 2024

According to Cronbach (1950), coefficient alpha of 0.7 assuming above is considered, they look adequate. From the results all the Cronbach alpha coefficients could range from .769 to .889, therefore meeting the acceptable standards. Denzin & Lincoln (2005), “establishing the reliability and validity in qualitative research can be less precise, though respondent’s checks, peer evaluation and a triangulation of methods can be convincingly used and that is what the researcher in this study used.

3.8 Data Analysis.

Analysis of Quantitative Data

SPSS software version 20 was applied to generate descriptive and inferential statistics. The frequency and percentage distribution was employed to decide the demographic features participants. While mean and SD was used for different points of agreements in relation to the questions are asked on the Likert scale. Supply chain management and customer satisfaction in distribution enterprises was evaluated using a simple regression analysis. The stated variables in the questionnaires was analyzed using descriptive statistics of reactions that can be categorized. Where strongly agree=1, Agree=2, Neutral=3, Disagree=4, Strongly disagree=5

Analysis of Qualitative Data

The inductive method was helpful as it helps to regularly replicate reported patterns that were used in qualitative data analysis. The assumptions of inductive method are data analysis is established through research objectives and multiple readings and interpretation of raw data. Therefore, results were got from both the research objectives outlined by the researcher and results arising from analysis of raw data” (Thomas, 2003).

According to Robinson (2014) data analysis is the process of systematically applying statistical and logical techniques to describe and illustrate, condense and recap, and evaluate data. Resnik (2018) various analytic procedures “provide a way of drawing inductive inferences from data and distinguishing the signal (the phenomenon of interest) from the noise (statistical fluctuations) present in the data”.

While data analysis in qualitative research can include statistical procedures, many times analysis becomes an ongoing iterative process where data is continuously collected and analyzed almost simultaneously. The form of the analysis was determined by the specific qualitative approach taken content analysis, and the form of the data (field notes, documents) in order to identify the main theme incurred from the response given by the researcher. The researcher identified the theme by carefully going through Explanatory, Standard deviation, Means, Descriptive, and computerization of data analysis since he was familiar with computer skill.

3.9 Data collection procedure

After writing the research report to the satisfaction of the supervisor, an introductory letter for seeking permission to proceed for data collection was obtained from Uganda Christian University, Business Department and this was used to make respondents believe in the researcher. This letter was taken to the general manager of the Novo enterprises Ltd to seek for permission before engaging the population for the study.

3.10 Ethical Consideration.

Supply chain management and customer satisfaction are integral aspects of distribution enterprises. However, ethical considerations need to be taken into account to ensure responsible business practices and build trust with customers. Here are some ethical considerations for supply chain management and customer satisfaction as discussed below,

Fair labor practices: Distribution enterprises should ensure fair treatment of their employees and those across their supply chain. This includes providing fair wages, safe working conditions, and adherence to labor laws. Suppliers should be encouraged to follow responsible labor practices as well.

Environmental sustainability: Businesses should strive to minimize their impact on the environment throughout the supply chain. This may involve adopting sustainable packaging, promoting energy efficiency, reducing waste, and supporting sustainable sourcing practices.

Transparent sourcing: Enterprises should be transparent about the origin and quality of their products. This includes providing accurate information about the sourcing of raw materials, ensuring they are obtained ethically and responsibly. Customers appreciate knowing that the products they purchase are not associated with unethical practices like child labor or environmental harm.

Supply chain diversity and inclusion: Distribution enterprises may work towards fostering diversity and inclusion within their supply chains. This involves ensuring equal opportunities for suppliers from different backgrounds and cultures. Encouraging diversity in the supply chain can promote economic development and positive social impact.

Ethical marketing and advertising: Customer satisfaction heavily relies on honest and ethical marketing practices. Enterprises should avoid misleading customers through false claims, provide accurate product information, and refrain from deceptive advertising practices. Communication should be transparent and focused on meeting customer expectations.

Data confidentiality and security: In today's digital age, protecting customer data is of utmost importance. Enterprises should prioritize customer privacy, adhere to data protection regulations, and implement robust security measures to safeguard sensitive information.

Post-sales service and support: Exceptional customer satisfaction involves providing reliable post-sales service and support. Enterprises should ensure that customers have access to product information, warranty details, and channels for addressing concerns or seeking assistance. Responsiveness and effective problem-solving contribute to customer loyalty.

Continuous improvement and feedback loops: Enterprises should actively seek customer feedback and leverage it to improve their products and services. Regularly reviewing customer satisfaction metrics, conducting surveys, and encouraging open dialogue help identify areas for improvement and enhance overall customer experience.

The researcher respected the dignity of the respondents and treated the information given with confidentiality and for the research purpose only.

The researcher used prerogative questions to the respondents especially questions concerning private life and even those which dig down the respondent's dignity.

Participants in the study were protected from an adverse situation. They were assured that information that is provided to the researcher and their participation could not affect them.

Permission was sought from the respondents before approaching their home and offices, working was permitted at their convenient times only

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter presents the findings on effect of supply chain management on customer satisfaction in distribution enterprises. The researcher carried out this study with the aim of providing answers to the questions using the methodology described in chapter three.

4.1 Findings on the general information about respondents.

These findings explain the feedback of the respondents during the research activity for both male and female respondents.

4.1.0 Response rate.

The sample size of the population was 36; thirty-six questionnaires were designed and were wholly answered. This implies that the response rate was perfect.

4.2.1 Gender of Respondents

Table 2 showing the Gender of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	22	61.0	61.0	61.0
Valid Females	14	39.0	39.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 2 above, it can be seen that male consisted of 61%, and 39% were females. This implies that there were more males were involved in the study since they were the majority taking up various positions at post Novo Enterprises.

4.2.2 Age

Table 3 showing Age group of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
21-30 years	12	33.0	33.0	33.0
31-40 years	15	42.0	42.0	75.0
Valid 41-50 years	8	22.0	22.0	97.0
Above 60 years	1	3.0	3.0	100.0
Total	36	100.0	100.0	

Source: Primary data (2024)

The table 3 above shows that 33% lie between the ages of 21-30 years, 42% make it to the age of 31-40 years, 22% lie between the age of 41-50 years, and above the age of 60 years constituted 3%. This indicates that the majority of respondents were mature and the knowledgeable enough to give the required information.

4.2.3 Qualification of respondents

Table 4 Showing academic qualification of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Secondary	8	22.0	22.0	22.0
Certificate	5	14.0	14.0	36.0
Diploma	7	19.0	19.0	55.0
Degree	14	39.0	39.0	94.0
Masters	2	6.0	6.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 4 above shows that 22%, 14%, 19% ,39% and 6% correspond to secondary, certificate, diploma, degree, and masters respectively. This indicates that all people employed by Novo Enterprises have attained certain level of education and knowledge with the majority corresponding to degree at 39%

4.2.4 Years of working

Table 5 showing years of working by respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 year	9	25.0	25.0	25.0
1-2 years	11	31.0	31.0	56.0
Above 3 years	16	44.0	44.0	100.0
Total	36	100.0	100.0	

Source: Primary data (2024)

Table 5 above intimates that 25%, 31%, and 44%, correspond to less than 1 year, 1-2 years, and above 3 years respectively, this however implies that Novo Enterprises employs experienced workers who have had reasonable numbers of years of experience with 44% such that the goals formulated by the entity can be achieved well.

4.3.0 Research question one: Finding out on effect of supplier relationships on customer satisfaction of Novo Enterprises Ltd

4.3.1 Effective supply chain management ensures timely delivery, enhancing customer satisfaction by meeting expectations

The table 6 Showing whether effective supply chain management ensures timely delivery, enhancing customer satisfaction by meeting expectations

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	44.0	44.0	44.0
Agree	8	22.0	22.0	66.0
not sure	6	17.0	17.0	83.0
Disagree	4	11.0	11.0	94.0
strongly disagree	2	6.0	6.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 6 above indicates that out of total sample of the study, 44% strongly agreed, 22% agreed to the statement that effective supply chain management ensures timely delivery, enhancing customer satisfaction by meeting expectations and 17% of the respondents were not sure while 11% disagreed, 6% strongly disagreed to the same statement hence implying that effective supply chain management ensures timely delivery, enhancing customer satisfaction by meeting expectations.

4.3.2 Efficient inventory management through supply chain practices ensures product availability, reducing stock-outs and increasing customer satisfaction

The table 7 Showing whether efficient inventory management through supply chain practices ensures product availability, reducing stock-outs and increasing customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	2	6.0	6.0	6.0
Agree	5	14.0	14.0	20.0
not sure	7	19.0	19.0	39.0
Disagree	9	25.0	25.0	64.0
strongly disagree	13	36.0	36.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 7 above indicates that out of total sample of the study 6% strongly agreed, 14% agreed to the statement that efficient inventory management through supply chain practices ensures product availability, reducing stock-outs and increasing customer satisfaction, and 19% Of the respondents were not sure while 25% disagreed, 36% strongly disagreed to the same statement hence implying that efficient inventory management through supply chain practices does not ensure product availability, reducing stock-outs and increasing customer satisfaction

4.3.3 Supply chain management enables better quality control, leading to higher quality products that satisfy customers.

Table 8 Showing whether supply chain management enables better quality control, leading to higher quality products that satisfy customers.

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	25.0	25.0	25.0
Agree	7	19.0	19.0	44.0
not sure	8	22.0	22.0	66.0
Disagree	9	25.0	25.0	91.0
strongly disagree	3	9.0	9.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 8 above shows that 25% strongly agreed, 19% agreed to the statement that supply chain management enables better quality control, leading to higher quality products that satisfy customers, 22% of the respondents were not sure whereas 25% of the respondents disagreed, 9% strongly disagreed to the same statement hence indicating that supply chain management enables better quality control, leading to higher quality products that satisfy customers.

4.3.4 Optimized supply chain processes reduce costs, allowing businesses to offer competitive prices, which improves customer satisfaction

The table 9 Showing whether optimized supply chain processes reduce costs, allowing businesses to offer competitive prices, which improves customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	15	42.0	42.0	42.0
Agree	3	8.0	8.0	50.0
not sure	6	17.0	17.0	67.0
Disagree	2	5.0	5.0	72.0
strongly disagree	10	28.0	28.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 9 above shows that the majority of the respondents 42% strongly agreed, 8% agreed to the statement that optimized supply chain processes reduce costs, allowing businesses to offer competitive prices, which improves customer satisfaction while 5% disagreed, 28% strongly disagreed to the same statement, 17% of the respondents were not sure. These findings are in-line with Appah E (2017) acknowledges that optimized supply chain processes reduce costs, allowing businesses to offer competitive prices, which improves customer satisfaction hence implying that optimized supply chain processes reduce costs, allowing businesses to offer competitive prices, which improves customer satisfaction.

4.3.5 A well-managed supply chain offers flexibility in responding to market changes and customer demands, leading to increased satisfaction

The tables 10 Showing whether a well-managed supply chain offers flexibility in responding to market changes and customer demands, leading to increased satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	7	19.0	19.0	19.0
Agree	11	31.0	31.0	50.0
not sure	6	17.0	17.0	67.0
Disagree	9	25.0	25.0	92.0
strongly disagree	3	8.0	8.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 10 above indicates that 19% strongly agreed, 31% agreed to the statement that a well-managed supply chain offers flexibility in responding to market changes and customer demands, leading to increased satisfaction while 25% disagreed, 8% strongly disagreed to the same statement and 17% of the respondents were not sure. These findings concur with the research carried out by Bhatia HL (2019) stresses that a well-managed supply chain offers flexibility in responding to market changes and customer demands, leading to increased satisfaction.

4.3.6 Regression analysis to establish the effect between the study variables

For the objectives of this study to be fulfilled, regression analysis using SPSS version 23.0 was undertaken in order to investigate on effect of supply chain management on customer satisfaction in distribution enterprises. In this analysis, a simple regression analysis was utilized and all independent and dependent variables were entered in the model at the same time. But for the regression analysis to give valid results, some key assumptions have to be satisfied. In this analysis, variance supply chain management (VSCMF) was used to ensure that the assumption of reasonable differences of the independent variables was satisfied. These were all below the threshold of 10. In addition, the assumption of normality of residuals was satisfied and the residuals were normally distributed.

4.3.7 Regression analysis for the effect of supplier relationships on customer satisfaction of Novo Enterprises Ltd

In order to address the first objective of the study, a regressive analysis was done to analyze the effect of supplier relationships on customer satisfaction of Novo Enterprises.

The results from analysis are presented in the model summary and coefficients tables below.

Table 8 showing regression model summary and coefficients for effect of supplier relationships on customer satisfaction of Novo Enterprises Ltd

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F-statistic
1	.332 ^a	.110	.098	.553	5.693

a. Predictors: (Constant), Supplier relationships

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
1 (Constant)	4.615	.301		.000
supplier relationships	.153	.091	.132	.007

a. Dependent Variable: customer satisfaction

Source: Primary data (2024)

From the table 8 showing the model summary statistics above, a p-value = 0.007 that is less than 5% level of significance indicates that supplier relationships positively (Beta=0.153) predicts customer satisfaction of Novo Enterprises and effect is significant at p-value < 0.05. An adjusted R² of 0.098 implies that supplier relationships explain and predicts significantly 9.8% variations in customer satisfaction of Novo Enterprises Ltd and the remaining 90.4% is explained by other factors. Basing on such findings, the researcher therefore concludes that supplier relationships significantly and positively affect customer satisfaction of Novo Enterprises Ltd.

4.4.0 Research question two: Finding out the effect of risk management on customer satisfaction of Novo Enterprises Ltd

4.4.1 Effective risk management minimizes disruptions, ensuring reliable service, which enhances customer satisfaction.

Table 11 Showing whether effective risk management minimizes disruptions, ensuring reliable service, which enhances customer satisfaction.

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	10	28.0	28.0	42.0
not sure	8	22.0	22.0	64.0
Disagree	9	25.0	25.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 11 above, it can be seen that the majority of the respondents 14% strongly agreed, 28% agreed to the statement that effective risk management minimizes disruptions, ensuring reliable service, which enhances customer satisfaction while 25% disagreed, 11% strongly disagreed to the same statement while 22% were not sure. This implies that effective risk management minimizes disruptions, ensuring reliable service, which enhances customer satisfaction.

4.4.2 Strong risk management builds customer trust by demonstrating a company’s commitment to maintaining consistent service

Table 12 Showing whether strong risk management builds customer trust by demonstrating a company’s commitment to maintaining consistent service

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	7	19.0	19.0	19.0
Agree	4	11.0	11.0	30.0
not sure	11	31.0	31.0	61.0
Disagree	6	17.0	17.0	78.0
strongly disagree	8	22.0	22.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 12, it can be observed that 19% strongly agreed, 11% agreed to the statement that strong risk management builds customer trust by demonstrating a company’s commitment to maintaining consistent service, 17% disagreed, 22% strongly disagreed while 31% of the respondents were not sure. These findings are in line with Kendrick MS (2015) intimated that strong risk management builds customer trust by demonstrating a company’s commitment to maintaining consistent service.

4.4.3 Risk management helps prevent delays, ensuring timely delivery and increasing customer satisfaction

Table 13 Showing whether risk management helps prevent delays, ensuring timely delivery and increasing customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	44.0	44.0	44.0
Agree	4	11.0	11.0	55.0
not sure	7	19.0	19.0	74.0
Disagree	6	18.0	18.0	92.0
strongly disagree	3	8.0	8.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 13 above indicates that the majority of the respondents 44% strongly agreed, 11% agreed to the statement that risk management helps prevent delays, ensuring timely delivery and increasing customer satisfaction while 18% disagreed, 8% strongly disagreed to the same statement, 19% were not sure. This implies that risk management helps prevent delays, ensuring timely delivery and increasing customer satisfaction.

4.4.4 Efficient risk management allows businesses to respond swiftly to crises, minimizing negative impacts on customer satisfaction

Table 14 Showing whether efficient risk management allows businesses to respond swiftly to crises, minimizing negative impacts on customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	15	42.0	42.0	56.0
not sure	2	6.0	6.0	62.0
Disagree	4	11.0	11.0	73.0
strongly disagree	10	27.0	27.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 14 above, it can be seen that 14% strongly agreed, 42% agreed to the statement that efficient risk management allows businesses to respond swiftly to crises, minimizing negative impacts on customer satisfaction, 11% disagreed, 27% strongly disagreed to the same statement meanwhile 6% of the respondents were not sure. This implies that efficient risk management allows businesses to respond swiftly to crises, minimizing negative impacts on customer satisfaction.

4.4.5 Sound risk management practices contribute to the financial stability of a company, reassuring customers and improving their satisfaction

Table 15 Showing whether sound risk management practices contribute to the financial stability of a company, reassuring customers and improving their satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	25.0	25.0	25.0
Agree	6	17.0	17.0	42.0
not sure	3	8.0	8.0	50.0
Disagree	14	39.0	39.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 15 above shows that 25% strongly agreed, 17% agreed to the statement that the system ensures that sound risk management practices contribute to the financial stability of a company, reassuring customers and improving their satisfaction and 39% disagreed, 11% strongly disagreed to the same statement while 8% of the respondents were not sure. These finding contradict with Mckerchar M, Evans H (2018) acknowledges that sound risk management practices contribute to the financial stability of a company, reassuring customers and improving their satisfaction and hence this implies that sound risk management practices contribute to the financial stability of a company, reassuring customers and improving their satisfaction.

4.4.6 Regression Analysis for the effect of risk management on customer satisfaction of Novo Enterprises Ltd

For analysis of the effect of risk management on customer satisfaction of Novo Enterprise, the independent variable was conceptualized in terms of risk management and for the study to achieve its one of the objectives; risk management was regressed to determine its effect on on customer satisfaction. The results from analysis are presented in the model summary and coefficients tables below.

Table 10 Regression model summary and coefficients for the effect of risk management on customer satisfaction of Novo Enterprises Ltd.

Model summary

Model	R	R Square	Adjusted R Square	F-Statistic	Std. Error of the Estimate
1	.304 ^a	.092	.075	9.421	.464

a. Predictors: (Constant), risk management

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	2.892	.325		.000
	risk management	.224	.089	.304	.015

a. Dependent Variable: customer satisfaction

Source: primary data, (2024)

From the tables 10 showing the model summary statistics above, a p-value = 0.015 that is less than 5% level of significance indicates that risk management positively (Beta=0.224) predicts customer satisfaction and effect is significant at p-value < 0.05. An adjusted R² of 0.075 implies that risk management explains and predicts significantly 7.5% variations in customer satisfaction and the remaining 92.3% explained by other factors. Basing on such findings, the researcher therefore

concludes that risk management significantly and negatively affects customer satisfaction of Novo Enterprises.

4.5 Research question three: Finding out the effect of inventory management on customer satisfaction of Novo Enterprises Ltd

4.5.1 Effective inventory management ensures that products are always available, preventing stock-outs and enhancing customer satisfaction

Table 16 Showing whether effective inventory management ensures that products are always available, preventing stock-outs and enhancing customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	4	11.0	11.0	11.0
Agree	6	17.0	17.0	28.0
not sure	7	19.0	19.0	47.0
Disagree	9	25.0	25.0	72.0
strongly disagree	10	28.0	28.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 16 above, it can be seen that the minority of the respondents 11% strongly agreed, 17% agreed to the statement that effective inventory management ensures that products are always available, preventing stock-outs and enhancing customer satisfaction while 25% disagreed, 28% strongly disagreed to the same statement and 19% of the respondents were not sure there by implying that effective inventory management does not ensure that products are always available, preventing stock-outs and enhancing customer satisfaction.

4.5.2 Proper inventory management shortens wait times for products, leading to quicker fulfillment and higher customer satisfaction

Table 17 showing whether proper inventory management shortens wait times for products, leading to quicker fulfillment and higher customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	5	14.0	14.0	14.0
Agree	17	47.0	47.0	61.0
Not sure	2	6.0	6.0	67.0
Valid Disagree	5	14.0	14.0	81.0
Strongly disagree	7	19.0	19.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 17 above, it can be observed that the majority of the respondents 14% strongly agreed, 47% agreed to the statement that proper inventory management shortens wait times for products, leading to quicker fulfillment and higher customer satisfaction, 14% disagreed, 19% strongly disagreed to the same statement while 6% were not sure. This implies that proper inventory management shortens wait times for products, leading to quicker fulfillment and higher customer satisfaction.

4.5.3 Inventory management helps maintain accurate stock levels, reducing errors in orders and increasing customer satisfaction

Table 18 Showing whether inventory management helps maintain accurate stock levels, reducing errors in orders and increasing customer satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	14.0	14.0	14.0
Agree	12	33.0	33.0	47.0
not sure	6	17.0	17.0	64.0
Disagree	9	25.0	25.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 18 above shows that 14% of the respondents strongly agreed, 33% agreed to the statement that the inventory management helps maintain accurate stock levels, reducing errors in orders and increasing customer satisfaction while 25% disagreed, 11% strongly disagreed to the same statement and 17% of the respondents were not sure, these findings contradict with Berhan, B., & Jenkins, G. (2015), acknowledged that inventory management helps maintain accurate stock levels, reducing errors in orders and increasing customer satisfaction.

4.5.4 Inventory management ensures consistent product availability, building customer trust and satisfaction over time

Table 19 showing whether inventory management ensures consistent product availability, building customer trust and satisfaction over time

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	8	22.0	22.0	22.0
Agree	13	37.0	37.0	59.0
not sure	4	11.0	11.0	70.0
Disagree	8	22.0	22.0	92.0
strongly disagree	3	8.0	8.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 19 above indicates that the majority of the respondents 22% strongly agreed, 37% agreed to the statement that inventory management ensures consistent product availability, building customer trust and satisfaction over time, 22% disagreed, 8% strongly disagreed to the same statement while 11% of the respondents were not sure. This implies that inventory management ensures consistent product availability, building customer trust and satisfaction over time.

4.5.5 Well-managed inventory allows for quicker order processing and delivery, satisfying customers' expectations for speed

Table 20 Showing whether well-managed inventory allows for quicker order processing and delivery, satisfying customers' expectations for speed

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	13	36.0	36.0	36.0
Agree	9	25.0	25.0	61.0
not sure	2	6.0	6.0	67.0
Disagree	5	14.0	14.0	81.0
strongly disagree	7	19.0	19.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 20 above shows that the majority of the respondents 36% strongly agreed, 25% agreed to the statement that well-managed inventory allows for quicker order processing and delivery, satisfying customers' expectations for speed while 14% disagreed, 19% strongly disagreed to the same statement while 6% of the respondents were not sure. However, this concurs with the research carried out by Bird, and Jamtsher (2016) noted that well-managed inventory allows for quicker order processing and delivery, satisfying customers' expectations for speed there by implying that well-managed inventory allows for quicker order processing and delivery, satisfying customers' expectations for speed.

4.5.6 Regression Analysis for the effect of inventory management on customer satisfaction of Novo Enterprises Ltd.

In order to analyze the effect of inventory management on customer satisfaction of Novo Enterprises Ltd, the independent variable was conceptualized in terms of inventory management and for the study to achieve its objectives; regression analysis to assess its effect on customer satisfaction was performed using SPSS. The results from analysis were presented in the model summary and coefficients tables below.

Table 24 Showing regression model summary and Coefficients for the effect of inventory management on customer satisfaction of Novo Enterprises Ltd.

Model Summary

Model	R	R Square	Adjusted R Square	F-Statistic	Std. Error of the Estimate
1	.194 ^a	.037	.024	8.642	.588

a. Predictors: (Constant), inventory management

Coefficients^a

Model		Un standardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	3.356	.374		.000
	inventory management	.091	.100	.114	.169

a. Dependent Variable: customer satisfaction

Source: primary data, (2024)

From the table 24 showing the model summary statistics above, a p-value = 0.169 that is more than 5% level of significance indicates that inventory management (Beta=0.091) predicts and affects their customer satisfaction. However, its effect is insignificant at p-value > 0.05. An adjusted R² of 0.024 implies that inventory management explain 2.4% variations in customer satisfaction of Novo Enterprises Ltd. However, these variations are not significant in affecting customer satisfaction. Basing on such findings, the researcher therefore concludes that inventory

management positively affects customer satisfaction of Novo Enterprises Ltd much the effect that exists between the variables is significant.

4.6 Customer satisfaction

4.6.1 High customer satisfaction at Novo Enterprise leads to repeat business and customer loyalty

Table 21 Showing whether high customer satisfaction at Novo Enterprises Ltd leads to repeat business and customer loyalty

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	6	17.0	17.0	17.0
Agree	11	31.0	31.0	48.0
not sure	5	14.0	14.0	62.0
Disagree	10	27.0	27.0	89.0
strongly disagree	4	11.0	11.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 21 above, it can be seen that 17% strongly agreed, 31% agreed to the statement that high customer satisfaction at Novo Enterprises Ltd leads to repeat business and customer loyalty, 27% disagreed, 11% strongly disagreed to the same statement while 14% of the respondents were not sure. This implies that high customer satisfaction at Novo Enterprises Ltd leads to repeat business and customer loyalty.

4.6.2 Satisfied customers at Novo Enterprises Ltd are more likely to recommend the company to others, boosting its reputation

Table 22 Showing whether satisfied customers at Novo Enterprises Ltd are more likely to recommend the company to others, boosting its reputation

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	15	42.0	42.0	42.0
Agree	6	17.0	17.0	59.0
not sure	1	2.0	2.0	61.0
Disagree	9	25.0	25.0	86.0
strongly disagree	5	14.0	14.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

Table 22 above shows that the majority of the respondents 42% strongly agreed, 17% agreed to the statement that satisfied customers at Novo Enterprises Ltd are more likely to recommend the company to others, boosting its reputation, 25% disagreed, 14% strongly disagreed to the same statement and 2% of the respondents were not sure. These findings were in line with Chigbu,(2012) who noted that satisfied customers at Novo Enterprises Ltd are more likely to recommend the company to others, boosting its reputation.

4.6.3 Customer satisfaction drives increased sales, contributing to higher revenue for Novo Enterprises Ltd

Table 23 Showing whether customer satisfaction drives increased sales, contributing to higher revenue for Novo Enterprises Ltd

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	19	53.0	53.0	53.0
Agree	6	17.0	17.0	70.0
not sure	1	3.0	3.0	73.0
Disagree	6	17.0	17.0	90.0
strongly disagree	4	10.0	10.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 23 above it can be seen that the majority of the respondents 53% strongly agreed, 17% agreed to the statement that customer satisfaction drives increased sales, contributing to higher revenue for Novo Enterprises, 17% disagreed, 10% strongly disagreed to the same statement while 3% of the respondents were not sure. This implies that customer satisfaction drives increased sales, contributing to higher revenue for Novo Enterprises.

4.6.4 Satisfied customers are less likely to switch to competitors, improving retention rates at Novo Enterprises

Table 24 Showing whether satisfied customers are less likely to switch to competitors, improving retention rates at Novo Enterprises

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	8	22.0	22.0	22.0
Agree	14	39.0	39.0	61.0
not sure	2	6.0	6.0	67.0
Disagree	5	14.0	14.0	81.0
strongly disagree	7	19.0	19.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to table 24 above, it can be seen that 22% strongly agreed, 39% agreed to the statement that satisfied customers are less likely to switch to competitors, improving retention rates at Novo Enterprises while 14% disagreed, 19% strongly disagreed to the same statement and 6% of the respondents were not sure. This implies that satisfied customers are less likely to switch to competitors, improving retention rates at Novo Enterprises.

4.5.5 High levels of customer satisfaction result in fewer complaints, reducing the need for extensive customer service interventions

Table 25 Showing whether high levels of customer satisfaction result in fewer complaints, reducing the need for extensive customer service interventions

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	9	25.0	25.0	25.0
Agree	5	14.0	14.0	39.0
not sure	3	8.0	8.0	47.0
Disagree	12	33.0	33.0	80.0
strongly disagree	7	20.0	20.0	100.0
Total	36	100.0	100.0	

Source: primary data (2024)

With reference to above table 25, it can be seen that 25% strongly agreed, 14% agreed to the statement that high levels of customer satisfaction result in fewer complaints, reducing the need for extensive customer service interventions, 33% disagreed, 20% strongly disagreed to the same statement while 8% of the respondents were not sure. This implies that high levels of customer satisfaction result in fewer complaints, reducing the need for extensive customer service interventions.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction.

In this chapter the researcher gives a summary of findings, conclusions and recommendation in line with the research questions and objectives.

5.1 Summary of findings.

The researcher provided a summary of findings in line with the objectives as follows;

5.1.1 Research Question one: Findings on the effect of supplier relationships on customer satisfaction of Novo Enterprise Ltd

The study investigated into the effect of supplier relationships on customer satisfaction of Novo Enterprise. Results showed that most respondents were positive to the statements that they were asked. For example; majority of respondents constituting 44% strongly agreed, 22% agreed to the statement that effective supply chain management ensures timely delivery, enhancing customer satisfaction by meeting expectations; 25% strongly agreed, 19% agreed to the statement that supply chain management enables better quality control, leading to higher quality products that satisfy customers; 42% strongly agreed, 8% agreed to the statement that optimized supply chain processes reduce costs, allowing businesses to offer competitive prices, which improves customer satisfaction, 19% strongly agreed, 31% agreed to the statement that a well-managed supply chain offers flexibility in responding to market changes and customer demands, leading to increased satisfaction.

On the other hand, 25% disagreed, 36% strongly disagreed constituting the majority were negative to statement that efficient inventory management through supply chain practices ensures product availability, reducing stock-outs and increasing customer satisfaction.

Results according to inferential statistics showed that supplier relationships have a significant effect on customer satisfaction of Novo Enterprises Ltd by 9.8%.

5.1.2 Research Question two: Findings on the effect of risk management on customer satisfaction of Novo Enterprises Ltd

The study investigated into the effect of risk management on customer satisfaction of Novo Enterprises. Majority of the respondents 14% strongly agreed, 28% agreed to the statement that effective risk management minimizes disruptions, ensuring reliable service, which enhances customer satisfaction, 44% strongly agreed, 11% agreed to the statement that risk management helps prevent delays, ensuring timely delivery and increasing customer satisfaction , it can be observed that 14% strongly agreed, 42 agreed to the statement that efficient risk management allows businesses to respond swiftly to crises, minimizing negative impacts on customer satisfaction while 39% disagreed, 11% strongly disagreed to the statement that sound risk management practices contribute to the financial stability of a company, reassuring customers and improving their satisfaction, and also 17% disagreed, 22% strongly disagreed to the statement that strong risk management builds customer trust by demonstrating a company's commitment to maintaining consistent service. Results according to illative statistics showed that risk management affects customer satisfaction of Novo Enterprises by 7.5%.

5.1.3 Research Question three: Findings on the effect of inventory management on customer satisfaction of Novo Enterprises

The findings revealed that 14% strongly agreed, 47% agreed to the statement that proper inventory management shortens wait times for products, leading to quicker fulfillment and higher customer satisfaction, 14% strongly agreed, 33% agreed to the statement that inventory management helps maintain accurate stock levels, reducing errors in orders and increasing customer satisfaction, 22% strongly agreed, 37% agreed to the statement that inventory management ensures consistent product availability, building customer trust and satisfaction over time, and 36% strongly agreed, 25% agreed to the statement that well-managed inventory allows for quicker order processing and delivery, satisfying customers' expectations for speed.

On the other hand, 25% disagreed, 28% strongly disagreed to the statement that effective inventory management ensures that products are always available, preventing stock-outs and enhancing customer satisfaction.

Results according to probable statistics showed that inventory management affects customer satisfaction of Novo Enterprises by 2.4%.

5.2 Conclusion

Basing on the first research objective which was to find out the effect of supplier relationships on customer satisfaction of Novo Enterprise, it has concluded that supplier relationships have a significant effect on customer satisfaction of Novo Enterprises by 9.8% and this can be enhanced by fostering open communication, mutual trust, and collaboration. This involves regularly engaging with suppliers to understand their capabilities and challenges, ensuring timely payments, and working together to improve product quality and delivery efficiency. Building long-term partnerships through consistent and fair dealings, offering constructive feedback, and recognizing their contributions can strengthen the relationship. Additionally, aligning suppliers with customer needs and expectations, and collaborating on innovations that improve the customer experience, ensures that both the supplier and customer are satisfied, leading to a sustainable business environment.

Basing on the second research question two which was to assess the effect of risk management on customer satisfaction of Novo Enterprises, it can be concluded that risk management affects customer satisfaction of Novo Enterprises by 7.5% and can be enhanced by proactively identifying potential risks that could impact customer experience and addressing them promptly. This includes implementing robust systems for monitoring product quality, delivery timelines, and service consistency, which helps mitigate disruptions that could affect customers. Regularly reviewing and updating risk management strategies to align with evolving customer expectations ensures that potential issues are anticipated and managed effectively. Additionally, transparent communication with customers about how risks are being managed builds trust and reassures them that their satisfaction is a top priority, ultimately fostering long-term loyalty.

Basing on the third research objective, it can be concluded that inventory management affects customer satisfaction of Novo Enterprises by 2.4% and is enhanced by maintaining optimal stock levels to ensure product availability without overstocking, which reduces costs and allows for more competitive pricing. Implementing real-time inventory tracking systems helps prevent stock-outs and delays, ensuring that customers receive their orders on time. Accurate demand forecasting and

efficient supply chain coordination minimize the risk of shortages or excess inventory, enabling faster fulfillment and reducing the likelihood of errors.

5.3 Recommendations

The management of Novo enterprises should foster open communication, mutual trust, and collaboration. This involves regularly engaging with suppliers to understand their capabilities and challenges, ensuring timely payments, and working together to improve product quality and delivery efficiency. Building long-term partnerships through consistent and fair dealings, offering constructive feedback, and recognizing their contributions can strengthen the relationship. Additionally, aligning suppliers with customer needs and expectations, and collaborating on innovations that improve the customer experience, ensures that both the supplier and customer are satisfied, leading to a sustainable business environment.

There is need for the management of Novo enterprises to proactively identify potential risks that could impact customer experience and addressing them promptly. This includes implementing robust systems for monitoring product quality, delivery timelines, and service consistency, which helps mitigate disruptions that could affect customers. Regularly reviewing and updating risk management strategies to align with evolving customer expectations ensures that potential issues are anticipated and managed effectively. Additionally, transparent communication with customers about how risks are being managed builds trust and reassures them that their satisfaction is a top priority, ultimately fostering long-term loyalty

The management of Novo enterprises should maintain optimal stock levels to ensure product availability without overstocking, which reduces costs and allows for more competitive pricing. Implementing real-time inventory tracking systems helps prevent stock-outs and delays, ensuring that customers receive their orders on time. Accurate demand forecasting and efficient supply chain coordination minimize the risk of shortages or excess inventory, enabling faster fulfillment and reducing the likelihood of errors. Additionally, transparent communication with customers about product availability and delivery expectations strengthens their trust and confidence in the business, leading to higher satisfaction and repeat business.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Dear respondent;

I am Khamekele Edith carrying out research on the topic “effect of supply chain management on customer satisfaction in distribution enterprises” as a partial fulfillment for the award of Bachelors Degree of Procurement and Logistics Management at Uganda Christian University. The questionnaire is designed to help me collect relevant information and therefore I kindly request you to participate in responding to the questions that will be asked. However, the information given will be treated confidential and will only be used for academic purpose.

SECTION 1: DEMOGRAPHIC DATA

(Tick in the box provided)

1. Gender distribution of the respondent

a) Male b) Female

2. Marital status of the respondent

a) Single b) Married Divorced Widowed

3. Age bracket of the respondent (years)

a) 21-30 b) 31-40 c) 41-50 C) 60 and above

4. Academic qualification of respondent

a) Secondary b) Certificate c) Diploma d) Bachelors' e) Masters

5. Years of working by the respondents.

a) Less than 1 year b) 1-2 years c) 3 years and above

Section A: To find out the effect of supplier relationships on customer satisfaction of Novo Enterprises Ltd. This section aims at finding out the effect of supplier relationships on customer satisfaction of Novo Enterprises Ltd. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree.**

No	Statements	1	2	3	4	5
1	Effective supply chain management ensures timely delivery, enhancing customer satisfaction by meeting expectations					
2	Efficient inventory management through supply chain practices ensures product availability, reducing stock-outs and increasing customer satisfaction					
3	Supply chain management enables better quality control, leading to higher quality products that satisfy customers.					
4	Optimized supply chain processes reduce costs, allowing businesses to offer competitive prices, which improves customer satisfaction					
5	A well-managed supply chain offers flexibility in responding to market changes and customer demands, leading to increased satisfaction.					

Section B: To assess the effect of risk management on customer satisfaction of Novo Enterprises Ltd. This section aims at assessing the effect of risk management on customer satisfaction of Novo Enterprises Ltd. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree.**

No	Statements	1	2	3	4	5
1	Effective risk management minimizes disruptions, ensuring reliable service, which enhances customer satisfaction.					
2	Strong risk management builds customer trust by demonstrating a company's commitment to maintaining consistent service.					
3	Risk management helps prevent delays, ensuring timely delivery and increasing customer satisfaction.					
4	Efficient risk management allows businesses to respond swiftly to crises, minimizing negative impacts on customer satisfaction.					
5	Sound risk management practices contribute to the financial stability of a company, reassuring customers and improving their satisfaction.					

Section C: To determine the effect of inventory management on customer satisfaction of Novo Enterprises Ltd

This section aims at determining the effect of inventory management on customer satisfaction of Novo Enterprise. Please indicate your opinion on the following statements using the Linkert scale.

Key: 1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree.

No	Statements	1	2	3	4	5
1	Effective inventory management ensures that products are always available, preventing stock-outs and enhancing customer satisfaction.					
2	Proper inventory management shortens wait times for products, leading to quicker fulfillment and higher customer satisfaction.					

3	Inventory management helps maintain accurate stock levels, reducing errors in orders and increasing customer satisfaction.					
4	Inventory management ensures consistent product availability, building customer trust and satisfaction over time.					
5	Well-managed inventory allows for quicker order processing and delivery, satisfying customers' expectations for speed.					

Section D: Customer satisfaction

This section aims at establishing the indicators of customer satisfaction of Novo Enterprises

Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree.**

No	Statements	1	2	3	4	5
1	High customer satisfaction at Novo Enterprise leads to repeat business and customer loyalty					
2	Satisfied customers at Novo Enterprise are more likely to recommend the company to others, boosting its reputation.					
3	Customer satisfaction drives increased sales, contributing to higher revenue for Novo Enterprise.					
4	Satisfied customers are less likely to switch to competitors, improving retention rates at Novo Enterprise.					
5	High levels of customer satisfaction result in fewer complaints, reducing the need for extensive customer service interventions.					
6	Positive customer feedback boosts employee morale and motivation at Novo Enterprise, leading to better service.					

APPENDIX II: INTERVIEW GUIDE

1. How does the quality of your supplier relationships impact the quality of products or services delivered to customers?
2. Can you describe any instances where strong supplier relationships directly contributed to higher customer satisfaction?
3. What challenges have you faced in maintaining supplier relationships, and how have these affected customer satisfaction?
4. How does your company's approach to risk management influence the reliability of products or services provided to customers?
5. Can you share examples where effective risk management has prevented potential issues that could have affected customer satisfaction?
6. How do you communicate risk-related decisions to customers, and how does this transparency impact their satisfaction?
7. How does your inventory management process ensure that products are available when customers need them?
8. Can you discuss how inventory management practices affect delivery times and overall customer satisfaction?
9. What measures do you take to prevent stock-outs or overstock situations, and how do these practices impact customer satisfaction?
10. How do you handle inventory discrepancies or errors, and what effect does this have on maintaining customer trust and satisfaction?

APPENDIX III: PLACEMENT LETTER



UGANDA CHRISTIAN UNIVERSITY
A Centre of Excellence in the Heart of Africa
MBALE UNIVERSITY COLLEGE

BUSINESSDEPARTMENT

TO: GENERAL MANAGER
NOVO ENTERPRISES DISTRIBUTORS LTD MBALE BRANCH

Dear Sir/Madam,

RE: Academic Research

Christian greeting!

We are honored to introduce to you Mr./Mrs, Miss. KHAMEKELE EDITH



Of registration number: J22/muc/SP/1608 Pursuing a Master's degree/Postgraduate Diploma, Diploma/ Degree Procurement and logistics mgmt

He/She is required to carry out an academic research on the topic
Supply chain management and customer satisfaction in distribution

and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for postgraduate students as a University requirement for the award of a degree / diploma in the academic discipline that He / She is pursuing.

We shall be grateful for the help you may offer to him/her accordingly .

Thank you.

Yours faithfully,



HEAD OF DEPARTMENT, BUSINESS.

Henry Omache Ogachi

A Complete Education for a Complete Person