

An assessment of financial performance and its implications on expansion programmes of selected supermarkets in Nairobi, Kenya

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Abstract:

Growth and expansion are among the most adored strategies in almost every organization that is a going concern. Organizations usually seek growth in sales, profit and market share. To this end, organizations will envisage a number of growth and expansion strategies at its disposal. In recent past, supermarkets have been expanding at a faster rate than before. While others are expanding and making profits, others are making losses despite their expansion efforts. This phenomenon has led to this study. The objectives of the study is to identify the reasons for undertaking expansion, determine influence of selling price and cost on expansion and to establish influence of trained and experienced employees on expansion. The study is of importance to those organizations wishing to expand as they will know the kind of out comes to expect. A study targeted a sample of 25 supermarkets with two respondents each. However, data was collected by use of questionnaires and interviews from 21 supermarkets and hence a total number of 42 respondents. After data analysis it was found out that profit is the significant variable that influences expansion. Experience and education level of employees were also found to be important variables.