

# **IMPACT OF INVENTORY MANAGEMENT SYSTEM IN RETAIL STORES OVER CUSTOMER SATISFACTION – A CASE STUDY OF HYPERSTAR KARACHI**

**By**

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**MBA Thesis**  
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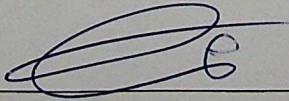
No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	5/4/15	Bahria University	Data Analysis	<u>Ubaid</u>
6	19/4/15	Bahria University	critical debate	<u>Ubaid</u>
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**APPROVAL FOR EXAMINATION**

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 9% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature:  Date: 1/7/2015

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## Abstract

**Purpose-** The purpose of this study was to find out the impact inventory management system in retail stores over the satisfaction level of customers.

**Methodology/Approach-** The data for study was collected by using likert scale questionnaire filled by 300 employees performing different functions related to inventory management of Hyperstar Karachi. Relationship between variables regarding performance of inventory management system and customer satisfaction was determined. Variables used for forming opinion about inventory management system were accuracy of inventory records, accuracy of demand information, information sharing with suppliers, effective replenishment process and effective reordering and delivery of inventory.

**Findings-** The analysis of relationship between different variables of inventory management system and customer satisfaction showed that there is a strong positive relationship between the performance of inventory management system and customer satisfaction. If the inventory is managed by the use of modern technologies and methods to improve efficiency and effectiveness of the processes involved, it directly improves the level of customer satisfaction.

**Practical implications-** The results of this study can help the retail stores in improving their level of customer satisfaction by introducing process improvements in their inventory management system. When the customer satisfaction level improves, customers gets satisfied and visits the store regularly which increases the sales of retail stores. Furthermore if customers are happy with the availability of products in a particular retail store, they will tell their friends/family about this which increases the potential customers of that store. Ultimately, the customer base and loyalty of customers increases which in return increases the sales and profitability of the store.

**Key words:** Inventory management, Customer satisfaction, Retail store

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