Role of Stock Control in Enhancing and Maintaining Customers' Satisfaction in Small Scale Business Enterprises in Lodwar Town, Kenya

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DOI: https://dx.doi.org/10.47772/IJRISS.2023.7842

Received: 20 July 2023; Revised: 31 July 2023; Accepted: 08 August 2023; Published: 07 September 2023

ABSTRACT

Stock control is the provision of goods and services at the appropriate time and in the proper quantity. Many small businesses do not survive after start-up due to failure to control stock properly. Due to the relative size of inventories maintained by the majority of organizations, a sizeable portion of their funding is committed to them because they make up the largest portion of their current assets. The main purpose of the study was to determine the role of stock control in enhancing and maintaining customer satisfaction in Lodwar town small scale business enterprises. The study adopted descriptive survey design. The target population was 300 small-scale businesses within Lodwar Town. The main instrument of data collection used in the study is questionnaire. Data was analyzed and presented in tables and figures for easier interpretation. The main findings of study indicate that, stock control improves order fulfillment which leads to customer satisfaction. The study concludes that stock control leads to customer satisfaction and stabilization of small-scale business enterprises. The study also recommends that forecasting on the customer needs and demands means the business is able to stock enough, hence meeting customer needs. Therefore, understanding the essence of stock control in the business goes a long way in ensuring that customers' needs are met in a timely fashion. Finally, the findings of this study would assist owners /managers of Small-scale business to come up with strategies to enhance stock control.

Key words: role, stock control, enhancing, maintaining customers' satisfaction, in small scale business enterprises

INTRODUCTION

Stock control is the provision of goods and commodities at the appropriate time and in the appropriate quantity (Ogbo, 2011). It is a dependable method of business management that ensures both client satisfaction and corporation survival through loss minimization. Many business groups in Kenya have struggled with stock management. Inventories contribute significantly to the cost of production and provide a strong link between product production and sales (Kihara & Ngugi, 2021). It is one of the most expensive and important assets of many companies, accounting for a significant portion of all invested money (Ogbo, 2011).

Mogere (2013) argued that stock control includes all of the steps that are put into place to assure that customers have access to the necessary goods or services at the appropriate time. It fulfills the organizational and marketing requirements to make the product available to clients by coordinating the capacities of purchasing, manufacturing, and distribution in order to meet those requirements. As part of the

stock control process, normally the location of stocked goods as well as their size will be determined (Hashmi, Amirah, Yusof & Zaliha, 2020). In order to protect the regularly scheduled production path from the random disturbance that can be caused by running out of supplies, inventory control is required at certain sites within a plant or at a select number of locations within a delivery network (Saputro, Figueira & Almada-Lobo, 2021).

Stock control include not only the management of stock levels but also the handling of lead time for replenishment, replenishment of items, returns and defective goods, and call for forecasts. Asset control, sporty stock prices, physical stock, physical space, demand forecasting, stock valuation, stock visibility, future stock price forecasting, and superb control are some of the other factors to consider. Due to the dynamic nature of business needs and their responsiveness to external factors, an optimal inventory level can be attained by balancing these factors (Armony, 2005).

Cagliano, Caniato, and Spina (2005) posit that numerous firms were coupling the stock system with the manufacturing machine in an effort to lessen the amount of accessible idle stock. Inventories consist of the goods that are kept on hand for sale, used in manufacturing, or taken in the form of raw materials that have not yet been put to use. Stock management was the practice of providing goods and services in the proper amount and at the proper time. It was an effective strategy for managing teams to keep consumers satisfied and businesses open by limiting losses.

Businesses which have effective stock control methods in inventory are in position to satisfy their customers. Some of these methods include stock valuation, supply chain connections, order management, and inventory control. For maximum business efficiency, goods management software also assists in identifying which products are best sellers and which ones aren't, as well as when to reorder stock (Chan et al., 2017). The provision of goods and commodities at the proper time and in the proper quantity is known as stock control (Ogbo, 2011). It is an effective way to run a business to keep customers satisfied and the company operating while limiting losses.

Studies on stock control strategies in firms have been conducted both globally and regionally. Muhammed and Zaim (2020) stated that management and workers lack sufficient knowledge of how to apply the economic order quantity internationally, which undermines an organization's success. Managing inventories has been a challenge for many commercial organizations in Kenya. A major amount of manufacturing costs are accounted for by inventories, which also operate as a vital link between product production and sales. One of the most costly and significant assets of many businesses, it accounts for a sizeable share of all invested funds (Ogbo, 2011).

There are a number of reasons for regulating stock in Turkana Central Sub County, according to Ogbadu (2009). A surplus of stock may cause money to become constrained, a rise in the price of protection, the degradation of materials, obsolescence, and theft. On the other side, a lack of supplies might result in underutilized machinery and equipment, poor customer relations, and a halt in the production of goods for sale. In addition to finished commodities, unused resources, work-in-progress, consumables, and spare parts may all be included in inventories. It is not necessary for a business to have these types of inventory classifications (Ogbadu, 2009).

Okita*et al.* (2021) claim that businesses have neglected the potential cost reductions from effective stock control, viewing inventory as a necessary evil rather than an asset that needs to be managed. Ngei and Kihara (2017) argued that lack of proper controls affects the operations of organizations. Due to a decrease in stock-outs, he discovered a good correlation between stock control procedures and customer happiness. Regulations can have an impact on an oil company's ability to meet a variety of client requests or increase its own efficiency; according to Omondi (2019) therefore it's important to build stronger customer relationships that shorten lead times. The study failed to address the need to assess the role of stock control in enhancing and maintaining customers' satisfaction in small scale business enterprises in Lodwar Town.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VII Issue VIII August 2023

Hence, this research is aimed at filling the knowledge gap by presenting findings with Lodwar town as the case study.

Objective of the Study

To determine the role of stock control in enhancing and maintaining customers' satisfaction in small scale business enterprises in Lodwar Town, Kenya

THEORETICAL REVIEW

The study was guided by Just-In-Time Theory which stresses the importance of always stocking high-quality goods in sufficient quantity at convenient places (Pisch, 2020). This theory was created by Toyota's factories under the leadership of Taiichi Ohno. The name Taiichi Ohno is commonly used to refer to the man who created the Just in Time system. It is generally accepted that the successful implementation of JIT manufacturing has resulted in enhanced coordination and information sharing, higher levels of output and efficiency, lower costs, and less waste (Gebisa, 2023). Due to the potential for achieving these benefits, several companies have questioned and given some thought to this production method (Björkdahl, 2020). Because of these reasons, JIT has become an area of intense interest among researchers at a wide variety of institutions throughout the world.

Just-in-time stock management may be a relatively new concept, but it relies on management ideas that have been around for decades (Balkhi, Alshahrani & Khan, 2022). Numerous companies are presently investigating and implementing the JIT method as a result of the increasingly competitive environment. Companies in North America are well aware of the threat posed by their Japanese competitors' remarkable output. In order to stay competitive and achieve economic success, these businesses have prioritized improving productivity, product quality, and efficiency standards inside their own operations and products (Filatotchev, Ireland & Stahl, 2022). The primary goal of any manufacturing firm should be to maximize output without sacrificing quality. These companies may eventually realize their manufacturing excellence goals through the use of JIT production (Villalba-Diez et al., 2019).

The use of JIT would have many advantages, including assisting the producer to improve quality to meet customer needs, decrease inventories, and forge positive relationships with suppliers (Salaheddin, 2005). Suppliers, buyers, or both communities can gain from successful JIT applications. Wafa, Yasin and Swinehart (1996) less inventory and waiting time for them, better quality and technical support, increased production, less waste, and less time needed for machine maintenance are all advantages. JIT ensures that suppliers can timely generate inventory while also helping to reduce equipment maintenance (Yasin 2002).

RESEARCH METHODOLOGY

Research Design

The study relied on a descriptive survey for its data collection. Kothari (2004) explains that the primary purpose of descriptive research is to characterize the current state of affairs, and that this type of research involves fact-finding inquiries and surveys. Descriptive research attempts to identify concepts like possible behavior, attitudes, values, and qualities by establishing the current condition of affairs, reporting on it, and documenting it (2003). The study's descriptive survey methodology was found adequate since it allowed for the collection of data from business enterprise workers and its subsequent use in illustrating the importance of stock control in achieving company stability in Lodwar town.

Target Population

The term "target population" is used to describe the entire group of people or things to which the findings

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VII Issue VIII August 2023

will be generalized, Wang (2006). The researcher targeted 300 small scale businesses within Lodwar Town. To obtain a balanced view of the subject matter, the researcher sourced information from drivers, waiters, cashiers, supervisors, shop attendants, accountants and managers. The number of respondents expected to be interviewed were 300 individuals from the different small-scale businesses. The researcher's expectation was to be furnished with enough and accurate information from them to aid the research work.

Sample size

The study used a sample size of 20% to 30% of the target population, as suggested by Best and Kahn (2003). 30% of all corporate employees were used to determine the sample size for this study. The company employs 300 people in total. As a result, the sample size was 30% of 300 employees, or 90 individuals.

Research Instruments

The questionnaire was used to acquire comprehensive data. Both closed-ended and open-ended questions were included in the study. The employees of the companies in Lodwar town received the surveys. The use of a questionnaire was appropriate because it gave immediate access to data. This was dispersed using a drop-and-pick later technique from the study's sample size.

Data Analysis

The completed questionnaires were reviewed for accuracy and coherence before processing the responses. The statistical package for social science (SPSS) analysis software version 20.0 was used to code and input the quantitative information that was acquired from the questionnaires. Pie charts and frequency distribution tables were used to illustrate the data in order to make it easier to describe and explain the study's conclusions. To summarize responses for additional analysis and comparison, tables and figures were employed.

RESULTS

Response rate

The response rate is presented in Table 1.

Table 1 Response Rate

Response Rate	Frequency	Percentage
Responded	90	100
Not responded	0	0
Total	**90**	**100**

The response rate results in Table 1 revealed that 90 questionnaires were issued to the respondents however, 90 questionnaires were dully filled and returned. This translates to 100% response rate. This response rate is considered very good to enable the determination of the phenomenon that exist as it is in line with Mugenda and Mugenda (2008) assertion. They state that a response rate of above 70% is recommended for the generalization of the study findings. The high percentage of response rate was achieved through follow up of the data collection.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VII Issue VIII August 2023

The demographics of the study are shown in Figure 1.

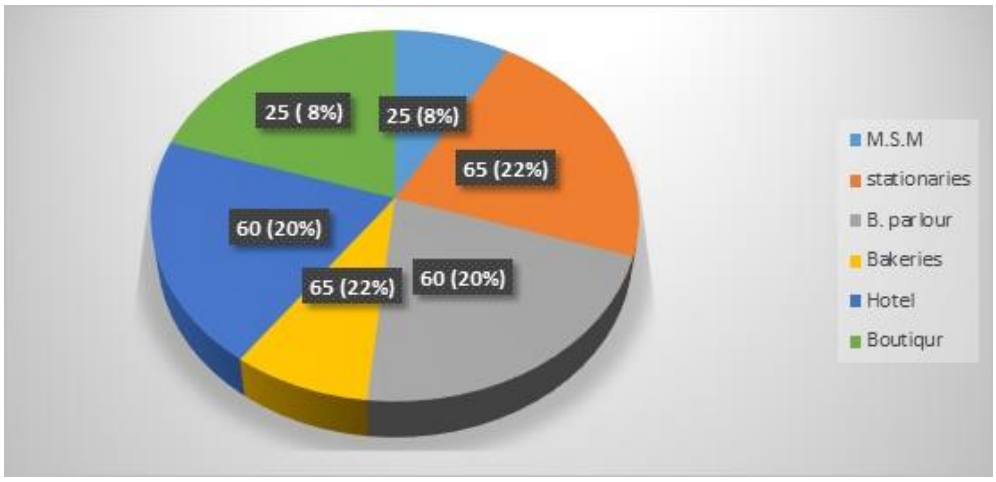

Figure 1: Small Scale Business

Figure 1 represents the number of small-scale business enterprises in Lodwar Town. The research sought to find the type of business being carried out by the respondents. The study shows that the majority 65(22%) of the respondents worked in school stationeries. An equal number 65(22%) worked in bakeries followed by 60(20%) of those who worked in beauty parlors. Those who worked in hotels were 60(20%). On the other hand, those working in mini supermarket were 25(8%) and the same number working for boutiques 25(8%). This implies that there are a number of growing businesses here in Turkana which may have been promoted due to the devolution and rural development within the last 10 years. Favorable business conditions have made it possible for numerous small businesses to thrive within this location.

Position in Business

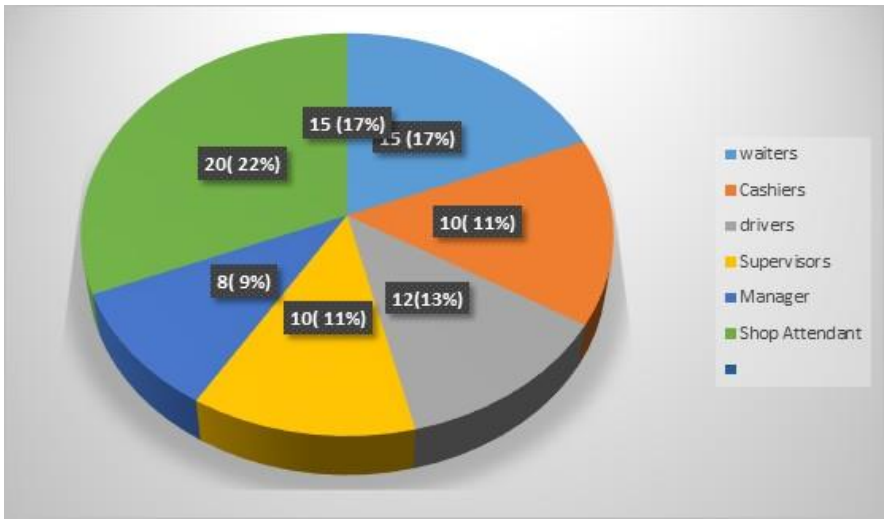

Figure 2: Position in Business

Figure 2 presents the position the respective respondents hold within the business. The respondents were asked to reveal their positions in their business enterprise, majority 25(22%) of the respondents indicated they were shop attendants, 15(16%) were waiters, 12(13%) were cashiers, 10(11%) were supervisors with the same number 10(11%) being drivers. Of these, 8 (9%) were managers. The research findings show that respondents were responsible for running the affairs of their respective businesses and therefore considered to be able to provide sufficient information in relation to the research questions.

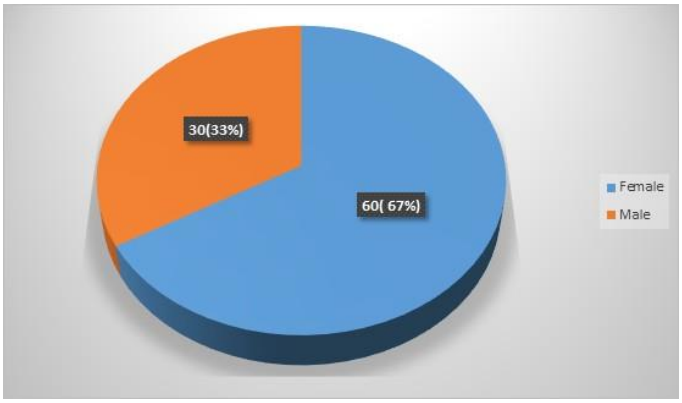

Figure 3: Gender of the Respondents

Figure 3 presents the gender of the respondents. The respondents were further asked to reveal their gender, majority 60(67%) of the respondents indicated they were females, while 30(33%) of them were males. This means that most of the respondents were females and its encouraging since the Turkana community is still conservative especially when it comes to women empowerment and offering the female gender a position in the job market.

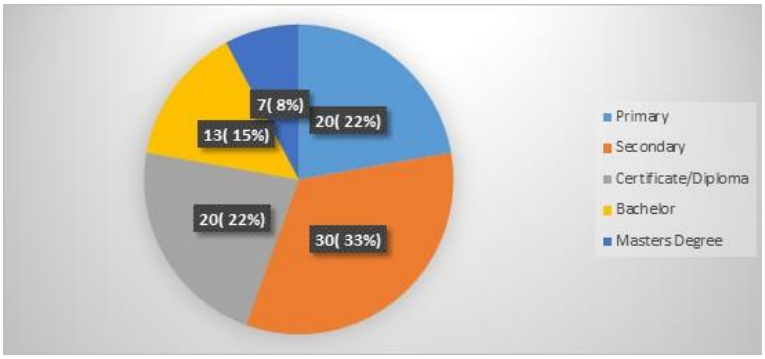

Figure 4: Highest Level of Education

Figure 4 presents the respondents' level of education. The respondents were further requested to indicate their highest level of education. The research findings revealed that a majority of the respondents 30(33%) had secondary level, 20(22%) were in certificate/diploma holders, another 20(22%) were in primary level, 13(15%) were in bachelors' level and 7(8%) were in master's degree level. This shows that a majority of those who were interviewed had good educational background which is necessary in answering the research questions through good command of English language both in spoken and written form.

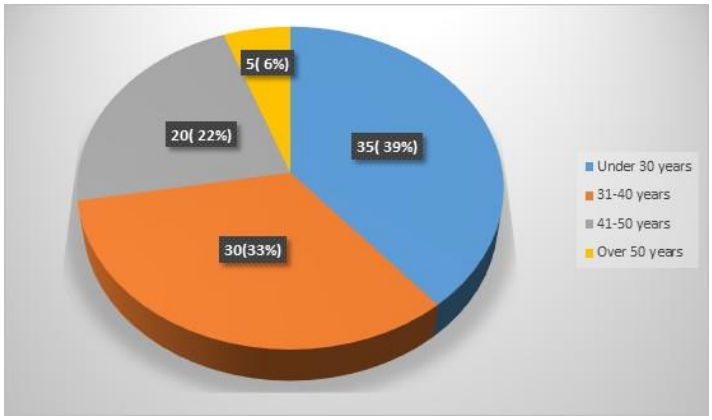

Figure 5: Age of respondents

Figure 5 presents the age of the respondents. The respondents were asked to indicate their age, majority 35(39%) of the respondents indicated they were under 30 years, 30(33%) 31-40 years, 20(22%) were 41-50 years were 20(22%) while 5(6%) were over 50 years. This implies that most of the respondents were aged from under the age of 30 years. The Youths development fund has made it possible for young enterprising individuals to come together and get financial support from the local government. Additionally, Lodwar town is a destination for many youths who move to such urban areas in pursuit of a better life, through gainful employment.

Role of stock control in enhancing customer satisfaction in business enterprises in Lodwar town

The research question of the study was; how does stock control enhance customer satisfaction in businesses in Lodwar Town? To achieve this, respondents were asked to indicate their level of agreement/disagreement on the various issues around the role of stock control in enhancing customer satisfaction in business enterprises. The results are presented in Table 2.

Table 2: Role of stock control in enhancing customer satisfaction in business enterprises in Lodwar town

Statement	**Frequencies and Percentages**				
	1	**2**	**3**	**4**	**5**
Stock control improves order fulfillment	10(11%)	15(17%)	5(6%)	40(44%)	20(22%)
Stock control reduces lead time	30(33%)	30(33%)	10(11)	15(17%)	5(6%)
Stock control sets sustainable pricing	10(11%)	20(22%)	10(11%)	40(44%)	10(11%)
Stock control forecasts seasonal demand	5(6%)	15(17%)	10(11%)	50(56%)	10(11%)
Delay in procurement and frequent stock out affect the organization performance	6(7%)			40(44%)	

Strongly Disagree =1stongly Agree =5

In the Table 2, 40(44%) of the respondents agreed that stock control improves order fulfillment, while 15(17%) disagreed. In addition, 30(33%) of the respondents disagreed about the fact that stock control reduces lead time while 15(17%) agreed about this. Moreover, 40(44%) of the respondents agreed that stock control sets sustainable pricing while 15(30%) disagreed about this. Similarly, 50(56%) agreed that stock control forecast in seasonal demand while 15(17%) disagreed about this. Likewise, 40(44%) of the respondents agreed that delay in procurement and frequent stock out affect the organization performance while 6(7%) disagreed about this.

This concurs with Deep, Gajendran and Jefferies (2021), who indicated that stock control plays a major role in customer service, Inventory management, sales and making of orders. The study revealed that, most of the respondents strongly agreed that stock control improves order fulfillment which leads to customer satisfaction. In addition, a bigger percentage of the respondents strongly agreed that stock control sets sustainable pricing, hence satisfying customers. Moreover, most of the respondents agreed that stock control enables reduction of lead time, hence satisfying customers. Additionally, most of the respondents strongly agreed that stock control leads to avoidance of dead stock.

The results agree with Ram and Zhang (2021) that accurate inventory information is necessary to deliver world-class customer service, choose whether to replenish character items, make sure that material availability meets demand for repairs or other projects, analyze stock levels, and remove excess inventory.

CONCLUSION

The study revealed that, 40 percent of the respondents strongly agreed that stock control improves order fulfillment which leads to customer satisfaction, 40 percent of the respondents strongly agreed that stock

control sets sustainable pricing hence satisfying customers, 30 percent of the respondents agreed that stock control enables reduction of lead time hence satisfying customers, while 50 percent of the respondents strongly agreed that stock control leads to avoidance of dead stock. It is also concluded that stock control leads to customer satisfaction which leads to business stabilization of small-scale business enterprises. The study findings agreed with Muchaendepi, Mbohwa, Hamandishe and Kanyepe (2019) who effective inventory management ensures that the right products are available when customers need them. By monitoring product availability and analyzing sales data, businesses can keep popular items in stock and ready to fulfill customer orders instantly. This reduces the chances of stockouts and improves customer satisfaction.

Saputro, Figueira and Almada-Lobo (2021) Good inventory control leads to shorter fulfillment times. By having popular items in stock and analyzing sales patterns, businesses can quickly fulfill customer orders and develop a positive reputation for fast order fulfillment. This enhances customer satisfaction and loyalty.

RECOMMENDATIONS

Forecasting on the customer needs and demands means the business is able to stock enough, hence meeting customer needs. Therefore, managers understanding the essence of stock control in the business goes a long way in ensuring that customers' needs are met in a timely manner. Local businesses can adopt social media channels to get reach their potential customers and offer one-on-one information on the goods and services that they offer.

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