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Retail Network Analysis through the Branch

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Abstract: Retail operations of supermarkets chains, hold a very important position in supply networks due to the dominant position that retailers hold in the downstream supply chains. Current literature agrees that there are less works on his area. The present study is a second flagship study, investigating branch network variables. Using a mixed research design (descriptive and exploratory) the study employed hoteling's, retail location to establish the relationship between branch location and branch network expansion. The study used a sample size of 300 respondents in supermarket retail operations. With a response rate of 61%, the findings reveal that branch location is significantly related to branch network expansion and that supermarket retailers should ensure that good locations were identified through different search methods lowering distribution costs. Ideal locations were identified to be in malls and next to distribution centers. The study results propose that branch location is a significantly variable to be used in developing an ISM model for branch network expansion.
Keywords: Branch network, Branch location, Supply chain management, Retailing

INTRODUCTION

Retail supply chain management is a contemporary and evolving field which is a culmination of two different areas of management, supply chain management and retailing. Even though there many refereed journals in the field of supply chain management and retailing, there are not many research papers in the area of retail supply chains especially supermarkets [1]. Due to the power that comes with the control over consumers, retailers are often dominant in a supply chain [2]. While providing their functions, retailers integrate customer demand and other channel member's supply into the supply chain as well as managing own retail supply chains .Supermarkets like other retail members are affected by a number of issues that virtually concern all retail and service organizations reliant on branches. These include where best to site outlets; what size and format of stores to employ; what mix of products to incorporate; the area over which the outlets should be promoted and choice of the most efficient methods to solve logistical problems.

These are generic problems, equally relevant to banks, grocery and superstores, and petrol stations. For banks, groceries and petrol stations, practical frameworks have been developed on branch network expansion modes [3]. It is perhaps surprising that practical frameworks for helping retailers to plan their store own supply chains and networks expansion are all but absent from supermarket retail expansion literature. This has given selected supermarket retailers an advantage to expand their branch network creating oligopolies whose competitive edges cannot be explained.

In Eastern Africa, the supermarket industry is dominated by few South African and Kenyan chains. Kenyan supermarkets are also present in Rwanda, and Burundi. Nakumatt has already entered the Burundian distribution sector which has a high concentration of operators from Belgium, China, India, the Netherlands and Pakistan. Surprisingly, foreign retailers such as the South African Metro Cash & Carry and Lucky 7 exited the market in 2005 after brief operations [4]. This was attributed to strong competition and expensive locations.

BACKGROUND OF SUPERMARKET RETAILING IN KENYA

Kenya is leading in Eastern Africa in terms of supermarket concentration. There is a growing demand for more outlets due to increased urbanization .It is estimated that the number of outlets will reach 129000 in 2017 from the current 112000. Supermarkets represents a third of the retail space and their annual growth is projected to increased at 18% yearly if it grow in tandem with self-service demand [5]. According to their study, the total sales by the top five leading supermarket chains amounted to $ 800 million in CY 2012 and are expected to keep increasing. These supermarkets include Nakumatt holdings, Tuskys, Naivas, Uchumi and ukwala supermarket. Together they have a five ratio concertration of 75%. This five

have continued to flourish the harsh retail environment amidst the problems facing their chains and expanded their branch networks successfully to the extent of even threatening major south Africa giant that enjoy economies of scale in other Eastern Africa countries.

STATEMENT OF THE PROBLEM

The retail strategy index for the period 2009 – 2014 recognized branch network expansion as a valuable game plan that could be employed by major supply chain members at retail level. Highlighted in the index were location, branch numbers and use of skilled employees for knowledge sharing purposes .The retail study cited the northward and southern branch network expansion of Sainsbury and Asda. The study identified successful supermarkets as those having more than five branches regionally. The Nakumatt retail strategic plans for the period 2010 – 2014, corroborates these studies by highlighting supermarket moves closer to the customer. With all this reports and strategies, Supermarkets in Kenya still face branch network expansion challenges. Moreover, the network expansion reports for 2008/2009/2010/2011 and 2011/2012 describes theories explaining retail network expansion as descriptive to the extent that clear paths to branch network expansion cannot be extracted from different branch expansion variables.

Additionally, information about supermarkets expansion in East Africa has traditionally been limited. In Kenya, focused research on branch network expansion and modeling is inadequate thus allowing five sister supermarkets to expand their supply chains monopoly powers in the retail industry with market concentration of 75% yet they only constitute 0.005 % of total supermarkets. The five supermarkets have owned the industry, moved into other Eastern Africa countries to outdo foreign giant supermarkets. Although the five have Kenyan roots, most other supermarkets are unable to benchmark themselves to the five .They have stagnated in a position of not opening more branches unlike the five although they harbor this ambition albeit studies which show that an increase in branch network by 0.26% increased the retail visibility by 6% and that 72% of channel expansion strategy used branches [6].

OBJECTIVE OF THE STUDY AND HYPOTHESIS

The general objective of this study was to establish the reliability of branch location as a variable affecting supermarket branch network expansion and validate it for ISM supermarket branch network modeling. Specifically, the objective of the study was to determine the influence of branch location on supermarket branch network expansion in Kenya. The study was guided by the following hypothesis:

H_0: Branch location decisions do not influence supermarket branch supermarket network expansion.

RESEARCH METHODOLOGY AND DATA COLLECTION

This current study used a mixed research design (descriptive and exploratory) to describe practices of the five major supermarkets in Kenya and validate branch location with an aim of using the variable alongside other variables from literature review to formulate a working ISM model. The population for the study comprised of employees of five major supermarkets (Nakumatt, Tuskys, Uchumi, Ukwala and Naivas) working in operations and key decision areas. The supermarkets are characterized by having more than five branches across the country and with an annual turnover of 0.5 billion [7, 8] define a sample as a subject of a specific population. The process of sampling involves the selection of a group of individuals or elements from a target population. The group sample can then stand for the whole population [9]. The sample of the researcher should select depends on the requirements of the products, its objectives and funds available. The sample selected for this study was selected using the slovin formulae as employed by Walonick [10].

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

Where , n = Sample Size
N = the total population
I = constant
E = limit of sampling error

Assuming a sampling error of 0.05, this can be computed as shown below:

$$n = \frac{1200}{1+1200 (0.05)^2}$$

$$n = \frac{1200}{3}$$

$$= \frac{1200}{1+3}$$

$$= 300$$

For structural interpretative modeling, sample population between 200-400 respondents is reliable and free from bias [11]. Purposive sampling was used to select the supermarkets.

Table 1: Distribution of the selected supermarkets branches in Kenya and respondent distribution among them

Supermarket	Number of branches	Respondents
Nakumatt Holdings Ltd.	34	63
Tusker Mattresses Ltd. (Tuskys)	60	110
Uchumi Supermarkets	27	50
Ukwala Supermarket chains	11	20
Naivasha Self Service Stores Ltd	31	57
	163	**300**

Source: Euromonitor international, 2014.

Secondary data was being collected using journal, academic documents and expert opinion.

RESEARCH FINDINGS AND DISCUSSIONS

Response rate

A total of 300 questionnaires were distributed to the target population. Out of the 300 distributed, a total of 183 questionnaires were returned. This represents a response rate of 61%. The response rate was satisfactory to draw conclusion from for the study and was deemed representative. It assert that a response rate above 30% is good and acceptable when the research uses survey questionnaires. According to Mugenda and Mugenda [12] a response rate of above 50% is excellent. Other studies employing the interpretative structural modeling methodology and a response rate above 50% include studies by Thakkar *et al* [11] and Sagheer *et al* [13] with response rate of 52% and 67% respectively.

Table 2: Response Rate

Supermarket	Questionnaires distributed	Questionnaire completed
Nakumatt	63	50
Tuskys	110	68
Naivas	50	35
Ukwala	20	12
Uchumi	57	18
	300	**183**

Designation of respondents

The researcher sought to get reliable information from the employees more conversant with supermarket operations and strategy as shown in table 3.

Table 3: Designation of Respondents

Job Designation	Number of respondents	% of total respondents
Team Leader/Branch Manager	36	19.8%
Floor Leaders	56	31%
Stores Supervisor	38	21%
Central Warehouse Supervisor	21	11.5%
Roving Sales supervisors	32	17.5%
	183	**100%**

Majority of the respondents were floor leaders whose total number was 56 (31%).This was closely followed by stores supervisors 38 (21%) roving sales supervisors 32 (17.5%) and Central Warehouse Supervisor 21 (11.5%). According to Bowman and Ambrosini [14] as cited by Kovil [15] data collected from one class of top managers may not give a clear picture about a firm's strategy. This clearly indicates that there was fair representation in the different levels of decision in supermarket operations.

Duration of branch operation

The study sought to establish how long branches had been in operation. This is shown in figure 1.

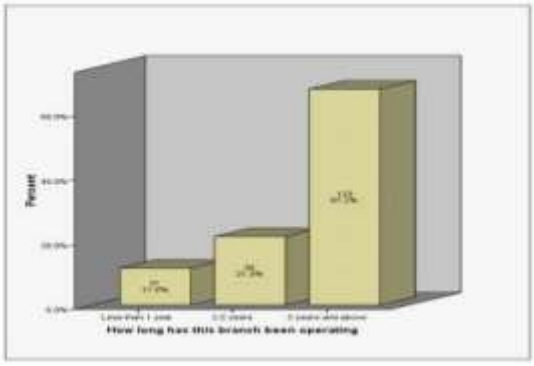

Fig. 1: Duration of branch operation

Supermarket branches with less than 1 year to more than 5 years were sampled. Sixty seven point two percent (67.2%) of the respondents rated their branches to have operated for a period more than 5 years. Twenty one point three (21.3%) percent between 2 to 5 years while 11.5% for less than 1 year.

Experience of respondents

The study sought to establish how long the respondents had worked in the supermarket. This is shown in figure 2.

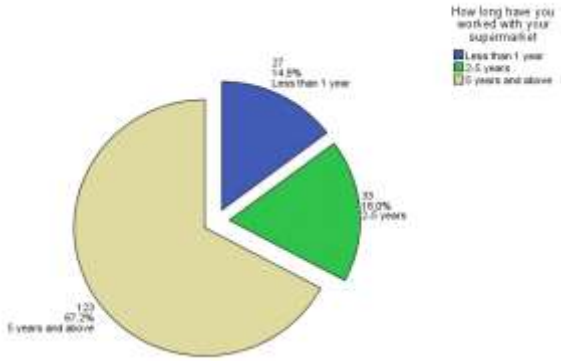

Fig. 2: Length of Service

Sixty seven point two percent (67.2%) of the respondents indicated to have been working in the supermarket for a period of above 5 years. Eighteen percent indicated to have worked for a period between 2 to 5 years while 14.8% indicated having worked in the supermarket for a period of less than a year. The length of service could be used to infer the experience and knowledge of the supermarket culture .The long period of work in supermarket respond rate indicates that the data received for this study is reliable.

Factor analysis for Branch Location items

Branch location had a total of six (6) items .All the items were confirmed since their factor loads were more than 0.4.This information is presented in table 4.

Table 4: Branch Location component Matrix

Item	Extraction
Retail area population growth	.890
Retail patronage numbers	.862
The projected sales volume of an area	.798
Branch retail inflow/outflow	.692
Transport and inventory holding costs	.425
Distance to distribution centres	.388

Location of branch

The study sought to establish where the supermarket branch was located. The findings are shown in table 5.

Fifty four point one (54.1%) of the respondents indicated that their branches were located in the general business district. Thirty nine point three percent

(39.3%) were located in the estates while 6.6% respondents indicated that most of their branches were located both in general business district and estates. The current studies corroborates studies on Kenyan supermarkets by Kamau [16] .The study found out that most supermarket stores started opening in cities and then shifted focus to opening smaller stores next to bus stations in the central business districts. The study indicated that bus stations were targeted for convenience purposes of middle income groups without cars.

Table 5: Location of branch

Branch Location	Frequency	Percent	Valid Percent	Cumulative Percent
General Central business district	99	54.1	54.1	54.1
Estate	72	39.3	39.3	93.4
Mix	12	6.6	6.6	100.0
Total	**183**	**100.0**	**100.0**	

Distance between the branch and the next bus stop

The study sought to establish where the distance between the branch and the next bus stop. The findings are shown in table 6.

On the distance between the branch and the bus station most branch respondents rated a distance less than 5 kilometers (83.1%).Six to ten (6-10) kilometres had a rating of 3.8% while 11-15kilometres had 13.1%.On a study reviewing rural retailing by location, Addison and Calderwood [44] found out that location decisions of most retail branches targeted the general central business district. Their study failed to qualify that stand alone retailers were located further away from bus stops since they targeted customers with cars.

Table 6 :Distance between your store and the next bus stop

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 5 kms	152	83.1	83.1	83.1
6-10 kms	7	3.8	3.8	86.9
11-15 kms	24	13.1	13.1	100.0
Total	**183**	**100.0**	**100.0**	

Tenant mix in location site

The study sought to establish the tenant mix where the branches were located. The findings are shown in table 7.

Ninety four point five percent (94.5%) of the respondents indicated that they were located adjacent to an assortment of retail providers while 5.5% indicated that their location had a combination of many tenants. Contradicting the current study findings Borgers *et al* [17] citing Beyard and O'Mara [18] argue that tenant groupings should follow mix and match principles in order to sustain shoppers' interest and ensure that they are drawn throughout the entire centre. Although the studies propose the mix and match strategy, they comment that one type of location may be suitable for one business and bad for another. In this case, the retail location in relation to the composition is critical and the Times Model (time, information, money, energy and space) is proposed as the most generic. Supporting Borgers *et al* [17], later studies by Chung *et al* [19] seeking a shopping malls tenant mix model agreed that tenant mix was vital in relating the percentage of shop area occupied by different store in a shopping mall. The authors differed that there was a scientific model determining an optimal mix of tenants in a mall.

Table: 7. Tenant mix in location site

Tenant mix	Frequency	Percent	Valid Percent	Cumulative Percent
Assorted service providers	173	94.5	94.5	94.5
Mix and match	10	5.5	5.5	100.0
Total	**183**	**100.0**	**100.0**	

Table 8: Respondents opinion on branch Location

Item	Strongly disagree	Disagree	Ambivalent	Agree	Strongly agree
projected sales volume of an area	.0%	.0%	6.0%	68.3%	25.7%
Retail patronage numbers	.0%	2.7%	5.5%	66.1%	25.7%
Forecasted market share	.0%	5.5%	4.4%	74.3%	15.8%
Market saturation /market size(sales)	3.3%	3.8%	4.9%	68.3%	19.7%
Number of malls and shopping centres around the area	.0%	8.2%	6.6%	70.5%	14.8%
Transport and inventory holding costs	.0%	.0%	6.0%	63.4%	30.6%
Branch retail inflow/outflow	.0%	.5%	.0%	75.4%	24.0%
Retail area population growth	.0%	3.3%	6.0%	61.2%	29.5%
Distance to distribution centres	.0%	6.6%	.5%	68.3%	24.6%

The study sought to establish whether sales volume information was vital in branch network decisions. Sixty eight point seven percent (68.7%) were in agreement, 25.7% strongly agreed while 6.0% were ambivalent. Corroborating the findings Wood and Tusker [20] study on retail location identified site visits as paramount in forecasting sales volumes of geographical areas and penetration of supply chains. In their study the authors illustrated that the measurement and analysis of logistical efficiency while establishing new networks, viability techniques addressing projected sales volume were the best guide to cost and benefit analysis. The authors propose the use of search techniques to discover areas of the country for new stores based on forecasted market share.

Vias [21] study on retail restructuring found that results of previous studies examining the relationship between sales volume and branch network expansion had been inconclusive. His study findings show some studies reporting positive relationship while others found no clear relationship. Using rural retailers he illustrated that they were disadvantaged due to geographical isolation and unfavorable cost structures and restricted population .Although the studies do not provide a solid solution to guide retailing market share, he illustrated that different retailers had a mixture of growth actions dependent on adaptation, diversification differentiation as controlled by market positions.

On whether retail patronage assisted location decisions, 66.1% percent of the respondents were in agreement, 25.7% strongly agreed while in totality 5.1% disagreed. Corroborating the findings Al-sultan and Al Fawzan [22] stressed the importance of efficient and effective facility location. Their study however ranked competitors retail patronage information and information sharing vital particularly when locating in competitive environment. Contradicting the findings Penny and Broom [23] as cited by Wood and Reynolds [24] study of evolution of UK retailers found out that irrespective of the retail environment, the dominant factor in reaching decisions about new sites or in developing trade forecast was the experience of operational managers in the firm.

The study also sought to establish the extent to which forecasted market share in a location could provide information on location decisions. Seventy four point three percent (74.3%) respondents indicated to be in agreement, 15.8% strongly disagreed while 5.5% disagreed .Corroborating the findings Daskin *et al* [25] employed the fixed care facility problems in illustrating that any location model adopted needed vital market share information before models were validated. Based on 33 respondents from an exploratory survey, Wood and Tusker [20] found out that while 100% of the affected firms used sales volume and market share, there was little evidence of database integration into strategic decision making and therefore detailed exploration and the 'search' approaches were still vital.

On whether market size saturation information was vital in branch network decisions, sixty eight point three (68.3%) of the respondents agreed, nineteen point seven percent (19.7%) strongly agreed, 3.8% disagreed while 3.3% strongly disagreed. The study findings corroborate Mamoun and Akrous [26] and Sandberg [27] studies which established that market saturation was a good measure of over representation and could be employed to closure and assortment reduction of affected stores were flagship stores. Wood and McCarthy [28] further concur with the above findings by using the UK food retailing industry retailers .The authors found out that the retailers controlled their expansion activities through new location space races and market saturation.

The study also sought to establish whether the number of shopping malls and shopping centers around an area influenced branch location decisions. Seventy point five percent (70.5%) of the respondents' agreed, 14.8% strongly agreed while 6.6% were indifferent and 8.2% were in disagreement. The study findings corroborate El-Aldly [29] study which illustrated that shopping malls were an attractive location for retail

outlets. El-aldly cited time, information, money, and space as efficiencies established in malls and could lower establishment costs of new retailers. The authors also illustrated that by locating in malls, retailers enjoyed low sunk costs such as advertising and tenant mix related problems which were cushioned by mall management and anchor stores.

The study sought to establish the extent to which transport and inventory holding costs information was vital in branch network expansion. Sixty tree point four percent (63.4%) agreed and 30.6% strongly agreed. Corroborating the findings, Ernie and Rant [45] reviewed the transport and inventory costs of Sainsbury's and found out that the fulfillment factories established on 40 acres and 650000 centers were targeted at lowering transport and inventory related costs. Other scholars such as Amrouce and Zaccour [30] had earlier indicated that Sainsbury's six dependency criteria that stressed the use of traded units' bar codes (TUI) aimed at reducing transport and inventory costs of both new and established branches.

On whether pedestrian flow in a branch was vital in network decisions, seventy five point four percent (75.4%) respondents' agreed, 24.0% strongly agreed while 0.5% was in disagreement. Corroborating the findings Morscett *et al* [31] and Chuan *et al* [19] found out that retail inflow and outflow were vital elements of store success. Contraditing the findings Dass and Piyush [32] study on category vulnerability a cross retailers, found out that pedestrian flow level mixes had no real bounds since they could be controlled by physical abilities of store checkout counters. Their study however proposed that what needed to be addressed was the speed of checkout as it was a determinant of store selection.

On whether the distance to the distribution centers was vital in branch network expansion decision making, 68.3% of the respondents were in agreement, 24.6% strongly agreed and 6.6% of the respondents disagreed. Corroborating the study findings Wood and Browne [33] study findings on convenience branch location in Europe, found that before branches are established site visits was rated 97% as the most important factor in making location decisions. Similar studies by Kan, Weinarter [34] identified such information by illustrating how retailers were extending their control upstream of distribution centers(from DC to manufacturers) in an effort to improve utilization of branch and store logistical assets to reduce wastage and also improve efficiency. Contradicting the findings Calvo and Lang [35] explain that the distant to distribution centers is not significant as a factor. To illustrate this they used Sainsbury's new supply chain strategy of replacing existing networks of 25 regional distribution centers with automated distribution facilities known as fulfillment factories which have significantly increased efficiency in UK branches. Mapped with flagship fulfillment of 160 docks, supplier goods are received in one side while Sainsbury's trucks are loaded for deliveries to the stores at the other side.

Branch location Pearson correlation computation

The results of Pearson correlation between branch location and branch network expansion are represented in table 9.

Table 9: Branch location Pearson correlation computation

		BRANCH NETWORK EXPANSION	BRANCH LOCATION
BRANCH NETWORK EXPANSION	Pearson Correlation	1	.473**
	Sig. (2-tailed)		.000
	N	183	183
BRANCH LOCATION	Pearson Correlation	.473**	1
	Sig. (2-tailed)	.000	
	N	183	183

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between branch location and branch network expansion were found to be .473** at P = 0.000 which is less compared to P benchmark value of .05.This therefore demonstrates some positive relationship between branch location and branch network expansion. The results support the argument by Holweg and Lorentz [36] that good location decreases distribution costs of the retail supply chain making branch expansion cheaper. The authors analysis also affirm that location is the most optimal tool of quick analysis of stores traffic to existing, would be branches and competitor locations when opening new branches. Poor location increases distribution costs making branch network expansion hard. Employing location analytics approach Hillebrand and Bieman [37] also argue that location is among the main factors positively influencing retail performance particularly using organic growth.

RESULTS

Results of the regression analysis on branch location

The Results of the regression analysis on branch location are presented in table 10.

Table 10: Results of the regression analysis on branch location

R	R Square	Adjusted R Square	Std. Error of the Estimate
.473[a]	.224	.219	1.67652

a. Predictors: (Constant), BRANCH LOCATION

The model of $y = \beta_1 X_1 + e$, explained 21.9% of the variation in branch network expansion as shown by the adjusted r. This supports arguments advanced by Rigby [38] that a significant level of the variations in branch network expansion can be explained by retail location decisions .Explaining the significance of branch location, the author cites Carrefour's strategy of analyzing a city with potential, looking for suitable suppliers and income levels to sustain a network of stores before moves are made. Kwok [39] confirms that there is an important and inextricable link between the network strategy and the location. The author argues that location decisions have positive relationship with the branch network decision and therefore location decision should be an integral part of retail strategy, not designed as an afterthought.

Results of analysis of variance on branch location

The analysis of variance (ANOVA) indicated that the model of branch network expansion with branch location at F value of 52.113, $p > 0.05$ indicate that there was a highly significant relationship between branch location and branch network expansion in Kenyan supermarkets. The results are presented in Table 11.

Table 11: ANOVA results for branch location and branch network expansion

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	146.473	1	146.473	52.113	.000[a]
Residual	508.739	181	2.811		
Total	**655.212**	**182**			

a. Predictors: (Constant), BRANCH LOCATION

b. Dependent Variable: BRANCH NETWORK EXPANSION

The table shows that branch location play a crucial role in branch network expansion of Kenyan supermarkets. This supports Cao and Dupuis [40] who argue that the success of retailing significantly depended on lean retailing, a practice synonymous with location standardization, location based on cost-effective relationships with suppliers as well as distribution which reduces retail chains minimization of distribution and selling labor costs.

Results of the Coefficients for regression between branch location and branch network expansion

Branch location was found to have a positive influence on branch network expansion. This is illustrated by the regression results at 5% level of Significant and unstandardized beta coefficient of 0.257 and t-value of 7.219 at P=0.000.

Table 12: coefficient for regression between Branch location and Branch network Expansion

	Unstandardized Coefficients		Standardized Coefficients		
Model	β	Std. Error	Beta	t	Sig.
(Constant)	12.923	.507		25.510	.000
BRANCH LOCATION	.257	.036	.473	7.219	.000

a. Dependent Variable: BRANCH NETWORK EXPANSION

The significance of branch location on branch network has also been supported by Schiele [41], who argue that the location of retail activities in relation to each other as well as buyers and suppliers often contribute to logistics efficiency, supplier access and branch network strategy success. The author argues that firms located within clusters have been found to enjoy productivity, innovation and profitability advantages compared to their isolated competitors and that branch location correlated with branch network between 6 and 7.

Branch location Hypothesis results

There is no significant relationship between branch location and branch network expansion: This hypothesis was stated as:

H_o $\beta = 0$
H_A $\beta \neq 0$
and tested using a two tailed .

Table 13: Hypothesis testing for Coefficients of Regression between Branch location and branch network expansion

Model	β	t-cal	t-critical
(Constant)	12.923	25.510	
BRANCH LOCATION	.257	7.219	1.96

The calculated t value of 7.219 is greater than the t-critical (1.96) at (183-1) (0.005) and therefore the study rejected that null hypothesis that there is no significant linear relationship between branch location and branch network expansion in Kenyan supermarkets. Studies conforming to the current study are Aoyama [42] and Gereffi and Ong [43] who employing DEA models for analysis of intra-chain comparative store efficiency, significantly related the value of branch location to branch network expansion in examining the competitiveness of the chain as a whole. The authors argue that branch expansion competitiveness should be based on benchmarking the retail outlets which compose the chain for retail success.

CONCLUSION AND RECOMMENDATIONS

Branch location

The study established that most supermarket retailers located their branches in the general business district. The study found out that most supermarket stores started opening in cities and then shifted focus to opening smaller stores next to bus stations in the central business districts and sought shopping malls tenant mix model. The study indicated that bus stations were targeted for convenience purposes of middle income groups without cars. The study also established that transport and inventory holding costs information was vital in branch network expansion and the distance to the distribution centers was vital in branch network expansion decision. Branch location was established to belong to the key drivers of retail chain branch network expansion implementation gave quick results.

Recommendations

The study established that most supermarket retailers located their branches in the general business district. Good location was adjacent to distribution centers, bus stops and in shopping malls. The study recommends that flagship branches needed to be started in urban centers before extending to other areas. The study proposes that more efforts be channeled towards Branch location as key drivers of retail chain branch network expansion and its implementation gave quick results.

Areas for further research

Despite the agreed importance attached on branch location, the brick and mortar model is embracing on line retailing. Future researchers are encouraged to account for the impact of online retailing on branch expansion efforts. Secondly, the data are from one country yet the successful retailers have extended to other East African countries and caution should be exercised when generalizing findings to other geographic regions.

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