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Abstract

The sustainability and expansion of retail chains increasingly depend on the ability to coordinate transportation, distribution and supplier relationships across organizational boundaries. However, limited empirical evidence explains whether logistical partnership constitutes a strategic capability that contributes to retail-chain growth in the Kenyan context. The study examined the effect of logistical partnership on the growth of selected retail chains in Kenya. Logistical partnership was conceptualized as a higher-order construct comprising third-party transport providers, distribution networks and supplier partnerships, while retail growth was operationalized through branch expansion, market-share growth and employee growth. The study adopted a positivist philosophy and an explanatory-correlational cross-sectional research design. The study focused on Naivas Limited, Quickmart Limited and Carrefour Kenya and included strategic external suppliers. Data were collected using structured questionnaires administered physically and electronically. Of the 263 questionnaires targeted, 215 usable responses were obtained, representing an 81.7% response rate. Data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings established that logistical partnership had a positive and statistically significant effect on the growth of selected retail chains in Kenya ($\beta = .412$, $t = 4.525$, $p < .001$, 95% CI [.220, .575]). The null hypothesis was therefore rejected. The finding indicates that the ability to coordinate external logistical resources constitutes a strategically relevant capability for retail growth. The study concludes that logistical partnership contributes to retail growth through the coordination of transportation, distribution and supplier capabilities rather than through transactional outsourcing alone. The study recommends that retail-chain management should strengthen logistical partnerships through performance-based agreements, joint planning, and information sharing to support growth. Industry associations and government agencies should improve logistics infrastructure, promote digital coordination, and establish common service standards.

Keywords: *Logistical partnership; strategic partnership capabilities; retail growth; third-party transport providers; distribution networks; supplier partnerships; Kenya.*

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1.0 Introduction

Retailing has increasingly evolved from an organization-centred activity into an inter-organizational system in which firms depend on suppliers, logistics providers, distributors and other external actors to ensure the continuous flow of merchandise. As supply-chain activities become distributed among customers, suppliers and service providers, the need for closer coordination and integration increases (Leuschner *et al.*, 2013). Consequently, logistics is increasingly viewed not only as an operational function but also as a strategic capability through which firms can access and combine resources located beyond their organizational boundaries. Supply-chain collaboration enables organizations to leverage the resources and knowledge of suppliers and other partners. Cao and Zhang (2011) established that supply-chain collaboration contributes to collaborative advantage and firm performance, suggesting that inter-organizational relationships can create value beyond that generated by individual firms acting independently. Similarly, Leuschner *et al.* (2013), through a meta-analysis of 86 peer-reviewed studies involving 17,467 observations, found a positive and significant relationship between supply-chain integration and firm performance.

The strategic importance of logistical relationships is also consistent with Strategic Alliance Theory. Strategic alliances enable independent organizations to combine complementary resources and capabilities in pursuit of mutually beneficial strategic outcomes (Das & Teng, 2000; Gulati, 1998). In retailing, such relationships can involve third-party transport providers, distribution partners and suppliers whose capabilities complement those of the focal retailer. The Resource-Based View further explains why such relationships may contribute to organizational growth. Barney (1991) argues that sustained competitive advantage can emerge from valuable and difficult-to-imitate resources and capabilities. However, resources relevant to competitive advantage need not necessarily be entirely owned by the focal organization. Firms may access complementary resources through inter-organizational relationships (Lavie, 2006).

The Relational View extends this argument by suggesting that valuable resources and capabilities can arise from relationships between firms. Dyer and Singh (1998) argue that relational rents can emerge through relation-specific assets, knowledge-sharing routines, complementary resources and effective governance. In this respect, logistical partnership can be viewed as a relational capability through which retailers coordinate resources and activities distributed among transport providers, distributors and suppliers. In this study, logistical partnership refers to the deliberate establishment, coordination and governance of collaborative relationships between retail chains and external factors involved in the movement, distribution and supply of merchandise. It is conceptualized as a higher-order construct comprising third-party transport providers, distribution networks and supplier partnerships.

The distinction between logistical partnership and conventional outsourcing is important. Outsourcing may involve the procurement of a service from an external provider, whereas partnership implies a more coordinated relationship involving shared information, planning, performance expectations, complementary resources and continuing interdependence. Thus, the present study treats logistics as a strategic inter-organizational capability rather than merely an administrative or transactional activity. The Kenyan retail sector provides a particularly relevant context for examining this relationship. Retail-chain expansion increases the geographical and

operational complexity of merchandise flows. As chains establish additional outlets, they must coordinate larger supplier bases, transportation routes, distribution activities, replenishment requirements and inventory flows. Weaknesses in these relationships can result in stock-outs, delayed deliveries, uneven product availability and disruptions in store operations.

The study therefore investigated whether logistical partnership contributes to broader organizational growth rather than restricting the analysis to operational logistics outcomes. Growth was assessed through branch expansion, market-share growth and employee growth. This focus allowed the study to examine whether logistical capabilities have implications beyond immediate operational efficiency and contribute to the broader development of retail organizations.

1.1 Statement of the Problem

Kenya's retail sector exhibits contrasting growth trajectories, raising questions about the strategic capabilities that enable some retail chains to expand while others contract. Between 2018 and 2024, Naivas increased its outlets from 46 to 105, Quickmart from 10 to 60, and Carrefour from 6 to 23, whereas Nakumatt declined from 65 outlets to none and Tuskys from 64 to five (Cytonn Investments, 2024). These divergent outcomes are notable within a sector that continues to contribute to economic activity, with Kenya's wholesale and retail trade growing by 3.6% in 2025 (KNBS, 2026). The contrasting trajectories suggest that retail-chain growth may depend not only on market expansion or financial resources, but also on the capability to coordinate critical inter-organizational logistical resources.

Logistical partnership is particularly important because retail-chain growth requires reliable product movement, timely replenishment and effective distribution across geographically dispersed outlets. Retailers depend on third-party transport providers, distribution networks and suppliers to maintain product availability and respond to changing market demand. However, disruptions or weak coordination among these partners can constrain replenishment, increase distribution inefficiencies and limit the ability of retailers to support branch expansion and market development. Although empirical studies have established positive relationships between supply-chain collaboration, integration and firm performance (Cao & Zhang, 2011; Leuschner *et al.*, 2013), much of the literature examines broad supply-chain integration or operational performance rather than logistical partnership as a distinct strategic capability.

Consequently, an important empirical gap remains regarding whether the capability to establish, coordinate and sustain partnerships with third-party transport providers, distribution networks and suppliers translates into measurable retail-chain growth, specifically through branch expansion, market-share growth and employee growth. From a relational perspective, firms can derive value by combining complementary resources and capabilities across organizational boundaries rather than relying exclusively on internally owned resources (Dyer & Singh, 1998; Lavie, 2006). Yet this proposition has received limited empirical examination in the context of Kenya's major retail chains. The problem addressed by this study, therefore, is the insufficient empirical evidence on the effect of logistical partnership on the growth of selected retail chains in Kenya. The study consequently examined whether and to what extent logistical partnership, operationalized through third-party transport providers, distribution networks and supplier partnerships, affects retail-chain growth as reflected in branch expansion, market-share growth and employee growth.

1.2 Research Objective

To determine the effect of logistical partnership on the growth of selected retail chains in Kenya.

1.3 Research Hypothesis

H₀₁: Logistical Partnership does not have a statistically significant effect on the growth of selected retail chains in Kenya.

2.0 Literature Review

The literature review is discussed in sections

2.1 Theoretical Review

This section reviews the theories underpinning the study and explains their relevance to the study variables.

2.1.1 Strategic Alliance Theory

Strategic Alliance Theory provides the principal theoretical foundation for examining the effect of logistical partnership on the growth of selected retail chains in Kenya. The theory explains how relatively independent organizations enter cooperative relationships to access and combine complementary resources, capabilities and expertise that may be costly or inefficient to develop internally (Gulati, 1998; Das & Teng, 2000). Its relevance to logistical partnership arises from the structural interdependence of modern retailing, where retailers rely on external transport providers, distribution networks and suppliers to facilitate the movement, replenishment and availability of merchandise across geographically dispersed outlets.

Logistical partnership represents a strategic alliance mechanism through which retail chains extend their logistical capacity beyond firm boundaries. Third-party transport providers contribute transportation capacity and specialized logistics expertise; distribution networks provide access to coordinated channels and infrastructure for product movement; while supplier partnerships facilitate reliable replenishment, responsiveness and coordination of product flows. The theory therefore suggests that retail chains can strengthen their capacity to support expansion and market development by combining their internal capabilities with complementary logistical resources available through external partners. This logic is consistent with Das and Teng's (2000) argument that alliance partners contribute different resource endowments and capabilities to achieve objectives that may be difficult to accomplish independently.

Gulati (1998) further conceptualizes alliances as embedded within broader interorganizational networks, emphasizing that alliance formation, governance, evolution and performance are influenced by the relationships surrounding the focal firm. This perspective is particularly pertinent to retail logistics because a retailer's ability to maintain product availability and serve an expanding outlet network depends on the coordination of multiple external actors rather than on the retailer alone. Recent research likewise demonstrates the continuing strategic relevance of alliances within retail supply chains, including the examination of alliance strategies among manufacturers, retailers and online platforms (Wang *et al.*, 2023).

The theory consequently provides a basis for expecting logistical partnership to influence retail-chain growth. Effective relationships with transport providers, distribution networks and suppliers can facilitate the coordinated deployment of complementary resources, potentially supporting branch expansion, market-share growth and employee growth. However, Strategic Alliance Theory primarily explains why firms form and manage interorganizational relationships and the strategic consequences of those relationships; it provides less specificity concerning how resources accessed through such relationships become sources of sustained firm-level advantage. This limitation is addressed by complementary application of the Resource-Based View (RBV) and the Relational View. The RBV explains how valuable and difficult-to-substitute resources and capabilities contribute to competitive advantage, while the Relational View extends this logic beyond firm boundaries by arguing that valuable resources and routines can be embedded in interfirm relationships (Dyer & Singh, 1998).

2.1.2 Resource-Based View Theory

The Resource-Based View (RBV) explains competitive advantage through resources and capabilities that are valuable, rare, difficult to imitate and non-substitutable (Barney, 1991; Peteraf, 1993; Wernerfelt, 1984). In this study, logistical partnership extends the RBV beyond a strictly firm-centred perspective by enabling retail chains to access and coordinate complementary logistical resources located outside the firm. Third-party transport providers contribute transportation capacity and expertise, distribution networks provide logistical reach and coordination, while supplier partnerships support reliable replenishment and product availability. Thus, the strategic value of logistical partnership lies not merely in ownership of logistics assets, but in the retailer's capability to access, integrate and deploy complementary resources across organizational boundaries (Dyer & Singh, 1998; Lavie, 2006). This capability can strengthen logistical responsiveness and support branch expansion, market-share growth and employee growth.

A limitation of the conventional RBV is its predominant focus on resources controlled and owned by the focal firm, which may inadequately explain value creation when critical logistical capabilities are distributed among independent partners. This limitation is addressed through the Relational View, which extends resource-based reasoning to interorganizational relationships and explains how relational rents can emerge from complementary resources, knowledge-sharing and joint routines across firm boundaries (Dyer & Singh, 1998). In logistical partnership, this perspective explains how coordinated relationships with transport providers, distribution networks and suppliers can collectively generate capabilities that individual retail chains may not possess independently. Thus, the Relational View complements RBV by providing a stronger explanation of how interfirm logistical resources can contribute to retail-chain growth.

2.1.3 Relational View

The Relational View provides a complementary theoretical explanation of how logistical partnerships can create strategic value beyond the resources owned by an individual retail chain. Dyer and Singh (1998) argue that inter-organizational relationships can generate relational rents through relation-specific assets, knowledge-sharing routines, complementary resources and effective governance. In retail logistics, such value may arise when retailers coordinate closely with third-party transport providers, distribution networks and suppliers to improve product flow,

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replenishment, responsiveness and distribution reach. The value of logistical partnership therefore lies not solely in the physical assets of individual partners, but in the joint capabilities developed through sustained inter-organizational coordination. A retail chain may, for example, leverage the transport capacity of logistics providers, the distribution reach of network partners and the replenishment capabilities of suppliers without owning all these resources internally. Effective coordination can consequently strengthen the retailer's ability to support branch expansion, increase market reach and sustain organizational growth. The Relational View thus complements the Resource-Based View by shifting analytical attention from resources controlled within the firm to capabilities and relational rents created across organizational boundaries (Dyer & Singh, 1998; Lavie, 2006). It is therefore particularly relevant to explaining how logistical partnership can contribute to the growth of selected retail chains in Kenya.

2.2 Empirical Review

Zampou *et al.*, (2025) examined horizontal logistics collaboration in the Greek retail sector involving nine multinational suppliers and two retailers over a three-year project. The study showed that structured collaboration can support distribution-network efficiency and logistics innovation, while emphasizing the need for systematic approaches to capturing collaborative value. However, the study primarily addresses logistics innovation and collaborative-process development rather than the effect of logistical partnership on organizational growth. Its multinational and European setting also differs from the institutional and infrastructural context of Kenya. The present study extends this evidence by testing logistical partnership as a multidimensional strategic capability comprising third-party transport providers, distribution networks and supplier partnerships, with growth measured through branch expansion, market-share growth and employee growth.

Van Staden *et al.* (2020) investigated interpersonal and inter-organizational relationships in supply-chain integration involving third-party logistics providers in South Africa. The study recognizes 3PL providers as important integrators linking suppliers, manufacturers and retailers and highlights relationships as mechanisms for improving supply-chain performance, cost efficiency, service and lead times. The study provides strong support for the strategic relevance of 3PL relationships but focuses principally on supply-chain integration and relational processes rather than retail-chain growth. Its South African context also limits direct inference to Kenya. The present study extends this work by examining 3PLs as one dimension of a broader logistical partnership construct and statistically testing its effect on retail growth.

Mathu and Phetla (2018) examined supply-chain collaboration and integration between FMCG manufacturers and retail chains in South Africa. Using qualitative interviews with senior managers, they found that collaboration and integration enhanced retailers' and manufacturers' responsiveness to customer requirements. While the findings demonstrate the operational value of inter-organizational coordination, the study conceptualized collaboration broadly and did not establish whether logistical partnerships generate measurable organizational growth. Its qualitative, non-probability design also differs from the present explanatory quantitative approach. The present study therefore extends the African evidence by examining logistical partnership through third-party transport providers, distribution networks and supplier partnerships and relating these capabilities directly to retail-chain growth in Kenya.

Hübner *et al.* (2016) examined the transformation of retail logistics associated with the transition from multichannel to omnichannel retailing. Their work highlights the importance of distribution structures, inventory allocation, fulfilment and logistics coordination in managing increasingly complex retail channels. However, the study is primarily concerned with logistics-system design rather than the empirical effect of inter-organizational logistical partnerships on retail-chain growth. It consequently provides limited evidence on whether partnerships with external logistics actors contribute to expansion, market-share development or employment growth. The present study addresses this gap by treating logistical partnership as a strategic capability and testing its effect on multiple dimensions of retail growth.

Taracha and Noor (2023) examined supply-chain traceability and performance among retail firms in Kenya using quantitative data from management-level employees in supermarket chains. Their findings indicated that supply-chain traceability, including transparency, visibility and process traceability, significantly influences retail-firm performance. The study provides Kenyan evidence that inter-organizational supply-chain capabilities can influence retail outcomes, but traceability is narrower than logistical partnership and emphasizes information visibility rather than the physical and relational coordination of transport providers, distribution networks and suppliers. Moreover, performance was the outcome rather than retail growth. The present study therefore extends the Kenyan literature by examining logistical partnership as a broader capability and assessing its effect on branch expansion, market-share growth and employee growth.

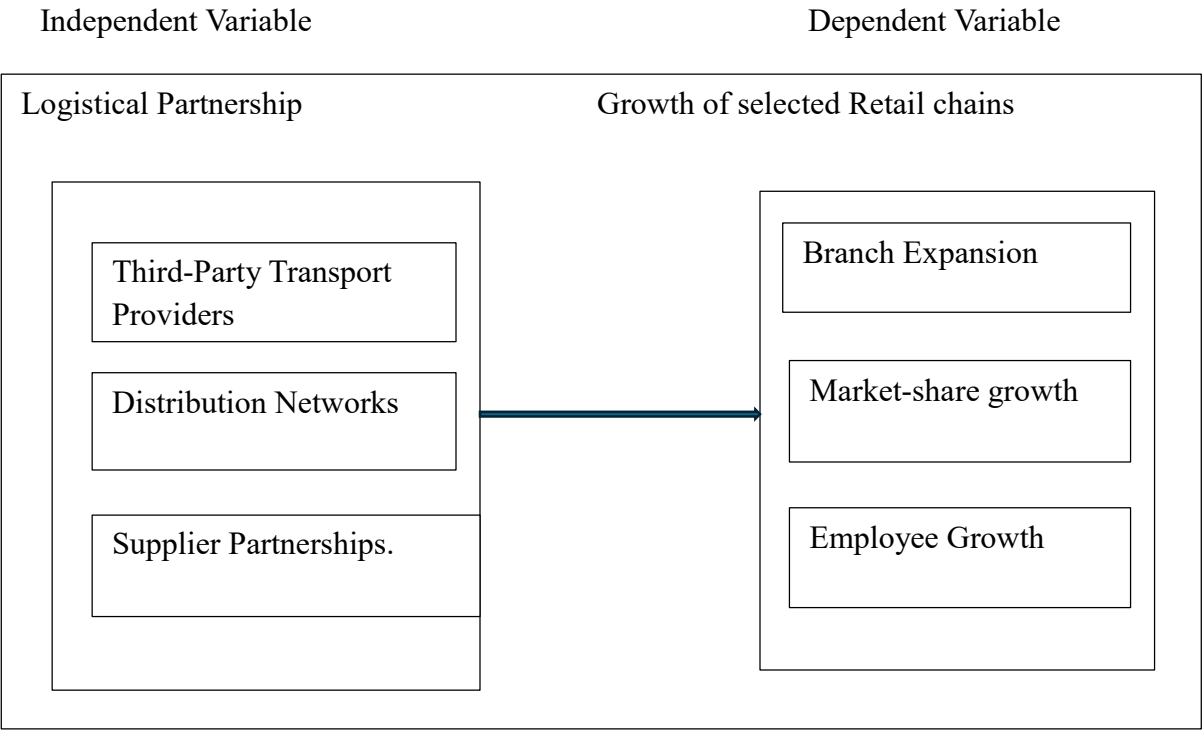
Collectively, the empirical literature establishes that inter-organizational logistics collaboration, 3PL relationships, supplier coordination and distribution-network collaboration can improve operational efficiency, responsiveness and supply-chain outcomes. However, three gaps remain. Conceptually, prior studies largely examine supply-chain integration, logistics cooperation, traceability or contractual arrangements rather than logistical partnership as an integrated strategic capability comprising third-party transport providers, distribution networks and supplier partnerships. Empirically, existing studies predominantly explain operational performance, responsiveness, efficiency or profitability rather than retail growth reflected in branch expansion, market-share growth and employee growth. Contextually, evidence remains concentrated in developed or comparatively mature retail environments and selected African settings outside Kenya. The present study addresses these gaps by empirically testing the effect of logistical partnership on the growth of selected retail chains in Kenya, thereby linking inter-organizational logistical capability to measurable dimensions of retail-chain growth.

2.3 Conceptual Framework

The conceptual framework presented in Figure 1 illustrates the hypothesized relationship between Logistical Partnership (LP) and Growth of Selected Retail Chains (GRC) in Kenya. Logistical Partnership is conceptualized as the independent variable and comprises Third-Party Transport Providers, Distribution Networks, and Supplier Partnerships, which represent the mechanisms through which retail chains access, coordinate and leverage complementary logistical capabilities beyond their organizational boundaries. Growth of Selected Retail Chains is the dependent variable, operationalized through Branch Expansion, Market-Share Growth, and Employee Growth. The framework therefore proposes that effective logistical partnerships enhance

transportation coordination, distribution reach, product replenishment and supplier responsiveness, thereby strengthening the capacity of retail chains to expand and grow.

Figure 1: Conceptual Framework



Source: Researcher, 2026

3.0 Research Methodology

Research methodology refers to the systematic and coherent approach used to design, conduct, analyze, and interpret a study in addressing its research objectives. It encompasses philosophical assumptions, research design, sampling, data collection, measurement, and data analysis procedures that ensure methodological rigor and credible findings (Saunders *et al.*, 2023). In this study, the research methodology is presented in the following sections.

3.1 Research Philosophy and Design

The study adopted a positivist philosophy because it sought to objectively test a theoretically derived relationship using measurable constructs and statistical procedures. An explanatory-correlational cross-sectional research design was employed. The explanatory orientation enabled testing of the hypothesized relationship, while the correlational component permitted assessment of its direction and statistical strength. Data were collected at one point in time. Although the study used the term effect in the hypothesis and structural model, the cross-sectional design does not establish temporal causality to the same extent as experimental or longitudinal research. The findings are therefore interpreted as evidence of a statistically significant structural relationship rather than definitive causal proof.

3.2 Population, Unit of Analysis and Sampling

The study focused on Naivas Limited, Quickmart Limited and Carrefour Kenya and included external suppliers involved in strategic and operational relationships with the selected retail chains. The unit of analysis was the selected retail-chain organization, while the unit of observation consisted of knowledgeable respondents capable of assessing technological collaboration and organizational growth. Routine frontline employees whose responsibilities did not involve partnership, logistical partnerships, supply-chain or organizational decision-making were excluded because they were unlikely to possess sufficient information to provide valid assessments of the constructs.

The study employed the inverse square-root method proposed by Kock and Hadaya (2018) for PLS-SEM sample-size estimation. Assuming a minimum anticipated path coefficient of approximately .16 produced an estimated minimum sample size of 242 respondents. A target of 263 questionnaires was therefore established to allow for non-response and data-quality concerns. Of the 263 questionnaires targeted, 215 usable responses were obtained, representing an 81.7% response rate. Although the response rate was high, the achieved sample was below the initially calculated threshold of 242. The study therefore does not make a post-hoc claim that the final sample definitively satisfies the original minimum requirement. This limitation is considered when interpreting the statistical results and the generalizability of the findings.

3.3 Data Collection and Measurement

Primary data were collected using structured questionnaires administered both physically and electronically. Logistical Partnership was measured as a higher-order construct comprising Third-Party Transport Providers, Distribution Networks, and Supplier Partnerships, with measurement items assessing the extent to which retail chains coordinate and collaborate with external logistics actors to support transportation, distribution and product replenishment. Retail-chain growth was measured through branch expansion, market-share growth, and employee growth. Content validity was established through expert assessment by specialists in strategic management, supply-chain management and research methodology, while the instrument was pretested to assess the clarity, relevance and appropriateness of the measurement items before the main study

3.4 Data Analysis

Data were analyzed using descriptive statistics and Partial Least Squares Structural Equation Modelling (PLS-SEM). The measurement model was assessed before evaluating the structural model. Bootstrapping was used to obtain inferential statistics for hypothesis testing. The principal structural parameters considered were the path coefficient (β), t -statistic and p -value.

3.5 Ethical Considerations

The researcher obtained informed consent from all participants before data collection. Participants, comprising top executives, departmental heads, regional managers, store managers and selected external stakeholders, were adequately informed of the study's purpose, procedures, potential risks and benefits, confidentiality safeguards, and their right to decline or withdraw from participation at any stage without penalty. Participation was strictly voluntary, with consent documented through

approved information sheets and consent forms. Confidentiality and anonymity were further safeguarded through unique identifiers and the exclusion of personal or organizationally identifiable information from analysis and reporting. All data were securely managed, accessed only for authorized research purposes, and processed in accordance with applicable data-protection and ethical requirements. The researcher-maintained objectivity, integrity, and transparency in data analysis and reporting, avoiding fabrication, manipulation, or misrepresentation of findings. Ethical approval was obtained from the Daystar University Institutional Scientific and Ethical Review Committee (DU-ISERC) and the National Commission for Science, Technology and Innovation (NACOSTI) before commencement of fieldwork, thereby ensuring full compliance with institutional, national, and established research-ethics standards (Bryman, 2016; Saunders *et al.*, 2019).

4.0 Results and Discussion

This section presents the empirical findings and discussion in accordance with the study objective and hypotheses focusing on the effect of Logistical Partnership on the Growth of Selected Retail Chains in Kenya.

4.1 Response Rate

The study targeted 263 respondents and obtained 215 usable responses, representing an 81.7% response rate. The responses achieved provided substantial representation of the targeted study population. However, because the usable sample was below the initially estimated minimum of 242 respondents, the findings are interpreted with appropriate caution regarding statistical power and generalizability.

4.2 Effect of Logistical Partnership on the Growth of Selected Retail Chains

The study examined whether Logistical Partnership significantly affects the Growth of Selected Retail Chains in Kenya. The null hypothesis was stated as follows:

H₀₁: Logistical Partnership does not have a statistically significant effect on the growth of selected retail chains in Kenya.

The PLS-SEM results established that Logistical Partnership had a positive and statistically significant effect on the Growth of Selected Retail Chains ($\beta = .412$, $t = 4.525$, $p < .001$). The 95% confidence interval ranged from 0.220 to 0.575 and did not include zero.

Table 1: Hypothesis Testing for Logistical Partnership Hypothesis H1: Logistical Partnership and Growth of Selected Retail Chains

The s hypothesis examined the effect of Logistical Partnership on the Growth of Selected Retail Chains in Kenya.

The null hypothesis was stated as follows:

H₀₁: Logistical Partnership does not have a statistically significant effect on the growth of selected retail chains in Kenya.

The results demonstrate that Logistical Partnership had a positive and statistically significant effect on Growth of Selected Retail Chains ($\beta = .412$, $t = 4.525$, $p < .001$). The 95% confidence interval ranged from 0.220 to 0.575, which did not include zero.

Table 1: Hypothesis H₂ Testing

Hypothesis	Structural Relationship	B	t	p	95% CI	Decision
H ₀₂	LP → GRC	0.412	4.525	<0.001	[0.220, 0.575]	Reject H ₀₂

Source: SmartPLS output, 2026.

The positive path coefficient indicates that stronger logistical partnerships were associated with higher levels of retail chain growth. The magnitude of the coefficient further demonstrates that Logistical Partnership was the strongest direct predictor among the three strategic partnership dimensions examined. The null hypothesis was therefore rejected because the p value was less than 0.05 and the confidence interval did not include zero. The study consequently establishes that Logistical Partnership has a statistically significant positive effect on the Growth of Selected Retail Chains in Kenya. The positive path coefficient indicates that higher levels of Logistical Partnership were associated with higher levels of Growth of Selected Retail Chains. The statistical significance of the relationship is supported by the p value below .05 and the confidence interval excluding zero. Accordingly, H₀₁ was rejected, establishing that Logistical Partnership has a statistically significant positive effect on the growth of selected retail chains in Kenya. The finding should be distinguished from the measurement-model results. At the higher-order construct level, Logistical Partnership recorded a high outer loading of .955 and an outer weight of .548, with a significant bootstrapping result ($t = 4.679$, $p < .001$). These statistics indicate that Logistical Partnership was strongly represented in, and made a substantial relative contribution to, the broader Strategic Partnership Capabilities construct. The structural path coefficient of .412, in contrast, represents the estimated direct effect of Logistical Partnership on retail-chain growth.

4.3 Discussion of Findings

The positive and statistically significant effect indicates that Logistical Partnership is an important strategic capability through which selected retail chains can support growth. The findings are substantively plausible because retail expansion depends on reliable product movement, timely replenishment, distribution reach and responsiveness to geographically dispersed demand. Relationships with third-party transport providers, distribution networks and suppliers enable retailers to coordinate activities and resources that are critical to maintaining product availability as the scale and geographical complexity of operations increase.

The finding is consistent with the Strategic Alliance Theory, which posits that organizations can achieve strategic objectives by combining complementary resources and capabilities through inter-organizational relationships (Das & Teng, 2000; Gulati, 1998). In the retail context, transport providers contribute transportation capacity and logistics expertise, distribution partners provide network reach and coordination, while suppliers contribute product availability and replenishment capabilities. The significant effect observed in this study therefore suggests that the strategic value of these relationships extends beyond routine logistics transactions to their potential contribution to retail-chain growth.

The finding also accords with the Relational View of Dyer and Singh (1998), which argues that inter-organizational relationships can generate relational rents through complementary resources, knowledge-sharing routines, relation-specific investments and effective coordination. Logistical partnership provides a practical setting in which such relational value can emerge. Retail chains

do not need to own all transportation, distribution and supplier resources to benefit from them; rather, value can arise from their ability to coordinate and deploy these complementary capabilities across organizational boundaries. Lavie (2006) similarly extends resource-based reasoning by recognizing that competitive resources and capabilities may be distributed across interconnected firms.

The result further supports empirical evidence that collaboration among supply-chain actors can improve operational coordination and firm-level outcomes. Cao and Zhang (2011) found that supply-chain collaboration contributes to collaborative advantage and firm performance, while Leuschner et al. (2013), through a meta-analysis, established a positive association between supply-chain integration and firm performance. Mathu and Phetla (2018) similarly demonstrated that collaboration and integration between FMCG manufacturers and retailers can improve responsiveness to customer requirements. The present study extends this body of evidence by moving beyond broad supply-chain integration and examining Logistical Partnership as a distinct strategic capability and its effect specifically on retail-chain growth.

The relatively strong structural coefficient ($\beta = .412$) suggests that logistical relationships are materially associated with growth in the selected retail-chain context. This is particularly relevant where retail expansion requires simultaneous coordination of suppliers, transportation providers and distribution networks. Effective logistical partnerships can support the movement of merchandise to new and existing outlets, reduce replenishment constraints, improve distribution reliability and enhance responsiveness to market demand. These mechanisms can create conditions conducive to branch expansion, market-share growth and employee growth.

The higher-order construct results provide additional insight into the strategic salience of Logistical Partnership. Its outer loading of .955 demonstrates a strong association with Strategic Partnership Capabilities, while its outer weight of .548 indicates the largest relative contribution among the three dimensions constituting the higher-order construct. These findings suggest that, within the study context, logistical capability is a particularly prominent component of the broader partnership-capability architecture. However, this measurement-model evidence should not be interpreted as demonstrating that logistics alone determines retail growth. Rather, it indicates its relative importance within the multidimensional construct, while the structural coefficient demonstrates its direct relationship with growth.

The findings therefore contribute to the literature by positioning logistical partnership as a strategic, rather than merely operational, capability. Whereas conventional logistics perspectives may emphasize transportation efficiency, inventory movement and distribution costs, the present evidence indicates that the capacity to establish, coordinate and leverage relationships with external logistics actors has broader strategic implications. In the selected Kenyan retail chains, logistical partnership appears to provide an organizational mechanism through which externally distributed resources can be mobilized to support growth.

4.4 Third-Party Transport Providers and Retail Growth

Third-party transport providers constitute an important mechanism through which logistical partnership can support retail-chain growth. Retail chains operating multiple outlets require dependable transportation capacity to move merchandise efficiently between suppliers,

distribution facilities and stores. Strategic relationships with transport providers can provide access to specialized transportation resources without requiring retailers to internalize the entire asset base and operational expertise required for distribution. Effective coordination with third-party transport providers can consequently improve delivery reliability, replenishment frequency and geographical distribution capacity. These capabilities become increasingly important as retailers expand their branch networks and serve geographically dispersed markets. The finding therefore suggests that the strategic management of transport-provider relationships can contribute to the logistical capacity required to sustain retail growth.

4.5 Distribution Networks and Retail Growth

Distribution networks provide the physical and organizational infrastructure through which merchandise reaches geographically dispersed retail outlets. Effective logistical partnerships can strengthen coordination across distribution points, improve product flows and enhance the retailer's ability to respond to variations in demand. For expanding retail chains, an effective distribution network can therefore support the replication of operations across additional outlets while maintaining product availability and service consistency. The implication is that retail growth requires more than opening additional branches; it requires distribution capabilities capable of supplying and coordinating those branches. Logistical partnerships can extend distribution reach and enable retailers to leverage external networks and complementary capabilities, thereby supporting market expansion and operational scalability.

4.6 Supplier Partnerships and Retail Growth

Supplier partnerships represent another critical dimension of Logistical Partnership because suppliers directly influence product availability, replenishment and responsiveness to market requirements. Strategic relationships can facilitate improved coordination of orders, delivery schedules, inventory requirements and demand information. Such coordination can reduce supply disruptions and strengthen the retailer's capacity to maintain appropriate product availability across its outlets. For retail chains pursuing expansion, supplier responsiveness becomes particularly important because growth increases the volume and complexity of merchandise requirements. Supplier partnerships can therefore contribute to the logistical resilience and responsiveness required to support branch expansion, market-share development and associated organizational growth.

5.0 Conclusion

The study examined the effect of Logistical Partnership on the Growth of Selected Retail Chains in Kenya. The empirical results established a positive and statistically significant effect of Logistical Partnership on retail-chain growth ($\beta = .412$, $t = 4.525$, $p < .001$; 95% CI [0.220, 0.575]). The null hypothesis was consequently rejected. The study concludes that Logistical Partnership constitutes a strategically relevant capability for retail-chain growth. Relationships with third-party transport providers, distribution networks and suppliers enable retail chains to access and coordinate complementary logistical resources, strengthen product availability, improve distribution reliability and enhance responsiveness to market requirements. These capabilities can create conditions that support branch expansion, market-share growth and employee growth. At the higher-order construct level, Logistical Partnership recorded an outer loading of .955 and an outer

weight of .548, with a statistically significant contribution ($t = 4.679$, $p < .001$) to Strategic Partnership Capabilities. The evidence therefore indicates that logistical relationships made a substantial contribution to the broader partnership-capability architecture examined in the study. The study consequently concludes that Logistical Partnership should be regarded not merely as an operational logistics arrangement, but as an inter-organizational strategic capability. Its strategic value arises from the retailer's capacity to access, coordinate and orchestrate complementary resources across organizational boundaries. In the context of the selected Kenyan retail chains, this capability provides an important relational pathway through which external logistical resources can be mobilized to support organizational growth.

6.0 Recommendations

Based on the finding that Logistical Partnership has a positive and statistically significant effect on the growth of selected retail chains in Kenya ($\beta = .412$, $t = 4.525$, $p < .001$), the study recommends that retail-chain management institutionalize logistical partnership as a strategic capability rather than treating logistics relationships solely as operational arrangements. Retail chains should establish performance-based partnerships with third-party transport providers, distribution-network operators, and strategic suppliers, supported by formal service-level agreements specifying delivery reliability, lead times, order-fulfilment rates, replenishment frequency, product availability, accountability, and continuous performance review. Management should also undertake joint logistics planning with key partners through demand forecasting, coordinated delivery scheduling, inventory visibility, replenishment planning, and joint problem-solving. Before opening new branches, retailers should assess the logistical capacity required to support expansion, including transport availability, distribution-network coverage, supplier capacity, expected product flows, delivery lead times, and replenishment requirements. Strategic supplier relationship management should further be strengthened through partner segmentation, information sharing, coordinated forecasting, performance monitoring, and long-term improvement programmes. These practices should be integrated with technological collaboration and collaborative governance to ensure that logistical partnerships are supported by timely information exchange, clear decision rights, accountability, and coordinated execution.

At the retail and logistics industry level, industry associations and participating firms should promote collaborative logistics practices and establish common performance benchmarks covering delivery reliability, order fulfilment, replenishment, stock availability, lead times, distribution efficiency, and logistics responsiveness. Where economically feasible, retailers and logistics actors should explore shared distribution arrangements, coordinated transportation capacity, network utilization, and other forms of resource sharing that can reduce duplication and improve distribution efficiency. Industry platforms should also facilitate structured knowledge exchange, dissemination of logistics innovations, benchmarking, and evidence-based partnership practices, particularly among retailers, suppliers, distributors, and third-party logistics providers.

At the government and policy level, relevant authorities should strengthen the institutional environment within which retail-logistics partnerships operate by improving the efficiency and predictability of freight movement, trade facilitation, warehousing, distribution, and transport processes. Government should promote interoperable digital logistics systems and information-sharing standards that enhance supply-chain visibility and electronic transactions while

safeguarding commercially sensitive information and ensuring appropriate data-governance arrangements. Capacity-development programmes should also be considered for small and medium-sized suppliers and logistics providers in areas such as inventory management, demand forecasting, digital logistics, fulfilment systems, quality standards, and supply-chain coordination, thereby strengthening the capabilities of partners upon which large retail chains depend.

Relevant ministries, regulatory agencies, and infrastructure authorities should adopt a more coordinated approach to developing Kenya's retail-logistics ecosystem. In particular, the Ministry of Investments, Trade and Industry, together with agencies responsible for transport, infrastructure, trade facilitation, and logistics, should provide mechanisms through which retailers, suppliers, third-party logistics providers, transport operators, and other relevant stakeholders can jointly identify and address systemic logistics constraints. Priority should be given to transport and distribution infrastructure that supports reliable movement of merchandise to commercial centres, distribution corridors, and emerging retail markets. Regulatory frameworks governing third-party logistics and distribution services should remain predictable, proportionate, transparent, and consistently enforced, while maintaining appropriate standards for safety, service quality, accountability, and fair competition.

Finally, public institutions should strengthen retail and logistics data systems by generating and disseminating reliable information on freight movement, logistics costs, distribution efficiency, supply-chain disruptions, infrastructure constraints, and retail expansion. Such evidence would support more informed investment decisions, industry planning, and formulation of an integrated national retail-logistics policy framework. Collectively, these recommendations seek to strengthen the ability of retail chains and their external partners to coordinate, integrate, and deploy complementary logistical resources across organizational boundaries. Given the cross-sectional nature of the study, the recommendations should be interpreted as evidence-informed strategic and policy implications of the observed relationship between logistical partnership and retail-chain growth, rather than as evidence that any individual intervention independently causes growth.

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