



**INFLUENCE OF CUSTOMER CARE ON GROWTH OF THIRD PARTY LOGISTIC COMPANIES IN KENYA: A  
CASE OF FREIGHT IN TIME KENYA**

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**ABSTRACT**

*The aim of this study was to examine the influence of customer care on growth of third party logistics companies in Kenya. The specific objectives of this study were; to establish the influence of product tracking services on growth of third party logistics companies in Kenya; to assess the influence of warehousing management on growth of third party logistics companies in Kenya; to examine influence of transportation management on growth of third party logistics companies in Kenya; to assess the influence of service quality on growth of third party logistics companies in Kenya. This study adopted a descriptive survey. The target population of the study was 67 staff of the Freight Time in Kenya. The study established that independent variables influenced dependent variable. According to the model summary, the coefficient of the data showed that the high R square was 0.640. It showed that the independent variables in the study were able to explain 64.00% variation in the growth of third party logistic companies while the remaining 36.00% was explained by the variables or other aspects outside the model. This implied that these variables were very significant and they therefore needed to be considered in any effort to boost growth of third party logistic companies. Based on the study findings, the study concluded that growth of third party logistic companies was affected by product tracking services, service quality, transport management and warehousing management as the major factors that mostly affected growth of third party logistic companies in Kenya. Further, the study recommends that third logistics companies in Kenya should consider the capability of providing timely and accurate services as this would enable companies to improve service quality. Hence, service quality could make companies differentiate themselves from the others and gain competitive advantage and thus improve their overall growth.*

**Key Terms:** Product Tracking, Warehousing Management, Transportation Management, Service Quality

## INTRODUCTION

The logistic industry has traditionally operated in a stable business environment for decades. Today, the industry is however facing intense competition in a drastically aggressive and deregulated environment. Traditional logistic companies have lost a substantial portion of their business to up and coming new players in the industry and finding a position becomes vital to the long-range profitability and ultimate survival of the freight firms (Nordas, Pinali & Grosso, 2006). Good customer relationships are central to the success of third party logistics companies and may be thought to have the responsibility of managing customer relationships that focus on the availability of capable supply chain services and provision of these services. Third party logistics companies are not only managing relationships with their customers but also with other organizations that provide the needed services. Tailoring of customer service has seen more and as more customers switch from one service provider to another (Little, 2011). In the recent years there has been need of outsourcing logistics services such as warehousing, freight payment and consolidation, transportation planning among other services (Langley, Allen, Colombo & Dale, 2006). Customer care is defined by Kotler (1998) as service that one can offer to another which be located essentially intangible and does not result in the ownership of anything but brings about customer delight and satisfaction. Firms that take the greatest care of their customers' interests are the ones most likely to maintain their competitive edge in a cut-throat world (Blyth, Hodgson, Lewis & Steinmo, 2011). Product returns have been viewed as an unavoidable cost of doing business, forfeiting any chance of cost savings as cost pressures continue to mount in the competitive logistics industry, a growing number of third-party logistics providers have begun to explore the

possibility of managing product returns in a more cost-efficient manner (Min & Ko, 2008). This study aims at investigating customer care effects on the growth of third party companies. Customer care relations are of influence on the growth of third party logistics companies. An essential feature of a successful organization is the satisfied customers. One of the most important challenges facing the third party logistics companies is the creation of an environment where by the employees serve the customers well and are therefore feel satisfied with the services provided (Mwanjala, 2007). Customers are generally satisfied with the quality of services provided by the third party logistics but there are always opportunities to improve service and relationships. According to Tech and Capgemini (2008), some of the customer challenges with third party logistics include service level not being realized, Information technology not sufficient and cost reduction not realized among others.

Globally the level of competition is very high and local companies seek to gain a comparative advantage over their local competition. The fast changes in the global environment bring opportunities for development in organizations, which is possible by providing marketing and logistics activities on a suitable level to deal with customers creating satisfaction and value. Vaidyanathan (2005) describes a similar role for third party logistics providers in more traditional supply chain configurations such as those that link manufacturers with ultimate customers. The logistic system involves connecting businesses and its customers for the procurement of materials, the implementation and the physical distribution of products, so that the firm manages to meet customer requirements (Scrioșteanu & Popescu, 2012).

It is widely accepted that the logistics companies aims at enabling the creation of strategic and operational value and majority of shippers, that is, 64% are increasingly using

3PLs (Lucie & Hudziak, 2012). These 3PL providers can handle more than 5,000 containers per year and account for relatively for 60% to 80% of the taxes collected by Kenya Revenue Authority in Kenya (Mathenge et al., 2011). Most of these 3PL providers, offer efficient and effective complete logistics solutions including inbound logistics, warehousing and outbound logistics services to their clients. Today there are two major trends on the 3PL market; on one hand shippers are increasingly relying on 3PL services and on the other hand they are reducing the number of 3PL companies they use (Lucie & Hudziak, 2012). Third-party logistics (3PL) providers are able to take over the supply chain functions of businesses and manage them better in many cases than what the companies can do on their own. Third Party logistics can also be referred to as contract logistics, integrated logistics and outsource logistics (Knemeyer & Murphy, 2005). There are various definitions of third party logistics Hertz and Alfredsson (2012) defined these as external service providers who manage, control and deliver logistics activities on behalf of the company. The council of logistics management (2007) defined logistics as the process of planning ,implementing, controlling the effective and efficient floe ,storage of goods and related information form one point of origin to another.

The development of third party logistics industry can be divided into three main stages. The first was in the early 1980s when only traditional logistics service providers existed such as transportation companies, warehouses, forwarders, shippers and agents. The second stage was in the early 1990s when network players, mainly parcel and express companies got involved in the industry. These were companies such as DHL, UPS and TNT. The third and the last stage of evolution started in the late 1990s, when companies from different sectors such as consulting, finance and IT

companies entered the third party logistics industry (Mwanzia, 2014).

### **Statement of the Problem**

In the competitive and dynamic environment, third party logistics companies are looking for ways of enhancing efficiency and productivity, reducing cost, ensuring timely delivery, improving service quality and risk assessment which remains a challenge to in the logistics industry in maintaining their competitive edge (Vishal et al., 2013; Ngonela et al., 2014 & SoonHu, 2010). According to Alan, Phil and Peter (2006) customer care services contribute over 50 per cent of companies operating cost. Customer care services enables the creation of strategic and operational value and 64% of shippers are increasingly using 3PLs (Lucie & Hudziak, 2012). Empirical studies carried out on the third party logistics companies have not looked at the relationship between customer care and growth of third party logistics companies A study by Langley (2015) on the state of logistics outsourcing revealed that the total logistics cost of the companies reduced from 44% to36% as a result of outsourcing logistics services. Wang & Gong (2014) examined how Third Party Logistics providers manage relationship with customers. The findings of the study showed that good customer relationship is the key factor to affect the trust and loyalty between the companies and customers, and company profitability is positively related to customer loyalty. Mukolwe and Wanyoike (2015) the effect of logistics management practices on operational efficiency. Getuno and Mwari (2016) studied the effects of third party logistics on supply chain performance in Kenya, the study focused on supply chain performance rather than the customer care. Nyaberi and Mwangangi (2014) conducted a study on the effects of logistics management practices on organization

performance in Rift Valley bottlers limited in Uasin Gishu County. Njambi and Katuse (2013) conducted a comparative study on how using third party logistics can deliver distribution efficiency and its contribution to competitive advantage for organizations. It is due to these conceptual, methodological and contextual gaps that the current study intended to investigate the influence of customer care on the growth of Third party Logistics companies in Kenya.

## RESEARCH OBJECTIVES

The aim of this study was to examine the influence of customer care on growth of third party logistics companies in Kenya. The specific objectives were:-

- To establish the influence of product tracking services on growth of third party logistics companies in Kenya.
- To assess the influence of warehousing management on growth of third party logistics companies in Kenya.
- To examine influence of transportation management on growth of third party logistics companies in Kenya.
- To assess the influence of service quality on growth of third party logistics companies in Kenya.

## LITERATURE REVIEW

### Theoretical Review

#### Network Perspective Theory

The network theory will guide the study to establish the relationship between product tracking services and growth of Third party Logistics Companies in Kenya. Network theory argues that resources can be obtained only by creating relationships and interacting with Third Party Logistic companies firms. Consequently, networks develop across the value chain and firms that enter such networks invest in building medium to long-term relationships that may evolve over time. The theory further

suggests that Third Party Logistic companies do not only provide a network-wide efficiency but also enable firms to take advantage of network relationships (Frémont, 2009). The reciprocity of the need and offering, as supported by the theory, has given rise to the role of the Third Party Logistic companies as the entity that has the ability to orchestrate activities within the supply chain thus providing competitive advantage to a firm. Network theory holds that outsourcing enables the firm to manage its supply chain as a single entity through the application of relationship building and network coordination. The scope of this theory is wide in that it views the entire distribution channel. It assumes that it is a necessity for companies to exchange resources and organizational relationships are the foundation of this very process (Achola, 2012). The theory offers an explanation for the growth of Third Party Logistic services and their multi-client relationships that spans the supply chain.

#### Firm Theory

The Firm theory will guide the study to establish the relationship between service quality and growth of Third party Logistics Companies in Kenya. Theories of the firm were originally developed to identify why firms existed hence, earlier theories of the firm were rooted in deductive economics and had their foundation transaction cost theory (Mentzer, Min, & Bobbitt, 2004). According to Mentzer, et al., (2004), introduction of the concept of transaction costs as the factor was to determine whether a firm or market contracts existed for the coordination of production or not. Firm existence was based on differences between the transaction costs of market contracts versus those of a firm (Mentzer, et al., 2004). If market contracts were characterized by low transaction costs, it meant that all factors of firm production both intra and inter had low transaction costs as well hence logistics could



have influenced such situation in the market when handled rightly by the firms (Fugate, et al., 2010). According to the transaction cost framework, the organization's form that developed was the one that most efficiently completed transactions and minimized production costs (Mentzer, et al., 2004). Transaction costs were those costs associated with exchange, while production costs were associated with the coordination of various production activities in-house (Mentzer, et al., 2004). A firm that managed logistics activities efficiently created situation where both transaction costs and production costs were minimized (Fugate, et al., 2010). Uncertainty in the context of logistics and more specifically in the logistics industry was caused by supply uncertainty, demand uncertainty, new product development uncertainty, and technology uncertainty (Das & Teng, 2000). When firm practiced logistics efficiency, effectiveness and flexibility in their transactions and operations, achievement of their goals became realizable at a lower cost. The goals of the firm drove firm activities, as well as directed the behavior of management and other stakeholders of the firm. The goals of the firm could also be influenced by external factors such as competitors, stockholders, suppliers, customers, and industry structure. Defining the goals of the firm became more complex as these groups placed different demands on the firm. Research into various functional business areas, including logistics, was therefore advanced through the theories of the firm by understanding how the goals and resources of the organization drove firm's behavior. As well based on insights from the theories of the firm, the researcher understood better the strategic role of logistics (Das & Teng, 2000). Firm theory served as a good starting point for the analysis, which explained why certain tasks were performed by firms due lack of adequate firms service quality (Fugate, et al., 2010).

## Principal Agency Theory

The principal Agency theory will guide the study to establish the relationship between warehousing and growth of Third party Logistics Companies in Kenya This theory is based on the separation of ownership and control of economic activities between the agent and the principal. Various agent and principal problems may arise including conflicting objectives; differences in risk aversion, outcome uncertainty, behaviour based on self-interest, and bounded rationality. The contract between the principal and the agent governs the relationship between the two parties, and the aim of the theory is to design a contract that can mitigate potential agency problems (Herbert et al., 2007). The "most efficient contract" includes the right mix of behavioral and outcome-based incentives to motivate the agent to act in the interests of the principal (Logan, 2000). Creating contracts with supply chain partners that balance rewards and penalties, misalignment can be mitigated (Narayanan & Raman, 2004; Baiman & Rajan, 2002). Balancing the need of the shipper and the capability of the TPL provider is a well-known managerial issue that explicitly implies the risk of agency problems (Hertz & Alfredsson, 2003). The PAT suggests an "inter-firm contracting perspective" on TPL, focusing on the design of an efficient contract between the buyer and seller of logistics services. The idea is to develop the most efficient combination of outcome and behavioral incentives in the contract between the shipper and the TPL provider (Herbert et al., 2007). The extent to which the TPL provider's performance can be measured and controlled has a great effect on whether the provider is paid by actual performance (such as number of orders picked, packed, and shipped to the customers) or according to behavioral outcomes (such as salaries, hours, and/or miles). Not all aspects

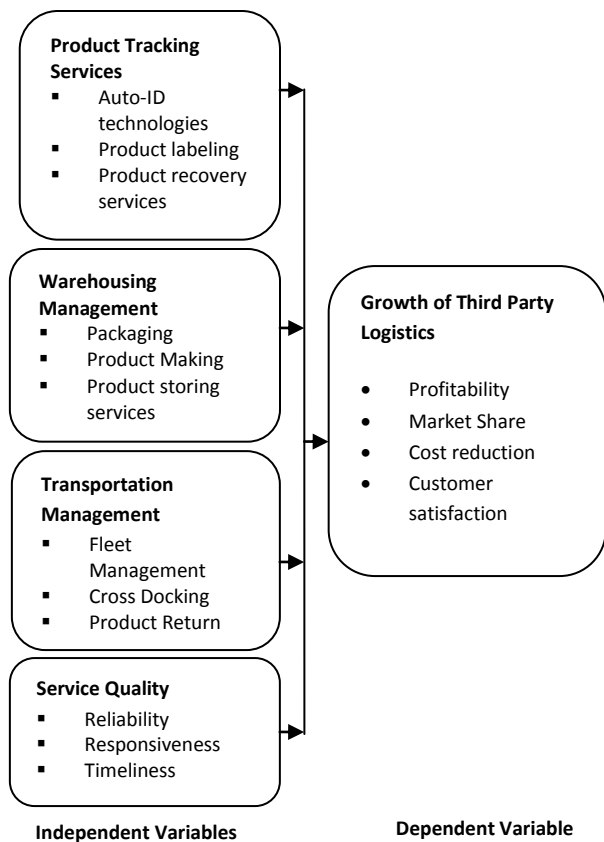
can be covered ex ante in the contract. Therefore, the issue of contracting should be a revisiting issue in TPL relationships (Herbert et al., 2007). Thus, the TPL can use the PAT theory to mitigate on logistics risks and achieve the optimal value of the outsourced services from the 3PL firms.

### Queuing Theory

This theory guided the study in investigating the relationship between transport management and growth of Third Party Logistics firms in Kenya. Queuing theory was born in the early 1900s with the work of Agner K. Erlang of the Copenhagen Telephone Company, Erlang derived several important formulas for teletraffic engineering. Erlang published the first paper on what would now be called queueing theory in 1909. Queuing theory is a mathematical study of waiting lines or queues (Shingo, 2005). The theory enables mathematical analysis of several related processes, including arriving at the back of the queue, waiting in queue (a storage process) and being served in front of the queue. The theory permits the derivation and calculation of several performance measures including the average waiting time in the queue or the system, the expected number waiting or receiving service, and the probability of encountering the system in certain states such as empty, full having an available server or having to wait a certain time to be served (Zaheed & Conruey, 2010). The existing methodologies to independently optimize facilities layout design and material handling systems are mainly based on minimizing the material handling costs and acquisition costs and have neglected several critical variations inherent in a system. This is despite the fact that the inherent variability causes an accumulation of work-in-progress at the various stages of production which eventually affects competing strategies of an enterprise

such as time, cost and quality (Shingo, 2005). Therefore, an integrated methodology that incorporates the manufacturing variability and concurrently optimizes the layout designs and materials handling is essential. Queuing model can be utilized to model the material handling system variations and genetic algorithm can be implemented to solve the integrated optimization problem. It is also demonstrated that the proposed optimization approach can significantly improve a production system with respect to total travelling time, total work-in-progress in the system, utilization and quantity of material handling equipment and required area (Zineldin, 2011).

### Conceptual Framework



**Figure 1: Conceptual Framework**

### Product Tracking Services

Third party logistics (3PL) providers can help manufacturer's boost product tracking and shipping visibility and reduce the costs and maintenance associated with warehousing. With significant inventories of high value items,

accurately identifying products (often by multiple factors such as dimensions, grade, processing and finishing conditions) is critical (Mayer, 2015). However, harsh processing and storage environments place significant stresses on labeling and tagging media, undermining the integrity of product identification. Without functional product marking, companies cannot realize the compelling accuracy and efficiency improvements that auto-ID technologies offer.

Product tracking services systems is set up to reach this goal at the lowest possible cost. In today's fast-paced, technologically advanced business environment, such systems often involve the use of specialized software that allows the owner to track inventory while simultaneously analyzing all the routes and transportation modes available to determine the fastest, most cost-effective way to deliver goods on time (Graeml, Balbinot & Csillag 2009). For many customers the level of customer service as determined by the orders made and provided by the retail store owner is as important as any other attribute which it may possess, including the excellence of its products.

### **Warehousing Management**

Third party logistics offers an all in one solution for assembly, packaging, warehousing and distribution. Utilizing a Third party logistic company provides businesses with a reliable logistics advantage, and maximizes profitability through combined knowledge and resources. Warehousing services can be scaled and customized to meet the customer's needs based on the market condition such as the demand and delivery service requirement. The warehouse is the most common type of storage though other forms do exist (for example, storage tanks, computer server farms). Some warehouses are massive structures that simultaneously support the unloading of

numerous inbound trucks and railroad cars containing suppliers products while at the same time loading multiple trucks for shipment to customers.

**Private Warehouse:** This type of warehouse is owned and operated by a company that is also involved in other aspects of the distribution channel. For instance, a major retail chain may have several regional warehouses supplying their stores or a wholesaler will operate a warehouse at which it receives and distributes products. The public warehouse on the other hand is essentially space that can be leased to solve short-term distribution needs. Retailers that operate their own private warehouses may occasionally seek additional storage space if their facilities have reached capacity or if they are making a special, large purchase of products. For example, retailers may order extra merchandise to prepare for in store sales or order a large volume of a product that is offered at a low promotional price by a supplier.

### **Transportation Management**

In the early 1990s logistics outsourcing was limited to transportation and warehousing only. The emergence of third party logistics service providers in the early 2000s resulted to higher outsourcing and more value added services such as reverse logistics being provided. Focus on integrating supply chain with the customers to create value (Rushton, 2007). Outsourcing transport and other logistics activities means that it is more rational to buy external logistics services than to operate in-house. Achieving synergies between supply chains leads to the sharing of logistics equipment and transport services with other companies.

The transportation system has long been a government-regulated industry. Transportation costs are largely based on the rates charged by



carriers. There are two basic types of transportation rates: class and commodity. The class rate, which is the higher of the two rates, is the standard rate for every commodity moving between any two destinations. The commodity rate is sometimes called a special rate, since it is given by carriers to shippers as a reward for either regular use or large-quantity shipments. Unfortunately, many retail stores owners do not have the volume of shipping needed to take advantage of commodity rates. However, small businesses are increasingly utilizing a third type of rate that has emerged in recent years. This rate is known as a negotiated or contract rate. Popularized in the 1980s following transportation deregulation, contract rates allow a shipper and carrier to negotiate a rate for a particular service, with the terms of the rate, service, and other variables finalized in a contract between the two parties. Transportation costs vary by mode of shipping (Blanchard et al., 2008).

### **Service Quality**

According to Wambua (2015) Service quality is estimated by comparison of the customer expectations against the perceptions of service offered. Service quality is customer perception of how well a service meets or exceeds expectations. Service quality is commonly noted as a critical prerequisite and determinant of competitiveness for establishing and sustaining satisfying relationships with customers. Attention to service quality can make an organization different from other organizations and gain a lasting competitive advantage. According to Davis and Mentzer (2006) the ten dimensions of service quality are listed as: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles.

Tangibility involves the appearance of physical facilities including the equipment, personnel, and communication materials. Reliability

involves the ability to perform the promised service dependably and accurately. Responsiveness entails the willingness to help customers and providing prompt services. More recently, the 2009 Fourteenth Annual Third-Party Logistics (3PL) Study (Langley, Newton & Tyndall, 2009) suggests that one of the major issues identified by the shippers (or the receivers of logistics services) is the lack of continuous, ongoing improvement in the offered services by their providers and the fact that providers are not proactively communicating suggestions for service improvements

### **Growth of Third Party Logistics Companies**

Third party logistics (3PLs) outsourcing is defined in many different ways by different authors as they deem it appropriate to suit their explanation of this evolving management philosophy or a particular context under their examination. Londe and Cooper (1989) define Third party logistics outsourcing as a process whereby a shipper and Third party logistics provider enter into an agreement for specific services at specific costs over some identifiable time horizon. However Millegan (2000) indicated that customer demands for performance and sophistication had been accelerating therefore the providers need to keep pace in service scope.

According Jayara and Tan (2010), third party logistics means that the companies use other organizations to finish the logistics activities which originally should be responsible for it. Jayara also expressed that the third party logistics can hold the whole logistics process or select some parts of activities. The third party logistics service companies have neither ownership of goods nor the duty for selling and buying for the goods (Vasiliauskas & Jakubauskas, 2007).

### **Empirical Review**

An empirical review in research methodology is when the writer reviews the information and theories currently available concerning the topic and the historical background of the topic. The point is to do two things. First, it is to demonstrate thorough understanding of the field/topic in which he/she is conducting research. Second, it is to show that the problem being studied has not been done before or has not been done before in the way proposed by the researcher (Fink, 2015). Different researchers have discussed the relationship between customer care and growth of Third Party Logistic Companies.

### **Product Tracking Services**

According to Lieb et al. (2004), across many industries, outsourcing logistics activities has become a rapidly expanding source of competitive advantage and logistics cost saving. He reported that some firms routinely have achieved 30 – 40 % reduction in logistics costs and have been able to greatly streamlined global logistics processes as a consequence of outsourcing. Logistics significantly contributes to company's competitive advantage. Outsourcing offers many advantages to those using it. It reduces capital investment in facilities (Foster and Muller, 1990). Better use of information technology, reduces the use of manpower and this allows the firms greater flexibility in adapting to changes in market and access to leading edge technology. Third-party logistics users generally agree that it costs less to use such firms than to carry out the same functions in-house (Wanjiru, 2013).

### **Warehousing Management**

Green Jr., et al.,(2008) in their research on the US firms on the impact of logistics performance on organization performance in supply chain context revealed that a success of logistics performance brought about manufacturing performance, future growth and new product

introduction. Therefore, the competition in manufacturing industry was within the radius of supply chain competence which consisted of logistics strategy. Rosenzweig (2009) examined the operational and warehousing performance in measuring manufacturing performance in US firms which included the aspect of quality, cost of production, finish goods delivery and in addition considered the inventory level of work in production goods. In his study, he related supplier selection and involvement tactics impact and manufacturing performance. As a result, he confirmed that warehousing performance had provided a significant influence in achieving manufacturing and business goals. Toyli, *et al.*,(2008) did a research of logistics performance on financial performance of Finish SMEs. The results were that logistics performance had positive link to financial performance of firms.

### **Transport Management**

Various studies Fynes, Voss & Burca (2005); Hendricks & Singhal, 2008; Bhatt, 2011) have addressed the needs of close collaborative transport management linkages through the entire supply chain. They examined the relationship between responsiveness within the transport network and supply chain performance, in the presence of supply and demand risks and environmental uncertainty. They argue that firms with a high supplier satisfaction and contribution achieve a higher level of customer satisfaction and SCM performance outcomes than those that show weaker tendencies in the management of their transportation network.

### **Service Quality**

Hassan (2013) studied customer service and organizational growth of service enterprise in Somalia. The study used a descriptive and correlation research design. The study variables were service speed and organizational growth. The findings showed that there is appositive

relationship between customer service and growth. Thus, high service quality, effective service speed and responsiveness lead to high level of organizational growth. A study by Vishal et al. (2013) on third party logistical obstacles in manufacturing industries revealed that, third party logistics provider's plays vital role in cost reduction, productivity, profits as well as the improvement of the service quality of their customers and thus become important part of supply chain management. Successful logistics outsourcing can provide significant benefits, both, to industries and third party logistics providers. The outsourcing of logistics activities, manufacturing industries can save on capital investments, and, reduce financial risks. The objectives and concerns related to TPL logistics outsourcing are cost reduction, improvement of delivery time, achieving quality service, risk assessment, concentration on core competencies, increasing flexibility and concerns are loss of control, dependence on service provider, losing direct customer contact.

### RESEARCH METHODOLOGY

The study adopted a descriptive survey design. A descriptive survey design as described by Mugenda and Mugenda (2012) is an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. The target population comprised of all employees at Freight Time Kenya. The study collected data from the respondents by the use of the questionnaire. The study utilized quantitative and qualitative questionnaire that was developed for generating information on key variables of interest from the targeted respondents in this study. Quantitative data collected was analyzed using SPSS and were presented through percentages, means, standard deviations and frequencies.

The multiple regression equation was;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Whereby

Y = Growth of Third Party Logistics Companies (Dependent variable)

X<sub>1</sub>= Product Tracking Services (Independent variable),

X<sub>2</sub>= Warehousing Management (Independent variable),

X<sub>3</sub>= Transportation management (Independent variable),

X<sub>4</sub>= Service Quality (Independent variable),

β<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub> and β<sub>4</sub> are coefficients of determination

ε is the error term.

### RESEARCH FINDINGS

#### Product Tracking Services

The study sought to assess the influence of product tracking services on Growth of Third Party Logistics Companies in Kenya. This section presented the findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 1 presents the findings. The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' was taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

Table 1 presented the findings. As tabulated, a majority of respondents were found to highly agree that the Proper product tracking reduces our warehousing costs (3.568); Product labeling was critical for high valued inventories (2.580); The organization had ensured that our orders have zero mistakes to enhance customer satisfaction (2.680); Our usage of auto-ID technologies improved accuracy in product

marking (3.568); Our product recovery services improved efficiency in product processing (2.560). Labeling and tagging media helped in product identification (3.815); ID technologies helped in product marking to realize accuracy and efficiency (3.257). This implied that on average the organization has implemented product tracking services effectively to enhanced their operations. This finding supported Shore and Venkatachalam (2013) who argues that effective supply chain management system uses software's which can estimate the levels of inventory and ensures that there is efficient flow of resources into the

supply chain through effective order management in an organization. Product tracking services also uses internet technology to communicate with the clients in regard to the purchase orders and other order requirements. This is much faster than the traditional methods which took long to reach the clients. Product tracking services system also helped organizations to make decisions on whether to consolidate their purchasing, how to manage and distribute materials, warehousing, quality assurance, and the optimum costs of materials among other issues.

**Table 1: Product Tracking Services and Growth of Third Party Logistics Companies**

<b>Product Tracking Services</b>	<b>Mean</b>	<b>Std. Dev</b>
Proper product tracking reduces our warehousing costs	3.568	1.5682
Product labeling is critical for high valued inventories	2.580	.6134
Our usage of auto-ID technologies improves accuracy in product marking	2.680	1.0067
Our product recovery services improves efficiency in product processing	3.568	.5225
Labeling and tagging media helps in product identification	2.560	.345
ID technologies help in product marking to realize accuracy and efficiency	3.257	.828

**Warehousing Management**

The study sought to establish the influence of warehousing management on Growth of Third Party Logistics Companies in Kenya. This section presented the findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 2 presented the findings. The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

As indicated by high levels of agreement in Table 1, a majority of respondents affirmed that the firm had ensured that there was the use warehouse management system to improve cost reduction (3.769); The firm had adopted the practices FIFO system to enhance timely deliveries and improve customer satisfaction (3.552); There was the use of automated tools and techniques for order processing to enhance timely deliveries in the organization (3.119); The firm had ensured that there was use of bar codes so that there can be timely deliveries to enhance customer satisfaction (3.210); The organization ensured that there was use of stock cycle counts of the items being delivered to the customers to enhance customer satisfaction (3.701). Further, a majority moderately agreed that the organization ensure that there was use of stock cycle counts of the items being delivered to the customers to

enhance customer satisfaction (3.764); The supply chain department had ensured that there was Integrated warehouse management to enhance cost reduction, timely deliveries, improved customer satisfaction and increase profits for the firm (3.800). As such, it was concluded that overall, firm had ensured that there was the use warehouse management system. Most notably, the firm had adopted the practices FIFO system, there was the use of automated tools and techniques and ensured that there was use of bar codes to use of stock cycle counts and the department had ensured that there was Integrated warehouse

management. This was of the implication that considering these warehousing management practices were not allocated in sufficient levels; efforts to address the same could prove beneficial in assuring supply chain performance thereof. The study findings were in tandem with De Koster (2014), the warehouse management is important in achieve greater efficiency; companies must develop processes to regularly monitor picking travel times and storage locations. Warehouse layout is one important factor affecting the order picking process to enhance supply chain performance in the third party logistics companies. (Tsige, 2013).

**Table 2: Warehousing Management on Growth of Third Party Logistics Companies**

<b>Warehousing Management</b>	<b>Mean</b>	<b>Standard Deviation</b>
The firm has ensured that there is the use warehouse management system to improve cost reduction	3.769	.590
The firm has adopted the practices FIFO system to enhance timely deliveries and improve customer satisfaction	3.552	.1.237
There is the use of automated tools and techniques for order processing to enhance timely deliveries in the organization	3.119	.580
The firm has ensured that there is use of bar codes so that there can be timely deliveries to enhance customer satisfaction.	3.210	1.459
The organization ensure that there is use of stock cycle counts of the items being delivered to the customers to enhance customer satisfaction	3.764	.902
The supply chain department has ensured that there is Integrated warehouse management to enhance cost reduction, timely deliveries, improve customer satisfaction and increase profits for the firm	3.800	1.652

**Transport Management**

The study sought to examine the influence of transport management on Growth of Third Party Logistics Companies in Kenya. This section presented the findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 3 presented the findings. The scores of ‘strongly disagree’ and ‘disagree’ had

been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of ‘Neutral’ had been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of ‘agree’ and ‘strongly agree’ had been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0. As indicated by high levels of agreement in Table 3, a majority of respondents affirmed that



the supply chain department had adopted the fleet management system to enhance timely deliveries (3.765); The organization had ensured that there was fleet control system to reduce costs (3.780); The firm had adopted the use of the fuel management system to enhance cost reduction (3.690); The organization had ensured that there was always preventive maintenance all the time to enhance customer satisfaction (3.775); The firm ensured that there was a working tracking system all the time to met customer satisfaction. Further, a majority moderately agreed they did a route plan/ planning for the fleet to reduce costs, timely deliveries and enhance customer satisfaction (4.902). As such, it can be concluded that overall, the firm's supply chain department had adopted the fleet management system; there was fleet control system, fuel management

system, always preventive maintenance all the time. The organization ensures that there is a working tracking system all the time and the do a route plan/ planning for their fleet.

The study findings are in tandem with various studies by Fynes, Voss & Burca (2005); Hendricks & Singhal, 2008; Bhatt, 2011 who have addressed the needs of close collaborative transport management linkages through the entire supply chain. They examined the relationship between responsiveness within the transport network in the presence of supply and demand risks and environmental uncertainty. They argue that firms with a high supplier satisfaction and contribution achieve a higher level of customer satisfaction and outcomes than those that show weaker tendencies in the management of their transportation network.

**Table 3: Transport Management and Growth of Third Party Logistics Companies**

<b>Transport Management</b>	<b>Mean</b>	<b>Standard Deviation</b>
The supply chain department has adopted the fleet management system to enhance timely deliveries	3.765	.629
The organization has ensured that there is fleet control system to reduce costs	3.780	.1.908
The firm has adopted the use of the fuel management system to enhance cost reduction	3.690	.678
The organization has ensured that there is always preventive maintenance all the time to enhance customer satisfaction	3.775	.662
The firm ensure that there is a working tracking system all the time to met customer satisfaction	4.902	.568
We do a route plan/ planning for our fleet to reduce costs, timely deliveries and enhance customer satisfaction	3.584	.668

**Service Quality**

The study sought to examine the influence of service quality on growth of third party logistics companies in Kenya. This objective was measured using the following indicators: reliability and responsiveness in the opinion statements given. Respondents were asked to indicate the extent to which service quality

affected growth of the organization. This was on a likert scale of not at all, small extent, moderate, large extent and very large extent. Thus, in this study the scale of not all and small extent meant disagree while large and very large extent meant agreed.

From the study findings in Table 4 it was observed that 60% of respondents agreed that timeliness affected growth of third party logistics companies while 15% of respondents indicated moderate and 14% of respondents disagreed that timeliness affected growth of third party logistics companies. On consistency, 62% of respondents agreed that consistency affected growth of third party logistics companies whereas 28% of respondents indicated moderate and 4% of respondents disagreed that consistency affected growth of third party logistics companies. With regard to accuracy, 55% of respondents agreed that accuracy affected growth of third party logistics companies where 26% of respondents indicated moderate and 4% of respondents disagreed that accuracy affected growth of third party logistics companies.

From the study findings in Table 4 it was noted that timeliness, consistency and accuracy of service delivery affected growth of third party logistics companies. The growth of third party logistics companies considered timeliness, consistency and accuracy of service delivery as key in outsourcing 3PL activities. Therefore, growth of third party logistics companies outsources 3PL providers who are able to provide timely and accurate services. The findings of this study concurred with the study of Davis and Mentzer (2006), who noted that the delivery of high-quality logistics services includes functional aspects such as timeliness, ordering procedures and order accuracy and order condition. The level of growth with respect to both aspects should be based on an accurate assessment of what the customer truly values. The study observed that 45.8% of respondents agreed that willingness to help affected growth of third party logistics companies whereas 26% indicated moderate and 27% of respondents disagreed that willingness to help affected growth of third

party logistics companies. Concerning prompt attention to requests, 60% of respondents agreed that prompt attention to requests affected growth of third party logistics companies while 20% of respondents indicated moderate and 4% of respondents disagreed that prompt attention to requests affected growth of third party logistics companies. Based on problem resolution, 70% of respondents agreed that problem resolution affected growth of third party logistics companies while 20% of respondents indicated moderate and 10% of respondents disagreed that problem resolution affected growth of third party logistics companies.

Regarding flexibility, 50% of respondents agreed that flexibility affected growth of third party logistics companies while 40% of respondents indicated moderate and 10% of respondents disagreed that flexibility affected growth of third party logistics companies. Finally on complaint handling, 60% of respondents agreed that complaint handling affected growth of third party logistics companies where 30% of respondents indicated moderate and 2% of respondents disagreed that complaint handling affected growth of third party logistics companies as shown in Table 4.

Based on the study findings, it was found out that willingness to help affected performance of food and beverages manufacturing companies. Growth of third party logistics companies considered willingness of logistics providers to help and to offer prompt service as key in outsourcing 3PL providers. These study findings are in agreement with the study of Wanjau (2010): Parasuraman et al. (1985) who noted that responsiveness entails the willingness to help customers and providing of prompt services. Also, growth of third party logistics companies considered that flexibility of service delivery as vital when outsourcing 3PL activities.

Logistics providers who are flexible in service delivery are likely to be given priority by growth of third party logistics companies when outsourcing 3PL. Flexibility would enable 3PL

providers to meet dynamic customer service expectations. Attention to service quality can differentiate an organization from another and thus gain competitive advantage.

**Table 4: Service Quality and Growth of Third Party Logistics Companies**

Statement	Not all	at Small Extent	Moderate	Large Extent	Very Extent	Large	Modal Class
	1	2	3	4	5		
<b>Reliability</b>							
a) Timeliness	2%	34%	25%	22%	27%		2
b). Consistency	3%	22%	25%	36%	14%		4
c) Accuracy	4%	26%	30%	32%	8%		4
<b>Responsiveness</b>							
a). Willingness to help	2%	25%	26%	23%	23%		3
b). Prompt attention to requests	4%	16%	20%	38%	22%		4
c). Problem solution	2%	7%	20%	46%	24%		4
d). Complaint handling	4%	2%	40%	30%	25%		3
e). Flexibility	2%	10%	28%	32%	30%		4

**Growth of Third Party Logistics Companies**

The study sought to establish the rating growth of third party logistics companies in Kenya. This was measured using market share and profitability indicators in the opinion statements given. Respondents were asked to indicate the extent to which they measured growth of third party logistics companies. This was on a likert scale of not at all, small extent, moderate, large extent and very large extent. Thus, in this study the scale of not all and small extent meant disagree while large and very large extent meant agreed.

The study found out that 60% of respondents agreed that they used percentage of their market share to measure growth, 25% of respondents indicated moderate and 5% disagreed that they used percentage of their market share to measure growth of third party logistics companies. With regard to product availability in the market, 58% of respondents

agreed that they used availability of their products in the market to measure growth while 30% of respondents indicated moderate and 13% of respondents disagreed that they used availability of their products in the market to measure growth. On competition, 60% of respondents agreed that they used competition to measure their growth while 28% of respondents indicated moderate and 12% of respondents disagreed that they used competition to measure their growth. Concerning loyalty, 66% of respondents used loyalty of their customers to measure growth of third party logistics companies whereas 23% of respondents indicated moderate and 12% of respondents disagreed that they used loyalty of their customers to measure growth of third party logistics companies. Thus, from the study it was observed that third party logistics companies would be measured by use of percentage of market share, availability of the company's product in the market, competition

of the company's product in the market and loyalty of customers towards the company's products. These results are in harmony with the study by Waiganjo (2013) that noted that although performance has been traditionally conceptualized in terms of financial measures, some scholars have proposed a broader performance concept that incorporates non-financial measures including among others market share, product quality, and company image. The result showed that 70% of respondents agreed that they used organizational growth over a given period of time to measure third party logistics companies whereas 25% of respondents indicated moderate and 5% of respondents indicated that they used organizational growth over a given period of time to measure third party logistics companies. Based on asset base/facility, 60% of respondents agreed that they used asset base/facility to measure growth of their companies while 27% of respondents indicated moderate and 5% of respondents disagreed that they used asset base/facility to measure their companies' growth. Finally, on revenue

earnings, 65% of respondents agreed that they used income revenue earnings to measure their companies' growth while 22.9% of respondents indicated moderate and 4.8% of respondents disagreed that they used income revenue earnings to measure their companies' growth. Generally, from the results it was noted that third party logistics companies used organizational growth, asset base/facility to measure performance of their companies. third party logistics companies whose profitability has been tremendous over a given period of time are considered to be performing well. Also, the third party logistics companies' income revenue earnings would be used to measure growth of third party logistics companies. The third party logistics companies whose income revenue earnings have been increasing steadily are perceived to be profitable. These study findings, were in agreement with Wanjau (2010) and Waiganjo (2013) who noted that although growth can be measured using profitability, companies which have profits are deemed be performing well.

**Table 5: Growth of Third Party Logistics Companies**

<b>Statement</b>	<b>Not at all</b>	<b>Small Extent</b>	<b>Moderate</b>	<b>Large Extent</b>	<b>Very Large Extent</b>	<b>Modal Class</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>Market Share</b>						
a) Percentage of your market share	4%	32%	30%	26%	26%	3
b). Availability of your services in the market	2%	24%	26%	38%	18%	4
c) Competitiveness of your products	3%	28%	32%	34%	10%	4
d). Loyalty of your customers	4%	18%	16%	42%	20	4
<b>Profitability</b>						
a). The organization growth over time	2%	18%	22%	40%	26%	4
b). Asset base /facilities	4%	12%	24%	40%	26%	4
c). Income/revenue	2%	12%	38%	40%	28%	4

earnings

**Multiple Regression Analysis**

The data showed that the high R square was 0.640. It showed that the independent variables in the study were able to explain 64.00% variation in the growth of third party logistic companies while the remaining 36.00% is

explained by the variables or other aspects outside the model. This implied that these variables were very significant and they therefore need to be considered in any effort to boost growth of third party logistic companies.

**Table 6: Model Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
	.800	.640	.621	.009

**Analysis of Variance (ANOVA)**

The study further used Analysis of Variance (ANOVA) in order to test the significance of the overall regression model. Green and Salkind (2013) posit that Analysis of Variance helps in determining the significance of relationship between the research variables. The results of Analysis of Variance (ANOVA) revealed that the significance of the F-test was done to test the effect of independent variables on the dependent variable simultaneously. The F-statistic test basically shows whether all the independent variables included in the model

jointly influence on the dependent variable. Based on the study results of the ANOVA Test or F-test in Table 7, obtained F-count (calculated) value was 35.0700 greater the F-critical value (table) (10.008) with significance of 0.001. Since the significance level of 0.001 < 0.05 we conclude that the set of independent variables affect the growth of third party logistic companies (Y-dependent variable) and this shows that the overall model was significant. Thus, the four variables play a significant role in the growth of third party logistic companies in Kenya.

**Table 7: ANOVA (Results)**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	9.006	4	2.2515	35.0700	.001 <sup>a</sup>
Residual	2.908	45	.0642		
Total	11.914	49			

NB: F-critical Value = 10.008;

The results of multiple regression analysis obtained regression coefficients t value and significance level as indicated in Table 8. The study conducted a multiple regression analysis so as to determine the relationship between the dependent variable and independent variables. The general form of the equation was to predict the growth of Third Party Logistics from product tracking services,

warehousing management, service quality and transport management is:  $(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon)$  becomes:  $Y = 12.662 + 0.789X_1 + 0.712X_2 + 0.678X_3 + 0.567X_4 + 0.654$ . This indicates that Growth of Third Party Logistics = 12.662 + 0.500\* Product Tracking Services + 0.566\*Warehouse Management + 0.532\*Transport Management + 0.680\*Service Quality + 4.350. From the study findings on the



regression equation in Table 8 established, taking all factors into account (independent variables) constant at zero growth of Third Party Logistics companies will be 12.662. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in product tracking services will lead to a 0.500 increase in growth of Third Party Logistics companies; a unit increase in warehousing management will lead to a 0.566 increase in growth of Third Party Logistics companies, a unit increase in Transport management will lead to 0.532 increase in growth of Third Party Logistics companies and a unit increase in service quality will lead to 0.680 increase in growth of Third Party Logistics companies. This infers that service quality contributed most to growth of Third Party Logistics companies. Based at 5% level of significance, product tracking services had a .001 level of significance; product tracking services showed a .007 level of significance,

Warehouse Management show a .003 level of significance and transport management show a .005 level of significance hence the most significant factor was service quality.000

The study findings were in agreement with literature review by Stevenson (2009) provided same empirical support that service quality was important to business and vital to logistics success (Laird, 2012; Mangarulkar, et al., 2012; Bowersox, et al., 2010). This finding agrees with an empirical research done by (Tseng, at el., 2005) that the transport management is the key element in a logistics management, which joins the separated activities and it influences the growth Bowersox, at el., (2012) that logistics capabilities of a firm could only be as good as its order processing competency hence creation of firm performance, and it is the principal functions for a firm as it creates flow of goods from out and in of the firms (Mangarulkar, et al., 2012).

**Table 8: Coefficient Results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	$\beta$	Std. Error	$\beta$		
(Constant)	12.662	4.350		2.905	.000
Product Tracking Services	.500	.865	.665	3.908	.007
Warehousing Mgt	.566	.130	.654	4.345	.003
Transport Mgt	.532	.126	.455	4.234	.005
Service Quality	.680	.125	.332	5.432	.000

**SUMMARY, CONCLUSION AND RECOMMENDATIONS**

The study sought to examine the influence of customer care on growth of Third Party Logistic companies in Kenya. The study established that product tracing services, warehousing

management, transport management and service quality influence growth of Third Party Logistic companies in Kenya.

The study sought to assess the influence of product tracing services on growth of Third

Party Logistic companies in Kenya. It was established that proper product tracking reduces the warehousing costs. The Product labeling was critical for high valued inventories and the organization had ensured that our orders had zero mistakes to enhance customer satisfaction. The usage of auto-ID technologies improved accuracy in product marking and product recovery services improved efficiency in product processing. Labeling and tagging media helps in product identification. ID technologies help in product marking to realize accuracy and efficiency. This implied that on average the organization has implemented product tracking services effectively to enhance their operations.

The study sought to examine the influence of product tracing services on growth of Third Party Logistic companies in Kenya. The majority of respondents affirm that the firm has ensured that there is the use warehouse management system; the firm has adopted the practices FIFO system, there is the use of automated tools and techniques, the firm has ensured that there is use of bar codes, the organization ensure that there is use of stock cycle counts. Further, a majority moderately agreed that the organization ensured that there was use of stock cycle counts. The supply chain department had ensured that there was integrated warehouse management. As such, it was concluded that overall, firm has ensured that there was the use warehouse management system. This was of the implication that considering these warehousing management practices were not allocated in sufficient levels; efforts to address the same could prove beneficial in assuring Third Party Logistic companies in Kenya thereof.

The study sought to establish the influence of transport management on Third Party Logistic companies in Kenya. A majority of respondents

affirm that the firm's supply chain department had adopted the fleet management system; the organization had ensured that there was fleet control system; the organization had adopted the use of the fuel management system. The organization had ensured that there was always preventive maintenance all the time. The organization ensured that there was a working tracking system all the time. Further, a majority moderately agreed that the organization ensured a route plan/ planning for the fleet.

The study sought to establish the influence of service quality on growth of Third Party Logistic companies in Kenya. The study used service quality as one of the predictors on the growth of Third Party Logistic companies in Kenya. The study used reliability and responsiveness as indicators. From the study findings it was noted that, timeliness, consistency and accuracy of service delivery affected growth of Third Party Logistic companies in Kenya. Therefore, growths of Third Party Logistic companies in Kenya outsource 3PL providers who were capable of providing timely and accurate services. Also, the study observed that willingness to help customers, offer prompt services to the customers; flexibility of service delivery affected growth of Third Party Logistic companies in Kenya Attention to service quality could differentiate an organization from another and thus gain competitive advantage. Moreover, the study revealed that there was a positive relationship between quality service and growth of Third Party Logistic companies in Kenya. Service quality was commonly noted as a critical prerequisite and determinant of competitiveness for establishing and sustaining satisfying relationships with customers. Therefore, Third Party Logistic companies in Kenya consider quality service in decision making.

The study sought to determine the growth of Third Party Logistic companies product tracking

services, service quality, transport management and warehousing management. Reduction of costs recorded positive growth Timely Purchases-stock out reduction further recorded positive growth. From inferential statistics, a positive correlation was seen between each determinant variable and growth of Third Party Logistic companies. The strongest correlation was established between service quality and growth of Third Party Logistic companies. All the independent variables were found to have a statistically significant association with the dependent variable at ninety-five level of confidence. Analysis of variance was further done and it was established that there was a significant mean. This is since the p values of their coefficients were all less than 0.05.

### **Conclusions of the Study**

Based on the study findings, the study concluded that growth of third party logistic companies was affected by product tracking services, service quality, transport management and warehousing management as the major factors that mostly affected growth of third party logistic companies in Kenya.

The study concluded that service quality was the first important factor that affected growth of third party logistic companies in Kenya. The regression coefficients of the study showed that service quality had a significant influence on growth of third party logistic companies in Kenya. This implied that increasing levels of service quality by a unit would increase the levels of growth of third party logistic companies in Kenya.

The study concluded that warehousing management was the second important factor that affected growth of third party logistic companies in Kenya. The regression coefficients of the study showed that warehousing management had a significant influence on growth of third party logistic companies in

Kenya. This implied that increasing levels of warehousing management by a unit would increase the levels of growth of third party logistic companies in Kenya.

Further, the study concluded that transport management was the third important factor that affected growth of third party logistic companies in Kenya. The regression coefficients of the study showed that transport management had a significant influence on growth of third party logistic companies in Kenya. This implied that increasing levels of transport management by a unit would increase the levels of growth of third party logistic companies in Kenya.

Finally, the study concluded that product tracking services was the second important factor that affected growth of third party logistic companies in Kenya. The regression coefficients of the study showed that product tracking services had a significant influence on growth of third party logistic companies in Kenya. This implied that increasing levels of product tracking services by a unit would increase the levels of growth of third party logistic companies in Kenya.

### **Recommendations of the Study**

The study recommended for the product tracking services to be enhanced by the Third Party Logistic companies in Kenya. It would reduce the warehousing costs. The Product labeling was very critical for high valued inventories. The usage of auto-ID technologies could improve accuracy. The of ID technologies was encouraged since it would help in product marking to realize accuracy and efficiency to effectively enhance their operations.

The management of third logistics companies to invest extensively in warehousing management and employees training by emphasizing and promoting the culture of learning organizations that is different from the current trends where many third logistics companies use seminars

and workshops as the only method of training. The management of third logistics companies should also employ professional trained procurement staff and continuously train the staff on emerging issues on public procurement practices such as use of FIFO systems, automated warehousing.

Third logistics companies should effectively integrate procurement functions with transport management systems through application of fleet management systems and methods, use of automated procurement systems; implementation of supportive fuel management systems and automated vehicle scheduling to enhance growth of third logistics companies in Kenya.

Further, the study recommends that third logistics companies in Kenya should consider the capability of providing timely and accurate services as this would enable companies to improve service quality. Hence, service quality could make companies differentiate themselves from the others and gain competitive

advantage and thus improve their overall growth.

### **Areas for Further Research**

The study was a milestone for further research in the logistics management in Africa and particularly in Kenya. The findings demonstrated the important factors to the growth of third logistics companies in Kenya to include; service quality, warehousing management, product tracking services and transport management. The current study should therefore be expanded further in future in order to determine the effect of procurement legal framework on third logistics companies in Kenya. Existing literature indicates that as a future avenue of research, there is need to undertake similar research in other government institutions and public sector organizations in Kenya and other countries in order to establish whether the explored factors can be generalized to affect third logistics companies in Kenya.

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