

**INVENTORY CONTROL AND CUSTOMER SATISFACTION
CASE STUDY: MONITOR PUBLICATION LIMITED**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF
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DECLARATION

I, ATUKWASE ANODI do hereby declare and solemnly state that this research report was conducted under the topic "INVENTORY CONTROL AND CUSTPMER SATISFACTION" is original and a result of my own efforts and has never been submitted to any University for any academic award. Where the work of others has been consulted due acknowledgement was made.

Signature.....

Date.....06/05/2018

ATUKWASE ANODI

APPROVAL

This is to certify that the following research report prepared by ATUKWSE ANODI which has been carried out under the title of "Inventory Control and Customer satisfaction taking place in "Monitor Publication Ltd" is now ready for submission to Kampala international University Kampala with my approval.

Supervisors signature.....

Date.....

MR. ABAAS

ABAAS

06/08/2018

DEDICATION

This piece of work is dedicated to my family, my God in heaven, friends and relatives who supported me throughout my research work.

ACKNOWLEDGEMENT

I thank the Almighty God who has guided me throughout my whole study, without his grace and mercy I would not have been what am.

Special thanks are extended to my supervisor Mr. ABAAS who sacrificed most of his time in advising, guiding and tirelessly correcting me throughout the compilation of this work. I wish to acknowledge the fact that without his encouragement and guidance, this research report would not have appeared the way it is. .May you live longer and be blessed

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LIST OF ABBREVIATIONS

MPL-Monitor Publication Limited

EOQ-Economic Order Quantity

JIT-Just In Time System

ABSTRACT

The study was about Inventory control and customer satisfaction in Monitor Publication Ltd. The study was mainly based on three research objectives that is: to investigate the inventory control techniques used by the organization, to determine the level of customer satisfaction in the organization and to determine the relationship between inventory control and customer satisfaction in Monitor Publication Ltd.

The study employed a cross section design together with descriptive and analytical research design, based on both quantitative and qualitative data. Questionnaires and interview guide were used to collect data and a sample size of 45 respondents was selected using stratified sampling technique. Data was summarized, sorted, edited and analyzed using statistical packages for social scientists (SPSS) and Microsoft word and the findings were presented in a report format.

Findings on Inventory control were that Monitor Publication Ltd puts greater emphasis on monitoring optimal stock levels and keeping Inventory records and conducts Inventory control annually. It was however established that Inventory control is not well understood by majority employees of Monitor Publication Ltd and not all items are inspected. Findings on Customer satisfaction were that Daily Monitor is the major product offered to customers, however it was established that Monitor Publication does not provide quality products to its clients and the distribution channel is not convenient and attractive to customers. Findings show that there is a significant positive relationship between Inventory control and Customer satisfaction in the organization.

Recommendations on Inventory control were that Monitor Publication Ltd needs to train and sensitize employees regarding the importance of Inventory control and also ensure that all items are inspected so that they do not get problems concerning Inventory monitoring and record keeping. Recommendations on Customer satisfaction were that Monitor Publication Ltd need to put more effort on improving product quality as well as improve on its distribution channel so as to make its products more convenient and attractive to customers. Therefore more effort should be put on Inventory control to achieve Customer satisfaction.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, problem statement, purpose of the study, objectives of the study, research questions, and significance of the study and the scope of the study. The study will be centered on inventory control and customer satisfaction.

1.1 Background of the study

Inventory control is a system concerned with integration of information, transportation, acquisition, inspection, material handling, warehousing, packaging and control of supplies and occasional security of inventory (Keaf, 2003). Inventory control aims at discovering and maintaining optimal levels of investment in all types of inventories and maximizing the flow of goods, information and other related resources like people and energy from the point of origin to the point of final consumption (Knot, 2005).

In most manufacturing companies today, a lot of money is tied up in inventory and stock accumulates due to variations in demand and supply forces and therefore it is a concern of senior management to manage inventory levels in aggregates so as to forecast changes in market needs (Ballou, 2000). Inventory control and planning involves determining when and how much to order forecasting demand and stock replenishment, identifying the most effective source of supply, inventory monitoring and information management while meeting the every growing customer needs who demand that products are delivered on time and in good condition (Aaronson).

Many organizations are recognizing inventory control through conducting trainings in stock taking, inventory level and supplier management (manufacturing industry reform, 1999)

Customer satisfaction is the fulfillment of the customers' expectations and meeting their needs by providing the benefits sought and doing better than competitors (Kotler, 1988).

With the ever changing customer needs, manufacturers and retailers should maintain a good inventory system so as to forecast market demand with accuracy. Organizations should identify and satisfy customer needs by providing the benefits sought and doing better than competitors while making satisfactory profits. (Harris, 2000). A company's loyalty and product purchase comes from achieving customer satisfaction (Gerry, 2005).

The study will be done in Monitor Publication Ltd established in 1992 as an independent daily newspaper and relented as Daily Monitor in June 2005. under ownership of Nation media groups its product portfolio includes daily monitor, monitor directory and magazines. It handles items like printing ink, paper, work in progress and finished goods. Monitor publication is under pressure to streamline its supply chain, minimize large inventories and cut lost of holding inventory, this calls for proper inventory control on how these products should be handled without delay in serving customers (Internal Audit records, 2006). Despite the considerable effort by Monitor Publication ltd to maintain optimal inventory levels and meet customer needs, there is still a high frequency of customer complaints due to poor quality prints, poor customer service and delayed delivery (performance plan of Monitor Publication Ltd, 2009) This therefore prompted the researcher to investigate the relationship between inventory control and customer satisfaction.

1.2 Statement of the problem

Inventory control has been adopted in most organizations with the aim of maintaining optimal levels of inventories so as to avoid unnecessary investment in inventories and maintain enough inventories to meet customer demands by monitoring the flow of items from one point to another (Oliver, 2004).

Manufacturing companies like Monitor Publication Ltd faces inefficiencies in its attempts to maintain optimal inventory levels as well as inconsistencies of poor color prints, delayed deliveries, long supplier lead time, poor quality prints of its advertisements and magazines, low customer turn over and uncertainty of customer demand. This has greatly

compromised inventory control and operation efficiency of Monitor Publication Ltd. (Internal Audit records, 2005).

Despite the considerable effort by Monitor Publication Ltd to solve the above inefficiencies by training staff in latest techniques of inventory management, reducing supplier lead time, improving on the quality of color prints and magazines and training customer care personnel, there still exist a high level of customer complaints and therefore the study intended to investigate the effect of inventory control on customer satisfaction.

1.3 Purpose of the study

The purpose of the study was to examine the effect of inventory control on customer satisfaction.

1.4 Objectives of the study

The research study aimed at achieving the following objectives.

- i) To investigate the inventory control techniques used by Monitor Publication Ltd.
- ii) To determine the level of customer satisfaction in Monitor Publication Ltd.
- iii) To determine the relationship between inventory control and customer satisfaction.

1.5 Research question

The research study aimed at answering the following research questions.

- i) What are the inventory control techniques used by Monitor Publications Ltd?
- ii) What is the level of customer satisfaction in Monitor Publication Ltd?
- iii) What is the relationship between inventory control and customer satisfaction.

.6 Scope of the study

.6.1 Geographical scope

The study was carried out from the headquarters of Monitor Publication Ltd located on plot 29-35 8th street industrial area, Kampala, Uganda.

1.6.2 Subject scope

The study focused on inventory control as the independent variable, customer satisfaction as the dependent variable and the effect inventory control has on customer.

1.6.3 Time scope

The study considered records and those items related to inventory control and customer satisfaction for the period of three years (2008-2011).

1.7 Significance of the study

- i) Customers are the life blood of any business enterprise, without them, the company will be beneficial to organizations design ways of how to meet customer needs as well as solving customer complaints.
- ii) Having more customers means more sales and hence high profit margins. Thus the findings of the study clearly indicate the practical importance of customer satisfaction.
- iii) Through proper inventory control, the company's image is protected. This is because with customer satisfaction, there is always a repeated sale to the manufacturing organization to create customer retention.
- iv) The findings of the study will help future academicians especially of Kampala International University in gaining insight about inventory control and how it influences customer's satisfaction.
- v) The findings of the study will help the researcher achieve vital requirements for the award of a bachelor's degree in Business Administration- Accounting and Finance of Kampala International University.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the related literature about inventory control and customer satisfaction is reviewed. The purpose of this chapter is to explore scholarly work and previously conducted research to establish the relationship between inventory control and customer satisfaction.

2.1 Inventory control

Inventory control is the process of maintaining sufficient stock of items to meet customer needs, weighed against the cost of carrying inventory to determine the appropriate inventory levels. (Nair, 1995). It is senior management's effort to discover and maintain the optimum level of investment in all types of inventories from raw materials and suppliers to finished goods so as to monitor changes in market demands with accuracy. (Horngren, 1982).

Inventory is considered to have originated from the military's need to supply themselves with arms, ammunition, and rations as they moved from their base to a forward position. (Harris, 2000). Inventory is held in order to forecasts future changes in customer needs as well as meet customer requirements. This helps in managing loopholes associated with inventory like having inadequate inventory which disrupts production while the other danger is that of excessive inventories because it introduces unnecessary carrying costs and obsolescence risks (Pandey, 2003)

A lot of money is tied up in inventories and inventory control is now well recognized in most companies as being so vital because we are in a take off stage and entering still competition and therefore inventory control helps in maintaining optimal stock levels by identifying how much to order, when and how many to order to avoid over investment or under investment in inventories so that the business activities are not disrupted (Kakuru 1998).

Inventory control is part of supply chain which plans, implements and controls the efficient, effective forward and reverse flow of goods, services and related information between the point of origin and the point of final consumption in order to meet customer and legal requirements (Knott, 2005).

Inventory as a business concept evolved only in the 1950's. this was mainly due to the increasing complexity of supplying one's business with materials and shipping out products in an increasing globalized supply chain and inventory management calling of experts in the field called inventory and supply chain logisticians (Richard, 2003). This can be defined as having the right time in the right quantity at the right time at right place for the right price in the right condition to the right customer and is the science of process and incorporates all industry sectors. The goal of inventory control is to manage the fruition of project life cycles supply chains and resultant efficiencies (Gareth, 1998).

Most organizations have three types of inventory which includes raw materials, work in progress and finally finished goods.

As such inventory control is a very important process of production, it avails physical materials used in production of finished products and the process begins with purchasing operation and ends with products ready for sale to customers (Bagget 1989).

2.1.1 Types of inventory

Most organizations handle four types of inventory such as:-

Raw materials: These are basic inputs that is converted into finished goods / products through the manufacturing process. (Morse, 1989) raw materials are those units which have been purchased and stored for future production and these are in the form of un manufactured / un processed products. (Pandey; 2003). Donald; 1986 stresses that the buying of raw materials so as to ensure smooth production processes in an organization.

Work in progress: This is concerned with products that are still in the production process to be converted into finished products and they are important in covering the gap that may be left by the company running out of stock of finished products (Pandey, 1995).

Work in progress provides buffer stock between different stages between unprocessed materials and finished products hence providing flexibility in the process (Balunywa, 2003).

Finished goods inventories: These are completely manufactured products which are ready for sale (Harogren, 1982). Stock of raw materials and work in progress facilitate smooth production while stock of finished goods is required for smooth marketing operations and if finished goods inventories are not kept, present as well as future sales may be lost because customers can demand for more goods anytime (Nair, 1985)

Supplies: Pandey (2003) asserted that supplies are maintained by the firm to smoothen its production process's supplies include office supplies, plant cleaning, materials like soap, brooms, oil and light bulbs, these materials don't enter the production process but are necessary in the production process.

Alkinson (2005) stresses that supplies are a small part of inventory, and do not involve significant investment. Therefore a sophisticated system of inventory control may not be maintained for the supplies and planning is not hectic but very crucial to efficiently manage inventory to offer the best to the customers.

Inventory control mostly concentrates on the first three inventories raw materials, work in progress and finished goods as well as supplies (Morser, 1981). This is because the levels of these inventories depend on the nature of the business. A manufacturing firm will have substantially high levels of all inventories while a retail or whole sale firm will have a very high level of finished goods inventories and no raw materials and work in progress inventories.

2.1.2 Inventory costs

Inventory handling is associated with the following costs;

Carrying costs: These are costs, associated with keeping of inventory in the firms store or premises. These include insurance, storage costs, inspection, deterioration costs. (Kambil, 2001)

Ordering costs: These are costs incurred in placing and ordering for suppliers. (Knot, 2005) These include costs of preparing requisitions, vendor selection and negotiation, order preparing, postage, receipt of goods and payment of invoices.

Stock –out costs: These are costs associated with being out of inventory. They include less of production output, cost of idle time and fixed overloads spread over a reduced output loss of customer good will because of the inability to supply or late delivery.

2.1.3 The need for holding inventories

Pandey (2003) asserts that need to hold inventory arises from three basic motives of business planning and management and these include precautionary motive, transaction motive and speculative motives. Firms maintain inventories to facilitate production and sales promotions as a ground against the risk of unpredictable changes in demand and supply forces and the need to take advantage of price fluctuations and hence its imperative that a firm must maintain inventories at optimal levels (Bishop, 2001).

According to Kambil (2001), the need to speed up the production process and delivery of goods to operate instantaneously have led to the increased need for holding inventories, inventories must be maintained so that the customer may be served immediately or at least quickly before he/she turns to another source of supply and inventories of direct materials, work in progress, finished goods and supplies facilitate production process to run smoothly (Baggot, 1989).

Horngren (1982) that inventories are very paramount in reducing supplier failure and lead time uncertainties and argued that are very crucial to absorb planning and controlling errors as well as unforeseen fluctuations in supply and demand and to facilitate smooth production process and marketing operations. This is in agreement with Pandey (2003) is argument for holding inventories.

Firms also hold inventories to ensure constant demand and protect themselves against anticipated shortages and price increases especially in times of high inflation (Konke, 1999). This is to ensure the firm does not run out of business due to stock shortages and as such inventory is very crucial for the survival for the firm.

2.1.4 The need for inventory control

According to Konke (1999), the maintenance of inventories is an expensive matter for it represents a considerable investment of capital. In many ways, there are idle funds since the items stocked do not appreciate in value though storage, a part from those exceptional cases of maturing when storage is really analogous to processing. Geoffrey noted that inventories must be paid for and further funds are needed to finance the storage facilities such as building, equipment, fitting, lighting, heating and staffing.

The risk of delay in production through non-availability of inventories and costs tend to vary inversely with the size of inventory and create pressure towards maximum stock levels (Kireet, 1995). This therefore calls for proper inventory control so as to discover and maintain optimal inventory levels that will average out the odds of excessive investment in inventory and inadequate investment in inventory and Konke[1999]. According to Bagget (1989) the optimal inventory level is found at some point between excessive and inadequate inventory level.

According to Donald (1986) in perfect agreement with Konke (1999), the determination of the optimum inventory level is a matter of complexity because stores movements create a dynamic situation of constantly change inventory levels. This can be setting

fairly wide stock limits known as maximum inventory levels and minimum inventory levels, re-order levels and quantity (Horngren, 2001).

Konkel (1999) noted that the former limits the investment in inventories while the latter ensures that inventories are sufficient for normal demands.

Horngren (2001) advised on mathematical inventory control model that identifies optimum number of orders and the size of those orders.

Pandey (2003) advised that inventory planning and control should ensure that excessive and inadequate inventory levels are avoided and sufficient inventory are maintained for smooth production process and sales operation.

Pandey (2003) further stresses that efforts should be made to place an order at the right time with the right source to acquire the right quantity at the right price and quality.

Kotler (1988) asserts that an effective inventory management system is based on proper inventory control and this is aimed at meeting customer needs through efficient procurement management.

Lucy (2003) identifies two broad divisions of inventory control systems: re-order level and the periodic system and others like hybrid system, economic order quantity safety stock, which assists in maintaining stock levels in any fluctuating periods.

2.1.5 Inventory Control Strategies

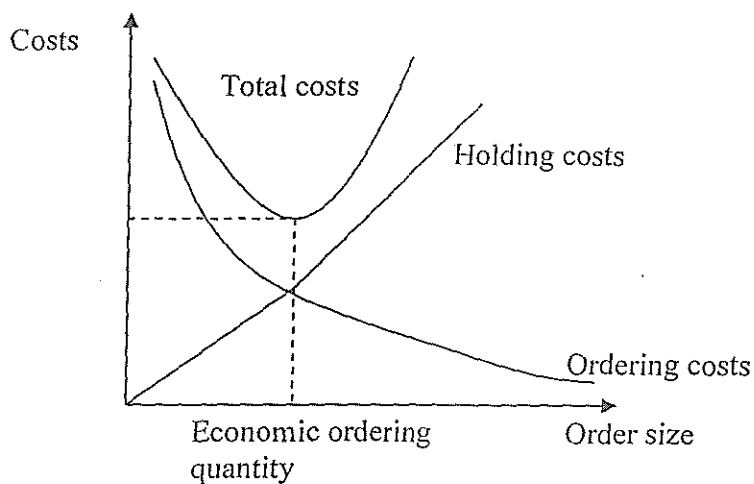
Several techniques have been advanced to tackle several constraints associated with inventory. These techniques must be in line with the firm's objectives and as in this case customer satisfaction being the major objective the firm's satisfaction being the major objective they should be aware of the relevant costs associated with achieving customer satisfaction.

Economic Order Quantity (EOQ) Model: The economic order quantity also known as the Wilson EOQ model is a model that defines the optimal quantity to order that minimizes total variable costs required to order and hold inventory [Bennet 1999].

Economic Order Quantity is the optimal ordering quantity for an item of stock that minimizes costs and it has the following assumptions.

The demand for the item is known with certainty, the lead time is known and fixed, the receipt of the order occurs in single instant, quantity discounts are not calculated as part of the model and shortages of inventory or stock out do not occur.

Economic order quantity graphs illustrates the relationship amongst the ordering costs holding total costs and economic order quantity (Nair, 1985)



Bennet (1999) says in order to arrive at the economic order quantity, the formula below is used.

$$Q^* = \frac{2CR}{H}$$

Where Q^* indicates the optimal order size

C is cost per order event (net per unit)

R is the monthly demand for the product.

H is the holding cost per unit

Just in time (J.I.T) Inventory system: This is an inventory control method whose goal is to maintain just enough material in just the right place at just the right time to make

first the right amount of the product (Carson, 1998) this was pioneered by the Japanese manufacturing firms where inventory is acquired only when required in business for production process and this aimed at improving the return on investment of the business by reducing in process inventory and its associated costs (Mpungu, 1995).

In this system, the supplier delivers the components and part to the production line "Just in Time" to be assembled. Other names for just in time system is Zero stock inventory and production (Atkinson, 2001).

For the just in time method to work successfully the quality of the parts must be very high because defective line could up the assembly line, there must be dependable relationships and smooth co-operation with suppliers ideally the supplier should be located near to the company with dependable transportation available (Heinz, 1994).

Just in time inventory control system helps in reducing inventory costs by avoiding carriages of excess inventories, mishandling raw materials like printing ink and just in time purchasing recognizes high costs associated with holding high inventory level (Kortz, 1993) and as such it has become important in most organizations to order inventory just in time of production so as to cut costs of holding inventory like storage lighting, heating, security, insurance and staffing.

ABC / Pareto Analysis: In most business organizations inventory control is more or less based on ABC concept of cost of materials consumed during the year (Raghubit, 1996).

Here items are classified as the basis of investment involved. ABC analysis measures the significant of each item in terms of value to the organization.

Class A Items: These are items with the highest value, they are basic and account for the bulk of expenditure of which they represent 60% and decisions concerning class A inventory is in the hands of the top management. Due to their level of importance to the budget, it is worth while taking care to choose a supplier who gives god value information about prices charged else where which can be obtained from advertised and

visits to the suppliers (Oakland, 1999). These items need close day to day control because of the relative importance and these include materials that enter direct into production of finished goods like paper, printing ink.

Class B items: These represent the set of items with intermediate value and represent 30% of stock value. They fall between class A and C and should be legally reviewed but not as closely as class A items.

Class C items: These items account for only a small proportions of spending on inventory approximately 10% of the total stock value. They are needed occasionally but do not cost so much and spending hours comparing the price from different suppliers do not make economic sense (Pandey, 1995).

ABC analysis is useful to managers in determining the behaviour of inventories and related costs associated with inventory. In Japan manufacturing firms the inventory of class A and comparatively class B items are stocked for 2-3 days (Kireet, 1996).

Material Requirement Planning (MRP): This is a technique of working backwards from the scheduled quantities and need dates for finished products specified in a master production schedule to determine the requirements for components needed to meet the master production budget schedule. (Cooper, 2003) This inventory control technique determines what components are needed how many are needed, when they are needed and when they should be ordered so that they are likely to be available when needed (Louis, 1981).

Stock taking and recording: Kireet (1996) asserts that it is important to have accurate inventory records and this can be achieved through proper stock taking and recording. Levinson (2005) define stock taking as the physical counting of items at the end of the period so as to determine the fast moving stock and the slow moving stock the fast moving stock and the slow moving stock so as to determine what should be ordered or not.

Stock taking helps managers to monitor changes in inventory levels with more accuracy so as to meet the ever changing requirements and needs of the market as well as forecast future change in the rules of products in the market (Harris, 2000).

2.2 CONCEPTUAL FLAME WORK

Customer satisfaction is the fulfillment of the customer expectation and meeting the customers needs and wants [Harris, 2000]. Balumya (1995) defines customer satisfaction as a subjective feeling when a customer has used a product or service of an organization to feel positively satisfied as an indication that his desires and wants are fulfilled.

Customers are life blood of every organization because most business organizations survive through the sale of products and services (Eddowes, 1991). Therefore it is important to consider the reaction of customer to various services offered and to analyze the consumption patterns of consumers which help an organization to determine whether customers are satisfied with the organizational offering or not (Sundern, 2000).

If the number of customer's increase, then the organization should concentrate on such services which generate sales for the organization, on the other hand if the number of customers reduces managers should identify the cause and find ways of meeting customers expectations in order to increase customer turnover (Knot, 2005).

Balumya (1995) said probably the most outstanding explanations of what a customer is was made by former Indian prime Minister Margino Geadhio who stressed that;

A customer is the reason why a business organization exists and he is an important visitor on the organizations premises. He is not dependent on the organization but the organizations is dependent on him, he is an interruption to the organizations works but he is the sole purpose for its existence, the organization on doing him a favor by serving

him he is doing the organization a favor by giving it an opportunity to do so. Gandhi (1971).

Boone, (1996) asserts that knowing what a customer is was stated in the fact that if customer service falls short of expectations, the customer is dissatisfied of the product or service and hence product or service repurchases may not likely to be possible.

The focus of contemporary business strategy is based on creation of customer satisfaction (Oliver, 2004). Organizations should identify and satisfy customer needs and wants by providing the benefits sought and doing better than competitors while making a satisfactory profit. (Norman, 2001).

In other words, gaining a differential advantage by giving better value from the perspective of the consumer value being the relationship between the benefits provided as perceived by the consumer and the price paid; and as such, customer satisfaction is indicated by customer loyalty , customer retention, and switching behaviors of customers (Harris, 2000).

The printing industry includes paper magazines, News papers, book ink and carbon materials. Focuses on perfect order metrics (Blanchard, 2007) to work toward perfect order metrics, there need to be aggressive inventory management restructuring supply chain operations and updating to the perfect standard which involves the cases shipped against the orders, on time delivery, date synchronization, damages and unusable products, delays in supply ordering time cycle and shelf level of service (Red Praire, 2005).

2.2.1 Determinants of level of customer satisfaction.

The level of customer satisfaction in a business organization is determined by a number of factors like customer funding, product quality behaviour of internal customers.

2.2.2 Customer care and customer handling

According to Arden (2004), customers value the organization which treats them well and to do so, organizations must ensure that this job of handling customer is given to people who have the required quantities.

Organizations which offer good customer care perform better than those which do not value the power of customers because some customer may prove very difficult to deal with especially if they have complaints others may be a little confused and ensure of whom they want to see and therefore each customer or visitor needs to be treated differently depending on their requirements, although both require careful handling which can be achieved by the organization through good customer care services (Morgan, 2009)

Mcbride (2000) asserts that organizations which thrive and prosper place great attention on customer care and therefore managers should look at those factors which create customers satisfaction and concentrate on them. Since effective customer handling is the apex of customer satisfaction in an organization.

According to Barbara (2002) customer are the king in the business organization and therefore in a bid to maximize sales volume, organizations should serve customers efficiently.

Customer complaints should be handled carefully if an organization is to retain and sustain the existing customers and thus the organization should not do things that irritate the customer but rather should focus on those factors which impress customers and encourage them to return (Kireet, 1996). This is to sustain customer satisfaction, printing industries should avoid those things that discourage customers from returning to re-purchase the organizations products or services.

Gareth (1998) stated that effective customer care and customer handling are the main determinants of customer satisfaction. Effective customer handling and customer care creates inseparable bond between customers and the company's offering and hence creates a great deep sense of satisfaction in the minds of customers. When customers are treated well they feel special and the more special they feel, the more they will want to return to consume the company's offering (Morgan, 2009).

According to Bennet (1999) being treated as an important customer obtaining rapid response, being listened to always having someone to talk to and not being kept waiting and also receiving apologies are attributes that make up customer satisfaction and in addition customer satisfaction results from each person in the organization treating the customers as potential customers as they would wish to be treated themselves.

Oliver (2004) concedes that knowing your customer plays a big part in enhancing customer satisfaction. Customer satisfaction therefore, is what makes the difference in business today and this will make customers return and through this high sale are realized as customers who are satisfied will be more willing to do business with the company and be the first to try out new products or brands. Such customers will pay low attention or no attention to competitors in addition to attracting and convincing other people to their company (Trevor, 2000).

2.2.3 Product of service quality

The nature of the product or service is very important in influencing customer satisfaction and the products quality is measured by performance reliability, dependability and durability. (Keaf, 2003). This besides aspects like aesthetics features of the product, the quality of the product is what the customer actually perceives to derive satisfaction rather than what the product actually is.

Cooper (2003) asserted that the higher the quality of the products, the more the customer will be satisfied with the company's products or service and this will result into customer

retention as well as attracting new ones to the company. It is therefore important for the organization to produce high quality and unique products and services distinct from what their competitors offer so as to gain competitive advantage. (Trevor, 2009).

2.2.4 Behaviour of internal customers.

Internal customer include employees of the organization and external customers want to feel good in any transaction consequently the behavior of the people they come in contact with is important in determining their satisfaction (Balumya, 2005)

Customer always see everybody they deal with in an organization whether it is the security guard, the cleaner or the trust executive and therefore the behaviour of the employees however trivial they are is important in influencing customer satisfaction and therefore employees of the organization should present themselves in way that reflects the companies image so as to handle customers carefully in a way that keeps the customer happy (keaf, 2003).

2.2.5 Customer needs and expectation

Oakland (1999) notes that for an organization to achieve customer satisfaction and be able to retain their potential customers the organization needs to understand what the customer needs and expects out of the product or service being condemned to him by the organization.

Customer needs and expectation are the desires that the customer wants to fulfill from the consumption of a product or service which meets he/she think will maximize his or her satisfaction (Oliver, 2000) and therefore the organization should understand the customer and their expectation before offering the product or service to them so as to minimize loses of rejections.

2.2.6 How to measure customer satisfaction.

Number of customer returns: A customer who returns regularly to re-purchase an organizations-product or service is an indication that the customer is happy with what the company offers to him hence customer satisfaction is achieved (Terry, 2005).

An organization should not end here but should ensure potential customers are served with the best product or services as well handled carefully so that they bring along other customers to the organization (Balunywa, 1995).

Construct brief survey questionnaire: Questionnaires are a common means of finding out whether a customer is happy with the product and service as noted. The questionnaire should reveal the strength and weakness of the organization and the customer should as well be given the opportunity to express their feelings (Trevor, 2000).

Get feedback from customers

Customers leave one company's offering for another company for various reasons and as such the organization should try as much as possible to get feedback from the customer especially when there are complaints regarding the product (Terry, 2004).

This way the company will be able to learn from its mistakes so that they put in much effort in the way they handle customers so that they retain the current ones as well as attract new ones (Balunywa, 2003).

2.3 Relationship between inventory control and customer satisfaction

Inventory control is a process of planning, implementing and controlling the efficient, cost effective flow and storage of raw materials, in process inventory finished goods and related information from the point of origin to the point of final consumption for the purpose of meeting customer requirements (Knot, 2005).

Kotler, (2003) positions the hypothesis that buyers will buy from a firm that they perceive to offer the highest customer delivered value and benefits. At the hour of the concept of customer delivered value are the following;

Total customer value – the bundle of benefits customer expect from a given product or service.

Total customer costs – the bundle of costs customers expect to incur is evaluating, obtaining and using the product or service.

Therefore in determining which organization offers the highest customer delivered value, customers would examine the relationship between customer cost and value for determine which product offering is more favorable (Oakland, 1999).

Harrison (2000) argues that it costs a firm more to get a new customer then to keep an existing one, simply because the existing customers are familiar with the company's offering and for one satisfied with the product performance as well as knowing the brand name. As a result focusing on the relationship between an organization and the customer is a means of having a successful inventory control strategy (Morgan, 2009) and therefore those organizations that can retain more customers by satisfying their better than competitor will have profitable products in the long run and not first in the short run.

Oakland (1999) argues that it does not matter which type of organization you work in, a hospital, bank university, local government, airline, factory, competition will arise, competition for patients, customers, students, resources, passengers and funds respectively will arise. Very few people in most organizations remain to be convinced that inventory control is the most important competitive weapon where its management is learnt like any other skill, and in this case if proper inventory control attained, the organization is bound to win more customers for its production and services, steal business resources and be competitive in the market hence improvement in performance, reliability, delivery and a favorable price will prevail to customers and the organization.

Knot (2005) argues that customers prefer acquisition of goods and services in time. That an entity which can deliver goods to customers in time and in good condition will be considered a good performing entity, high quality products and services is a value

demanding by all customers, therefore maintaining optimal inventory levels and delivering high quality products/services to customers create a strong customer base for the organization which enables it to perform better than those which offer substandard services/ products (Harris, 2000).

Doyle (2002) adds that inventory control is the single most important factor determining the organization's long term market share, profitability and customer satisfaction and therefore this implies there is a direct relationship between inventory control and customer satisfaction.

2.3.1 Inventory quantities

Keaf (2003) asserts that, what needs to be produced from outside source is indicated by the materials list and by the decisions as, how to or what to make versus what to buy.

Khail (2001) and Geoffrey (2005) observed that quantities to buy and maintain should be looked at in two ways.

Firstly, there is overall quantity to be bought and maintained over an extended time period. This quantity is based on the total sales for the end product and the need for service parts. This overall quantity of inventories can be used for negotiating contracts that assure material availability over long periods to meet unexpected customer demands.

Secondly there is the individual shipment or purchase order quantity. This quantity is indicated by a number of considerations such as the method of inventory control, this is the mechanism for triggering the purchase order, the production scheduling method, the transportation rate, the number of products purchase and the supplies volume, price structure. Inventory control becomes concerned with customer satisfaction at this point because the customer perspectives and demand effect the costs of material of how and maintenance.

2.3.2 Timing of inventory purchase and releases.

The frequency and volume of purchase are related. If larger quantities are procured at one time, fewer purchases are needed per year depending on the level of customer demand (Mpungu, 2005). Paper work can be reduced but carrying costs will increase.

Van Horne (1995) asserted that orders are made in advance so as to cut down storage costs orders placed not far ahead of need may result in a production, shut down and therefore it's a major responsibility of inventory control to guide the organization in achieving customer satisfaction.

Khail (2001) stresses that to achieve customer satisfaction, inventory control ensures that purchase order releases are carefully timed from an analysis of demand supply lead time, and minimum order quantities

Richard (2003) reveals that there is no organization that can thrive and prosper if it neglects customer satisfaction. Customer satisfaction is based on inventory control. Organization which have continuously failed to deliver goods to their customers as well as maintain optimal inventory levels to meet unexpected customer demands are lagging behind the experience curve and this has adversely affected the customer turnover, customers loyalty and customer satisfaction (Morgan, 2009). This therefore indicated there is a significant relationship between inventory control and customer satisfaction.

2.4 Conclusion

With reference from the above literature about inventory control and customer satisfaction, it indicates that there is need to solicit more data concerning inventory control and customer satisfaction so as to fill the gap and bring more light and understanding on whether inventory control influence customer satisfaction. It is therefore expected that there is a significant relationship between inventory control and customer satisfaction in organizations and therefore the researcher aims at investigating the impact of inventory control on customer satisfaction in Monitor Publication ltd.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the description of research design, area and population of the study, sample size and sample selection technique, sources of data, data collection instruments, data quality study variable data analysis and interpretation, procedure of the study and the likely limitations of the study.

3.1 Research Design

Cross section design was used together with descriptive and analytical research design based on both quantitative and qualitative data. This was employed in order to answer the research questions of the study to control the intervening variable of the study. It involved examination and discovering of strategies existing under inventory control and at the same time exploring its effects on customer satisfaction.

3.2 Area of the study

The study was carried out at the headquarter of Monitor publication ltd located on plot 28-35 8th street industrial area, Kampala, Uganda. The area was chosen because the researcher anticipates that the required data for the study would be accessed easily.

3.3 Study population

The target population involved employees in top management inventory management, purchasing transportation consultation, marketing, customer care and operations.

The population of the study involved 50 employees and heterogeneous in nature and will compose of top management which include directors, head of departments, principle officers, board members, middle level management who include inventory control officers, and those involved in operations, lower level management who include control assistants, customer care, assistants inventory and cleaners, stakeholders include customers of monitor publication ltd, suppliers and other interested inventory control.

3.3.1 Sampling technique

3.3.2 Sampling design

The study used stratified sampling technique taking into account the different categories of employees to be covered and the levels of responsibilities and then simple random sampling techniques will be used to choose respondents from the different departments.

3.3.3 Sample size

The sample size consisted of 50 respondents of different age groups.

3.3.4 Sampling procedures

Because of the limitations that the researcher faced during the study, the researcher proposed a selective number of methods of collecting data that he found relevant and necessary to extract responses and it involved both top – bottom and bottom – top approaches to carry out the exercise.

3.4 Sources of data

Basically primary and secondary data sources were used in carrying out the investigation.

3.4.1 Primary sources

This involved the use of questionnaires, interview guide and observations.

3.4.2 Secondary sources

This included consultation from contracts between monitor publication ltd and its stakeholders text books, monitor journals and directories concerning inventory control and customer satisfaction, news letters. Annual corporate reports. Data obtained from these sources was later analyzed and compared with primary sources in order to make informed judgment.

3.5 Data collection instruments

The researcher used a variety of instruments like questionnaire administration, observation and interview guides.

3.5.1 Questionnaires

The researcher used structured questionnaires in gathering data from the lower level employees in different departments.

Close ended and open ended questionnaires were employed in gathering data among the middle level management. The questionnaires were designed in such a way to reflect the objectives of the study. Questionnaires were be used in data gathering because they are structured in a straight forward way and the information to be obtained from them can easily be computed. Further more the researcher believes that using of questionnaires would give respondents convenient time to fill them without any pressure.

3.5.2 Interview guide

The researcher also used the interview guide in collection of data required for the study and this will be based on the study objectives.

Various questions relating to material inventory countries and customer satisfaction were posed to the respondents as a means of accessing first hand information. The researcher interviewed both employees and customers of monitor publication ltd. this instrument will be used because it is the quickest method of collecting data and questions can be repeated clearly for the respondent to understand them and also data collected using this tool was more reliable and accurate. Therefore it enabled the researcher to scrutinize the answers that were given in the questionnaire and which enabled the researcher to obtain further information about inventory control and customer satisfaction.

3.5.3 Observation

This involved the researcher physically visiting the offices and stores of monitor publications ltd and examining the inventory levels and strategies in place. With his naked eyes.

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3.5.4 Literature survey

The researcher also used library reading to collect data from the company records as secondary data which were normally documented in nature, management reports, audit reports and records regarding inventory and customer service.

3.5.5 Validity and Reliability of the tools

Questionnaires and interview guide were pre-tested in New Vision Company before issuing them to Monitor Publications Ltd staff and stakeholders. Pre-testing was done to measure the validity and reliability of the research tools and to reduce on cases of question ambiguity and biases. The pre-testing exercise enabled the researcher to establish the sequence of the questions and how the interviews should be conducted.

3.6 Data Quality Control

Data gathered from the respondents were edited and coded. Data was edited in order to ensure completeness and accuracy of the data to be collected. In the process of editing the data that may be collected, errors and omissions may easily be identified and eliminated. Edited data was further coded in order to statistically obtain meaning from the data that may be collected. Coding involved the researcher assigning numerical questions to be answered so that responses that may be obtained could easily be summarized and interpreted.

3.7 Study variables

The variables of the study are inventory control and customer satisfaction. Inventory control as the independent variable and customer satisfaction as the dependent variable. The study will be centered on how inventory control affects customer satisfaction.

3.8 Data Analysis and presentation

Descriptive Statistical method was used in analyzing and interpreting the findings of the study. The data collected was edited for completeness, accuracy, consistency and relevancy to aid in interpretation and analysis and then the findings will be presented in

tables and charts from which frequencies will be determined. The researcher's judgments were based on what the majority of the respondents will indicate or depending on how the researcher perceived the situation on the ground. The findings of the study were presented in such a way to reveal the relationship between inventory control and customer satisfaction.

3.9 Procedures of the study

The study was done in an organized way in which the researcher first obtained an introductory letter from the college of economics and management of Kampala International University which the researcher presented to the management of Monitor Publication Ltd' staff for easy identification of the researcher.

The researcher distributed questionnaires to the respondents in their respective departments and thereafter the filled questionnaires were collected. In the meantime the researcher interacted with respondents regarding the effect inventory, control on customer satisfaction using the interview.

3.10 Limitation of the study and their likely solutions

The researcher may encounter various limitations as follows;

- i) Financial difficulties due to the rising cost of transportation, stationery, printing, research proposal. This is likely to lead to a delay in the research report that will be presented to the board of examiners. This was overcome through proper budgeting of resources for the entire project.
- ii) Time frame, the time provided to the researcher may not enough to fully cover the planned scope of the study. Time schedule was used for proper management of the limited time available.
- iii) Some respondents will likely not fill in the questionnaires thereby compromising the sample size of the study. This was overcome by sensitizing respondents about the importance of the study
- v) Likelihood of authority being limited from certain sections of the respondents. This was solved through involving only those respondents whom authority is not limited.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter comprises of presentation, analysis and interpretation of the findings in relation to the study objectives and can be evidenced below.

4.1.0 Demographic characteristics of the respondents.

Findings on the demographic characteristics of the respondents were considered and can be evidenced below.

4.1.1 Gender composition of the respondents

Findings on the gender of respondents were considered and can be evidenced in the table below

Table 1: Gender composition of the respondents

Gender	Frequency	Valid Percent
Male	30	60
Female	20	40
Total	50	100

Source: Primary data

From table 1, 60% of the respondents were male and 40% were female. This means there is no bias in the study..

4.1.2 Period spent working with Monitor Publication Ltd.

Findings on the period spent working with Monitor Publication Ltd were considered and can be evidenced in the table below.

Table 2: Period spent working with Monitor Publication Ltd.

Time of service	Frequency	Valid Percent
Less than a year	6	12
1-2 years	15	30
3-4 years	20	40
5 years and above	9	18
Total	50	100

Source: Primary data

From table 2, 12% of the respondents had spent a period of less than a year, 30% had spent 1 to 2 years, 40% had spent 3-4 years and 18% had spent 5 years and above. This means that respondents had experience regarding the study.

4.1.3 Education level of the respondents

The researcher was interested in the level of education so as to find out the skills, expertise and perhaps experience in trade licenses. The responses were as shown below.

Table 3: Education level of the respondents

Education level	Frequency	Valid Percent
Secondary	6	12
Certificate	9	18
Diploma	8	16
Degree	20	40
Post graduate	7	14
Total	50	100

Source: Primary data

From table 3, 12% of the respondents were secondary level holders, 18% were certificate holders, 16% were diploma holders, 40% were degree holders and 14% were post graduate holders. This implies that respondents had the capacity to answer questions in the questionnaire.

4.1.4 Age group of respondents

The study captured different age brackets of respondents in order to establish the most prevalent group, the respondents were asked to state their age. The distribution was as in table below.

Table 4: Age distribution of respondents

Age group	Frequency	Valid Percent
Under 25 years	9	20
25-35 years	18	35
36-45 years	14	31
46 and above	10	22
Total	50	100

Source: Primary data

From table 4, 20% of the respondents were under 25 years of age, 35% were between 25 to 35 years, 31% were between 36 to 45 years and 22% were 46 years and above. This shows that most respondents were mature enough to answer question in the questionnaire.

4.1.5. Marital status of the respondents

The researcher was interested in this so as to know the level of commitment of employees to their jobs as evidenced below.

Table 5: Marital status of the respondents

Marital status	Frequency	Valid Percent
Married	15	30
Single	14	28
Widowed	6	12
Divorced	7	14
Engaged	8	16
Total	50	100

Source: Primary data

From table 5, 30% of the respondents were married, 28% were still single, 16% were engaged, 14% of the respondents were divorced and 12% were widowed. This means that most of the

employees were committed to their work and exhibited a high level of responsibility towards their work.

4.2.0 Findings on inventory control.

Findings on Inventory control were considered and can be evidenced in tables below

4.2.1 Inventory control techniques are well understood by the majority employees in the organization.

Findings on whether Inventory control techniques are well understood by the majority employees in Monitor Publication Ltd

Table 6; Inventory control techniques are well understood by the majority employees

Response	Frequency	Valid Percent
Strongly agree	8	16
Agree	17	34
Not sure	2	4
Disagree	20	40
Strongly disagree	3	6
Total	50	100

Source: Primary data

From table 6 16% of the respondents strongly agreed that they understood well the meaning of inventory control techniques, 34% agreed, 4% were not sure 40% of them disagreed and 6% strongly disagreed This indicates that inventory control techniques are not well understood by the majority of the employees of the organization.

4.2.2 Inventory control is conducted annually in the organization.

Findings on whether inventory control is conducted annually by the organization were considered and can be evidenced below.

Table 7: Inventory control is conducted annually in Monitor Publication Ltd.

Response	Frequency	Valid Percent
Strongly agree	20	40
Agree	8	4
Not sure	5	10
Disagree	14	28
Strongly disagree	3	6
Total	50	100

Source: Primary data

From table 7, 40% of the respondents strongly agreed that inventory control is conducted annually in the organization, 4% agreed, 28% disagreed and 6% strongly disagreed with the view. This shows that inventory control is not conducted annually in Monitor Publication Ltd.

4.2.3 The organization puts greater emphasis on monitoring optimal stock levels and keeping inventory records.

Findings on whether the organization puts greater emphasis on monitoring optimal inventory levels and keeping inventory records were considered and can be evidenced below.

Table 8: The organization puts greater emphasis on monitoring optimal stock levels and keeping of inventory records

Response	Frequency	Valid Percent
Strongly agree	20	40
Agree	18	36
Not sure	1	2
Disagree	6	12
Strongly disagree	5	10
Total	50	100

Source: Primary data

From table 8: 40% of the respondents strongly agreed that the organization puts greater emphasis on monitoring optimal inventory level and keeping inventory records; 36% agreed, 2% were not sure, 12% disagreed and 10% strongly disagreed. This means that the organization put greater emphasis on monitoring optimal inventory levels and keeping inventory records.

4.2.4 Raw materials and finished goods occupy the highest levels of activity,

Findings on whether raw materials and finished goods occupy the highest level of activity were considered and can be evidenced below

Table 9: Raw materials and finished goods occupy the highest level of activity in the organization

Response	Frequency	Valid Percent
Strongly agree	30	60
Agree	18	36
Not sure	0	0
Disagree	2	4
Strongly disagree	0	0
Total	50	100

Source: Primary data

From table 9 60% of the respondents strongly agreed that raw materials and finished goods occupy the highest level of activity in the organization, 36% agreed and 4% disagreed This indicates that raw materials and finished goods occupy the highest level of activity in the organization.

4.2.5 There are other items maintained by the organization apart from raw materials and finished goods.

Findings on whether there are other items maintained by the organization were considered and can be evidenced below.

Table 10: There are other items maintained by Monitor publication Ltd apart from raw materials and finished goods.

Response	Frequency	Valid Percent
Strongly agree	13	26
Agree	16	32
Not sure	6	12
Disagree	8	16
Strongly disagree	7	14
Total	50	100

Source: Primary data

From table 11, 26% of the respondents strongly agreed that there are other items maintained by the organization, 32% agreed, 12% were not sure, 16% disagreed and 14% strongly disagreed.. This shows that there are other items maintained by the organization

4.2.6; All inventories are inspected by the organization.

Findings on whether all inventories are inspected were considered and can be evidenced below.

Table 11: All inventories are inspected by the organization

Response	Frequency	Valid Percent
Strongly agree	13	26
Agree	12	24
Not sure	4	8
Disagree	9	18
Strongly disagree	12	24
Total	50	100

Source: Primary data

From table 11 above, 26% of the respondents strongly agreed that all inventories are inspected by the organization, 24% agreed, 8% were not sure, 18% disagreed and 24% strongly disagreed. This indicates that not all inventories are inspected by the organization.

4.2.7 Economic order quantity is the major inventory control technique most preferred by the organization.

Findings in whether economic order quantity is the most preferred inventory control technique were considered and can be evidenced below

Table 12. Economic Order quantity technique most preferred by the organization.

Responses	Frequency	Valid Percent
Strongly agree	6	13
Agree	14	23
Not sure	16	33
Disagree	10	10
Strongly disagree	8	19
Total	50	100

Source: Primary data

From table 12, 13% of the respondents strongly agreed that economic order quantity is the most preferred inventory control technique, 23% agreed, 33% were not sure, 10% disagreed and 19% strongly disagreed. This shows that economic order quantity is not the mostly preferred inventory control technique by the organization.

4.2.8 There are other inventory control techniques apart from economic order quantity.

Findings on whether there are other inventory control techniques used by the organization were considered and can be evidenced below.

Table 13: There are other inventory control techniques apart from economic order quantity.

Responses	Frequency	Valid Percent
Strongly agree	18	36
Agree	22	44
Not sure	4	8
Disagree	1	2
Strongly disagree	5	10
Total	50	100

Source: Primary data

From table 13, 36% of respondents strongly agreed that there exists other inventory control techniques apart from economic order quantity, 44% agreed, 8% were not sure, 2% disagreed and 10% strongly disagreed. This means that there are other inventory control techniques that the organization uses apart from economic order quantity system.

4.3.0 Findings on customer satisfaction

Findings on customer satisfaction were considered and can be evidenced in tables below.

4.3.1 Daily monitor is the major product offered to the customers by the organization

Findings on whether Daily Monitor is the major product offered to the customers were considered and can be evidenced below.

Table 14: Daily monitor is the major product offered to the customers by the organization

Responses	Frequency	Valid Percent
Strongly agree	18	36
Agree	10	20
Not sure	9	18
Disagree	7	14
Strongly disagree	6	12
Total	50	100

Source: Primary data

From table 14, 36% of the respondents strongly agreed that daily monitor is the major product offered to the customers, 20% agreed, 18 were not sure, 14% disagreed and 12% strongly

disagreed. This means that Daily Monitor Newspaper is the major product offered to the customers by the organization.

4.3.2 Monitor Publication Ltd provides quality products to its customers.

Findings on whether Monitor Publication Ltd provides quality products to its clients were considered and can be evidenced below.

Table 15: Monitor Publication Ltd provides quality products to its customers

Responses	Frequency	Valid Percent
Strongly agree	4	8
Agree	19	38
Not sure	3	6
Disagree	12	24
Strongly agree	6	12
Total	50	100

Source: Primary data

From table 15, 8% of the respondents strongly agreed that Monitor Publication Ltd provides quality products to its customers; 38% agreed, 6% were not sure, 24% disagreed, 12% strongly disagreed. This means that Monitor Publication Ltd does not provide quality products to its customers.

4.3.3 Individual clients are the major customers of the products offered by the organization.

Findings on whether individual clients are the major customers of the products were considered and can be evidenced below.

Table 16. Individual clients are the major customers of the products offered by the organization

Response	Frequency	Valid Percent
Strongly agree	7	14
Agree	20	40
Not sure	0	0
Disagree	20	40
Strongly disagree	3	6
Total	50	100

Source: Primary data

From table 16, 14% of the respondents that individual clients are the majority customers of the products offered by the organization, 40% agreed 40% disagreed and 6% strongly disagreed.. This shows that individual clients are not the major customers of the products offered by the organization.

4.3.4 Distribution channels of Monitor Publication Ltd are convenient and attractive to customers.

Findings on whether distribution channels of Monitor Publication Ltd are convenient and attractive to customers were considered and can be evidenced below.

Table 17: Distribution channels of Monitor Publication Ltd are convenient and attractive to customers.

Responses	Frequency	Valid Percent
Strongly agree	30	60
Agree	13	26
Not sure	1	2
Disagree	2	4
Strongly disagree	4	18
Total	50	100

Source: Primary data

From table 17; 60% of the respondents agreed that distribution channels of Monitor Publication Ltd are convenient and attractive to customers, 2% were not sure, 4% disagreed, 18% strongly

disagreed This implies that the distribution channels of Monitor Publication Ltd is not convenient and attractive to customers.

4.3.5 There is a high level of products sales in the organization.

Findings on whether is a high level of product sales in the organization were considered were and can be evidenced below.

Table 18: There is a high level of product sales in the organization

Response	Frequency	Valid Percent
Strongly agree	10	20
Agree	16	32
Not sure	2	4
Disagree	19	38
Strongly disagree	3	6
Total	50	100

Source: Primary data

From table 18 20% of the respondents strongly agreed that there is a high level of product sales in the organization, 32% agreed, 4% were not sure, 38% disagreed and 6% strongly disagreed. This implies that there is a low level of product sales in the organization.

4.3.6 Customers care and handling aims at targeting new customers as well as maintaining existing ones, Findings on whether customer care and handling aims at targeting new customers as well as maintaining existing ones were considered and can be evidenced below.

Table 19: Customer care and handling aims at targeting new customers as well as maintaining existing ones in Monitor Publication Ltd.

Responses	Frequency	Valid Percent
Strongly Agree	19	38
Agree	18	36
Not sure	4	8
Disagree	1	2
Strongly Disagree	8	16
Total	50	100

Source: Primary data

5.2.0. Conclusion

5.2.1. Conclusion on inventory control

Inventory control is not well understood by majority employees, is not conducted annually, not all items are inspected and economic order quantity is not the most preferred inventory control technique by Monitor Publication Ltd.

5.2.2 Conclusion on customer's satisfaction

Monitor Publication Ltd does not provide quality products to its customers, individual clients are not the major customers of the product, distribution channel is not convenient and attractive to customers, there is a low level of product sales and customer care and handling aims at targeting new clients as well as maintaining existing ones.

5.2.3. Conclusion on relationship between Inventory control and customer satisfaction

There is a positive relationship between Inventory control and customer satisfaction at Pearson Correlation coefficient 0.713

5.3.0. Recommendations

5.3.1 Recommendation on Inventory control

Management of Monitor Publication ltd have to ensure that inventory control is understood well by majority of employees. This can be done through training and sensitization of employees regarding the importance on inventory control.

Management of Monitor Publication ltd have to make sure that all items are inspected and inventory control conducted annually, so that they do not get problem concerning inventory monitoring and record keeping

3.2 Recommendation on customer satisfaction

Management of Monitor Publication ltd should put more effort in attracting more individual customers so as to increase on its clientele.

Management of Monitor Publication need to put more efforts should also be put on checking the product quality and pricing mechanism so as to increase on its product sales and get more profits.

Management of Monitor Publication Ltd to improve on its distribution channel so as to make its products more convenient and attractive to customers.

5.3.3 Recommendation on the relationship between Inventory control and customer satisfaction

More efforts need to be channeled on inventory control for effective customer satisfaction

5.4 Areas for further research

Further research need to be carried out on the effect of logistics efficiency on the level of customer satisfaction in Manufacturing Companies.

Further studies should be carried out on the effect of value analysis and customer care on the level of customer satisfaction.

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APPENDIX A-QUESTIONNAIRES

Dear Sir/Madam,

I am a student of Kampala International University conducting a survey on Inventory Control and Customer Satisfaction as a partial fulfillment of the requirements for the award of a Bachelor in Business Administration –Accounting and Finance of Kampala International University Kampala. The information given will be treated with maximum confidentiality and for academic purpose only.

Your contribution will be highly appreciated.

Spare some of your valuable time to answer the following questions.

Instructions: (Please tick or fill in the blank space where appropriate)

SECTION A: General Personal Data

1. Gender

Male	Female

2. Age group?

Under 25 years	25-35 years	36-45 years	46 years and above

3. Marital status?

Married	Single	Windowed	Divorced	Engaged

4. Highest level of Education?

Secondary	Certificate	Diploma	Degree	Post graduate

Others specify.....

5. Duration spent working in Monitor Publication Ltd

Less than 1yr	1-2 years	3-4 years	5years and above

SECTION B: Inventory Control

6. Inventory control techniques are well understood by majority employees in Monitor Publication Ltd

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

7. Inventory control is conducted annually by Monitor Publication Ltd

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

8. Monitor Publications Ltd has greater emphasis on inventory Monitoring, stock level and keeping inventory records

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

9. Raw materials and finished goods occupy the highest level of activity

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

10. Apart from raw materials and finished goods there are other items maintained by Monitor Publication Ltd

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

10. All inventories are inspected in Monitor Publication Ltd

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

11. Economic order quantity is the major inventory control techniques most preferred by the organization

Strongly Agree	Agree	Disagree	Disagree	Strongly Agree

12. Apart from Economic Order Quantity, there are other inventory control techniques used by the company.

Strongly Agree	Agree	Not sure	Disagree	Strongly Agree

Section C: Customer Satisfaction

13. Daily Monitor is the major product offered to customers by Monitor publication Ltd.

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

14. Monitor Publication Ltd provides quality products to its clients

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

15. Individual clients are the major clients of the products offered by Monitor Publication Ltd

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

16. The distribution channel of Monitor Publication Ltd is convenient and attractive to customers

Strongly Agree	Agree	Not sure	Disagree	Strongly Agree

17. There is high level of product sales in Monitor Publication Ltd

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

18. Customer care and customer handling is aimed at targeting new customer as well as maintaining the existing ones

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree

THANK YOU VERY MUCH FOR YOUR CO-OPERATION

APPENDIX B

INTERVIEW GUIDE

1. Are you aware of inventory control techniques used to Monitor Publication ltd?
2. If yes, what are the major techniques adopted?
3. What products are offered by Monitor Publication Limited to its customers?
4. Do you think customers are satisfied with the products offered to them?
5. If no, what do you think can be done to enhance customer satisfaction?
6. Do you think inventory control has a bearing on customer satisfaction?
7. If yes how does inventory control influence customer satisfaction in Monitor Publication Ltd?

APPDNDIX C
TIME SCHEDULE

No	Activity	Date
1	Presentation and approval of research topic	June
2	Presentation of research proposal	July
3	Field work	july
4	Presentation, analysis and interpretation of data	August
5	Presentation of final report	August