African Journal Of Business And Management
Special Issue: Volume 7, Issue 2, November 2022 http://aibumaorg.uonbi.ac.ke/content/journal
Pgs 201-212

University of Nairobi
School of Business

AFRICAN JOURNAL OF BUSINESS AND MANAGEMENT

(AJBUMA)

ISSN 2079-410X

CONSUMER WELFARE AND FIRM PERFORMANCE: EVIDENCE FROM SUPERMARKETS IN NAIROBI CITY COUNTY

Kamotho Njenga[1], Prof. Kate Litondo (PhD)[2], Prof. Germano Mwabu (PhD)[3]

[1] Ph.D. Candidate, Department of Management Science and Project Planning, University of Nairobi - *kamothonjenga@gmail.com*

[2] Department of Management Sciences, University of Nairobi.
[3] Department of Management Sciences, University of Nairobi.

Date Received 19/09/2022 | Date Accepted 24/10/2022

Abstract

The primary of this study was to investigate whether consumer welfare contributes to better performance. To probe the hypothesized linkage, cross-sectional data collected using a questionnaire from a sample of 289 supermarkets in Nairobi County was employed. Consumer welfare was proxies by consumer surplus, consumer fulfillment, ability to save as well as impulse buying. Firm performance was measured revenue scale, number of customers, profitability and operating costs. The estimation method applied in this study was logistic regression model. The findings indicate that consumer welfare negatively and significantly influenced firm performance.

Keywords*: consumer welfare, firm performance, Logistic model, Nairobi City County*

Introduction

In the current competitive market, consumer welfare has become cornerstone of every entity across the globe since meeting customer needs is paramount in ameliorating corporate performance. In fact, customer welfare has evolved as a corporate strategy in a quest to improve performance. Khemani and Shapiro (1993) terms consumer welfare as the distinctive payback obtained from the usage of goods/services. The individual evaluation of satisfaction based on a specific price and income levels is often construed as individual welfare. Therefore, consumer welfare quantification depends largely on information about individual preferences. Although being practically subjective, welfare is perceived to be an important metric since it can be associated with individual's utility based on consumption of a specific product. Moreover, consumer welfare is the individual's accomplishment from the consumption of a given commodity (Orbach, 2011). Empirical literature singles out consumer surplus as key measure consumer welfare and represents the excess valuation attributed to a product by a user over the chargeable price (Spiller, 2011).

The consumer welfare is vital owing to a continuum of the direct gains such as condensed risk, reduced price as well as proficient supply responses (Wright, 2001). Consumers benefit from flexible pricing models related to m-payments on top of smooth consumption trends since they are not obligated to incur costs to visit physical markets to enquire prices or to make settlements. Actually, challenges relating to consumer welfare quantification are overcome by considering the price that distinct individuals would be keen to offer in return of particular good/services (Daskalova, 2015).

According to Sagire (2017), the cumulative utility consumers gain from the organization affects the nature of transactions that consumers engage in with a given entity. The factors that consumers make when seeking value relations with an organization entail the usefulness related with the real consumption of goods, in conjunction with the prevailing opportunity costs (Spiller, 2011). These aspects are described from the perspective of the perceived utility that consumers derive from the organization and support that one's opinion influences usefulness (Barney, 2011). These elements may therefore help to establish the motivations to use the offerings of a firm and in particular, mobile payments.

Dynamics in the corporate world continue to render uncertainty among business entities. Modern firms are under intense pressure to deliver better, faster and at the most competitive terms, so as to remain relevant in the ever-evolving marketplace. Accordingly, firms are obliged to deal with and improve their ability to adapt to an increasing range of challenges emerging from their operating context. Consistent success through superior value proposition to consumers remains a priority to present organizations. This is because it is only through quality that businesses are able to achieve success and realize further market penetration (Crook et al., 2008). It is thus imperative to analyze and measure business performance to ascertain a firm's position and prospects. A measure of a firm's financial performance, which depends both on the entity's own productivity, and also on the market realities in which it operates, is crucial.

Dawes (1999) points out that firm performance measurement is most effectively achieved by using multiple indicators. Despite the significance of the concept of firm performance, there is no unanimity about its characterization and conceptualization as a research construct (Santos & Brito, 2012). In particular, Crook et al. (2008) argue that firm outcome research has notable glitches like failing to agree on definition, settling on metrics that are favorable to an individual researcher, and generally there is minimal value for validity. Expounding on the linkage between information technology (IT) and firm performance, Marchand, et al. (2002) isolate possible explanations for the success of IT deployment within a firm. First, the quality of firm's process management chains particularly the integration of IT into key operational processes. Secondly, the firm's harnessing capacity and information distribution. Third, is the ability to impart preferred information handling pattern.

Firm performance is crucial to the sustainability of any business. Barua et al. (2001) established that increased digitization of key customer processes enhanced organizational performance. Harrison and Wicks (2013) observe that attending to stakeholder needs yields positive value across multiple dimensions and eventually boosts firm performance. As such, Richard et al. (2009) emphasize the need for clearer conceptualization of firm performance and better measurement approaches. Notwithstanding this significance, lack of unanimity on the connotation, dimensionality and measurement of firm performance hampers research progress and comprehension of the concept. Firm performance analysis therefore, despite its significance, suffers from difficulties such as lack of concrete evaluation metrics. In this regard, Richard et al., (2009) posit that where there exist multiple dimensions or measurement criteria, the researcher should choose those deemed most relevant to a study. Possible metrics that can be used to indicate a firm's performance include among others return on investment, capital growth, revenue progression, and liquidity and stock exchange ratings.

Kenya's retail sector is among the largest and most developed in Africa. In 2020, the wholesale and retail sector in Kenya accounted for a 7.6 percent gross domestic product contribution, exemplifying its significance to the economy (KNBS, 2020. With few regional companies, Kenya's retail sector primarily driven by indigenous investors and some foreign venture capitalists, largely buoyed by rising purchasing power, improved macroeconomic outlook and relatively inexpensive retailing space. Retailers have diversified their range of goods in an attempt to stay competitive. More so, they have adopted online distribution channels. Consequently, the provision of mobile payments was made possible by the latter, both remotely at the point of sale.

Due to their ability to offer a one stop access to a wide array of products, all under one roof, supermarkets have expectedly emerged as key transactional hubs. With a possible aim of enhancing transactional convenience to motivate spending among shoppers, supermarkets have deployed shopping platforms that enable customers to make transactional settlements using a wide range of payment methods. Shoppers can pay in cash, credit cards, debit cards and most significantly, through integrated mobile payment options. Given the frequency and scope of transactions involved, supermarkets potentially offer a rich data set instrumental for research.

Research Problem

Among the supermarkets in Nairobi County, some retail outlets are performing better compared to their counters. Therefore, it is imperative to empirically examine whether performance disparities is ascribed to the state of consumer welfare. Despite the competitive business environment, many supermarkets have faced a myriad of challenges such as adverse effects of COVID-19 pandemic, increasing consumer demands owing to volatile consumer tastes and preferences, shrinking disposable income among the households, reduced demand for non-basic commodities among others. To overcome these challenges, many supermarkets have adopted consumer welfare as the prime strategy so as to survive in the markert.

There is no convergence in empirical literature as to whether consumer welfare enhances, has no effect or adversely affects performance. Empirical evidence is mixed owing to a plethora of studies documenting positive linkage and some negative association (Spiller, 2011). The contradictory outcomes can be attributed to conceptual, contextual and methodological differences. The conceptual gaps originate from the selection and choice of the key variables, metrics used to operationalize the study variables, the bidirectional association between the study variables as well as integration of control variables such as mediators and moderators to extend the bivariate studies (Wright, 2001). Contextual gaps emanating from differences in regulatory, economic, cultural and political environments between developing and developed markets as well as sectorial disparities have been a major source of conflicting findings (Sagire, 2017). Finally, divergent findings can be linked to methodological differences which are occasioned by the choice of econometric models, type of dataset and sampling variations (Orbach, 2011). This study attempted to address these gaps by answering the research question: what is the relationship between consumer welfare and performance of supermarkets in Nairobi County?

Research Objective

The objective of this study was to investigate the linkage consumer welfare and firm performance of supermarkets in Nairobi County.

Theoretical Literature

The link between consumer welfare and performance is anchored on stakeholder and transaction cost theories. Stakeholder theory was proposed by Freeman (1984) and suggests that that a business has an obligation to maximize stakeholder value. The stakeholder theory is widely applied in the field of consumer welfare in relation to corporate entities. According to Tantalo and Priem (2016), maximization of shareholder wealth is not just dependent on provision of capital for business ventures but also the power of stakeholder synergy from which opportunity capital will derive. In terms of the stakeholder theory, stakeholders consist of any person or entity affected by a firm and its operations. This means that organizations have a responsibility to people or groups of people who go far beyond the boundaries of the organization and transcends contractual relations (Horisch *et al.,* 2014).

Stakeholder classification extends to include those that are in a relationship with the firm voluntarily and those that engage with the firm involuntarily. Primary stakeholders have crucial resources needed for the firm's survival. According to Sarkis et al. (2010), primary stakeholders include consumers, managers, creditors, employees, suppliers, community stakeholders, regulatory stakeholders, and shareholders. These stakeholders can influence the economic direction of the firm. On the other hand, secondary stakeholders can impact on the economic conditions of the firm only by influencing other stakeholders. This is so because firms do not depend on these stakeholders for survival. They include non-governmental organizations, the media, consumer advocacy groups as well as environmentalist groups. Consequently, a firm must keep its interests aligned to the welfare of customers, suppliers, employees and communities within its environment (Freeman, 1984).

Transaction cost theory advanced by Williamson (1979) underpins this study and regards transaction costs as the overall costs of running operations within an organizational set up. Transaction cost theory is premised on the notion that to realize efficiency and optimality, an organization should structure its affairs in a manner that minimizes the cost of exchange (Williamson, 2002). According to the transaction cost theory the cost incurred when transferring or converting assets from one form to another constitutes the most significant transactional burden (Hicks, 1935). Transaction cost theory contends that organizations economize on costs by selecting a form of governance that minimizes transaction and production costs. As such, transaction costs can be positively manipulated depending on how a firm organizes and structures its processes. Transaction cost theory is relevant in explaining the link between consumer welfare and performance since the cost transferred to the final consumer should not be burdensome.

Empirical Literature

The bulk of previous empirical studies support the positive linkage between consumer welfare and performance. According to Mithas, Jones and Mitchell (2004), customer loyalty minimizes the possibility of customer defection to other brands or firms. Reduced customer defection means that firms that focus on consumer welfare are more likely to retain customers and perform better in terms of sales. Other advantages of consumer welfare in relation to firm performance include: reduced defective goods, reduced complaints and cost related to warranties as well as reduced field service costs. Often, better consumer welfare leads to higher economic returns for firms. According to Fornell (2001), customer perceptions of higher and better quality are associated with better economic returns. Other than economic benefits, firms also earn employee satisfaction a bigger market share and better productivity when they achieve better consumer welfare as was observed by Neumann and Hoisington (2001). Customer satisfaction is generally associated with cost competitiveness, employee loyalty, long term growth and profitable performance. Better returns for the shareholders mean profitability and as an extension better firm performance.

Several studies have successfully linked consumer welfare and firm performance. Aksoy et al. (2008) for instance, noted that customer satisfaction is an intangible and valuable asset that generates positive returns. They are of the view that firms with positive changes in consumer satisfaction and higher levels of consumer satisfaction often outperform other firms in the stock market. Rust et al. (2004) posit that there exists a positive link between consumer welfare and future cash flows and by extension, the value of the firm. Thus, increased consumer satisfaction leads to increase and accelerations in earnings, increased business residual value and less volatility of cash flows. Other than reduced perceived risk associated with the cash flows, consumer satisfaction in this case will lead to increase in stock price. Accordingly, consumer welfare will lead to reduced cost of capital since customer satisfaction is associated with growth in cash flow and reduced risks associated with future cash flows. Summarily, better consumer welfare stabilizes revenue flows, while lowering variation and uncertainty. As such, enhanced consumer welfare will render an impact on the firm's market value as well as the stock price.

Consumer fulfillment and satisfaction leads to a significant growth of cash flows. The growth of revenue also benefits more from transactions deriving from satisfied customers. On their part, Gruca and Rego (2005), observe that higher customer fulfillment diminishes the risk associated with cash flow fluctuation and unpredictability. Reduced cashflows variability lowers the cost of capital thus sustaining stock price growth. Business' overall value being a function of among others, quality, and number of customers, cumulatively which are related with the welfare of the market share is equally bolstered (Srivastava *et al.,* 1998). Due to the centrality of customers to the performance of a firm, their welfare should be a priority for firms seeking to boost their value and as an extension that of their shareholders.

There is ample evidence that links consumer welfare to financial outcomes and confirms a positive association between the two. Studies point to a positive relationship between a firm's customer satisfaction level and the corresponding financial market performance (Anderson, Fornel & Mazyancheryl, 2004). Scholars have propounded different measures of consumer welfare change designed to appraise prospective improvements in wellbeing. In relation to sharing and distributing value, consumers are key stakeholders in the performance of the firm. Responding and addressing the interests of consumers leads to better consumer welfare. Consumer welfare encompasses the benefits that that consumers derive from consuming products (Wilson, 2003).

Conceptual Framework

Conceptual framework schematically displays the linkage between consumer welfare and performance. The independent variable is consumer welfare and is operationalized by indicators four indicators, namely: consumer surplus, consumer fulfillment, ability to save as well as impulse buying. Firm performance was modeled ads the outcome variable and is represented by four metrics, namely: revenue scale, number of customers, profitability and operating costs

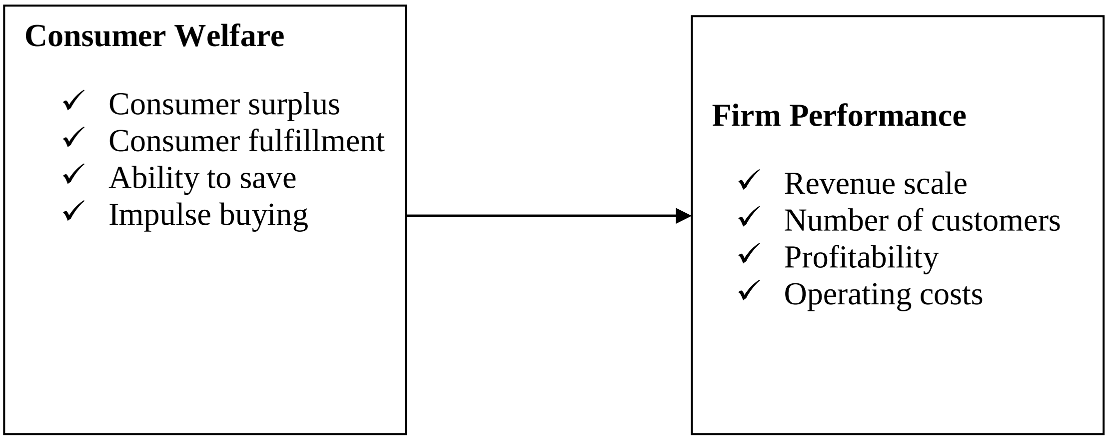

Figure 2.1: Conceptual model

Research Hypothesis

$H_{01:}$ Consumer welfare does not significantly influence performance of supermarkets in Nairobi County.

Methodology

The study probed the link between consumer welfare and performance. The cross-sectional research design was adopted since provides a sound strategy that broadly integrates diverse study elements in a systematic fashion at a specific point in time thus ensuring proper collection and analysis of data to adequately address the research problem. The target population comprised of 906 hyper supermarkets and 139 mega supermarkets in Nairobi totaling to 1,045 supermarkets. A sample of 289 supermarkets was employed based on stratified sampling. The Cronbach's alpha coefficient was used to evaluate the reliability of the research instrument. A questionnaire was used to gather the primary data.

Empirical Model

The estimation of the parameters used in the study was based on logistic regression model. Logistic regression estimates a probability (P) of an event occurring given set of independent variables (X) that indirectly determine P. Essentially, the odds ratio (P/1-P) as a function of some unknown index, Z (X), is the basis for the commonly used logistic regression formula. Expressing probability, P, as: P = e^Z, where, e is a mathematical constant, (approximately equal to 2.71828183, typically the base of natural logarithms), as Z increases, P increases exponentially (Wooldridge, 2013).

Since the odds ratio (P/1-P) can be expressed similarly:

(P/1-P) = e^Z; so that P = e^Z- e^ZP. Rearranging, we get P +e^ZP = e^Z

The logistic model has been widely used to estimate the probability associated with the various independent variables since it provides sound insights on attributes and variables that aid prediction of outcomes within a study setting.

Profit=$\beta_0+\beta_1$[Impulb]+β_2[Consurp]+β_3[lnBudget]+β_4[lnIncome] + ε_i

Where:

Profit- the profitability of the firm has increased since adoption of m-payment services, Yes=1, 0 otherwise

Impulb - The consumer purchases more items than budgeted, Yes=1, 0 otherwise

Consurp- the consumer would still purchase the items bought if the price were higher, yes=1, 0 otherwise

LnBudget-Logarithm of the average monthly shopping budget

LnIncome- Logarithm of the average monthly income

ε_i-the error term

Descriptive Statistics

Table 1 presents the descriptive statistics for the study and control variables. The mean, standard deviation, minimum and maximum are computed and tabulated.

Table 1: Descriptive Statistics

Variable Name	Description of Variable	N	Mean	Standard Deviation	Minimum	Maximum
Consumer Welfare Variables						
Consumer surplus	The consumer would still purchase the items bought if the price were higher, Yes=1	289	0.84		0	1
Consumer fulfiment	The consumer is satisfied with the service received at the supermarket, Yes=1	289	0.94		0	1
Savings	Average Monthly Savings	273	7,350.84	10,471.26	100	80,000
Impulse buying	The consumer purchases more items than budgeted, Yes=1	289	0.60		0	1
Firm Performance Variables						
Revenue	Average revenue generated by the Supermarket in the previous month	289	14,900,000	43,200,000	20,000	400,000,000
Customers	Average customers served by	289	7,208.48	12,656.41	300	105,000

	the Supermarket in the previous month					
Profit	The profitability of the firm has increased since adoption of M-payment services, Yes=1	289	0.77		0	1
Operating costs	Average operating cost incurred by the Supermarket in the previous month	288	9,288,481	27,600,000	5,000	270,000,000

From the results in Table 2, a proportion of 74% of the sampled customers used mobile payment services. Additionally, 84% of the consumers reported that they would still purchase the items bought despite the prices being higher. Moreover, 94% of the consumers reported that they were satisfied with the services received at the respective supermarkets. The sampled consumers indicated that the average monthly savings was Ksh. 7,350.84 with a standard deviation of Ksh. 10,471.26. The minimum monthly savings reported was Ksh. 100 while the maximum was Ksh. 80,000. Nevertheless, 60% of the customers purchased more items than budgeted per month.

Regarding the firm performance, the average revenue generated by the supermarkets in the previous month was Ksh. 14,900,000 with a standard deviation, minimum and maximum of Ksh. 43,200,000, Ksh. 20,000 and Ksh. 400,000,000 respectively. Moreover, the average customers served by the supermarkets in the previous month were 7208 with a standard deviation of 12656. The minimum customers served were 300 and the maximum customers served were 105000. Additionally, 77% of the firms reported increase in profitability since adoption of M-payment services. Further, the average operating cost incurred by the supermarket in the previous month was Ksh. 9,288,481 with standard deviation of Ksh. 27,600,000. The minimum operating cost was Ksh. 5,000 and the maximum was Ksh. 270,000,000.

Reliability Test Results

The reliability of the scale items was assessed by inspecting the internal consistency values and the loading of the items on their corresponding constructs based on the Cronbach's alpha.

Table 2: Cronbach's Alpha Test

Construct	Number of items	Cronbach's alpha coefficient
Consumer Welfare	7	0.7304
Firm Performance	3	0.7222

The findings indicate that all indicators were reliable taking into account that the Cronbach's coefficient ranked above 0.7 which is the recommended threshold.

Empirical Findings and Discussion

$H_{01:}$ Consumer welfare does not significantly influence performance of supermarkets in Nairobi County.

Table 3: Effect of Consumer Welfare on Firm Performance

	Model : **Firm Performance** (Profit)	
	Column 7	Column 8
	Coefficient	Marginal Effects
Impulb	-0.65*	-0.09**
	(0.346)	(0.046)
Consurp	0.34	0.05
	(0.437)	(0.074)
lnBudget	0.15	0.02
	(0.260)	(0.038)
lnIncome	-0.21	-0.03
	(0.205)	(0.030)
Gender	0.64**	0.09**
	(0.323)	(0.046)
Intercept	1.19	
	(2.446)	
No. of Observations	282	
LR $\chi^2(7)$	16.37**	
LR $\chi^2(10)$		

Model 1 presents logit models of consumer welfare proxied by impulse buying, consumer surplus, consumer fulfillment and ability to save. Robust standard errors in parenthesis. *, ** and *** denote significance at the 10%, 5% and 1% level respectively. From model 1, the marginal effects for impulse buying are negative and significant (-0.09, p<.05). Therefore, we reject the null hypothesis (H_{01}) and conclude that consumer welfare influences firm performance. Hence incurring impulse expenditure decreases consumer welfare but increases the probability of increasing firm performance by 9.0 percentage points.

The findings of this study support those of Dogan (2013) who found a positive relationship between consumer welfare and profitability. The empirical findings also reflct the empirical works of Wilson (2003) who suggested that firm performance is largely influenced by the manner in which an organization handles consumer welfare. Similar findings are reported by Aksoy et al (2008) who suggested that there was a significant linkage between consumer welfare and organizational performance.

Conclusions, Limitations and Recommendations

There is no empirical consensus as to whether consumer welfare affects performance owing to divergence in empirical findings. Despite the contradictory findings, this study concludes there is a negative significant relationship between consumer welfare and performance. The prospects of impulse buying decrease consumer welfare but conversely increase the probability of better firm performance accruing through profitability.

This study has some limitations. In this analysis, responses were obtained from 289 exclusively urban supermarkets in Nairobi. It is believed that this sample, being largely drawn from urban dwellers who are relatively more educated and technologically refined might offer results that are different from those derivable from a rural setting, Therefore, the results of this study, being largely anchored on a community that is technologically receptive coupled with a high usage of mobile payment are possibly biased. Despite the above limitations, the quality of the study was not compromised. Therefore, the study makes an immense contribution to the existing body of knowledge especially in the field of mobile payments, consumer welfare and firm performance links which has not been adequately explored before.

This study focused on the retail sector, specifically the supermarkets. Future research may be targeted at a different sector or sectors to determine possible variations in responses and outcomes. Subsequent research could also introduce further variables other than consumer welfare and firm performance. Studies could also be conducted using other consumer and firm characteristics as moderators in order to unravel further insights on the mobile payment-consumer welfare-firm performance relationship.

References

Anderson, E., Fornel, C. and Mazyancheryl, S. K. (2004), “Customer Satisfaction and Shareholder Value,” *Journal of Marketing*, 68 (4), 172–85.

Argyres N. S., Zenger T. R., (2012) Capabilities, Transaction Costs, and Firm Boundaries. *Organization Science* 23(6):1643-1657.

Crook, T. R., Ketchen, D. J., Jr., Combs, J. G., & Todd, S. J. (2008). Strategic resources and performance: a meta-analysis. *Strategic Management Journal*, 29(11), 1141-1154. doi: 10.1002/smj.703.

Daskalova, V. I. (2015). Consumer welfare in EU competition law: what is it (not) about? *Competition Law Review*, 11(1) 57-72.

Dawes, J. (1999). *The relationship between subjective and objective company performance measures in market orientation research: further empirical evidence*, Marketing Bulletin, 10, 65-75.

Freeman, R. (1984) *Strategic Management: A Stakeholder’s Approach*. Pitman, Boston, MA.

Gruca, T and Lopo R (2005), Customer Satisfaction, Cash Flow, and Shareholder Value, *Journal of Marketing*, 69, 115–30.

Hicks, J. R. "*The Four Consumer's Surpluses*." Rev. Econ. Stud. 11(1943):31-41.

KNBS (2020) Kenya National Bureau of Statistics (KNBS) (2020)*Economic Survey 2020*. ISBN: 978-9966-102-16-4.

Marchand, D.A., Kettinger, W.J. & Rollins J.D. (2002). *Information orientation: the link to business performance*, 2nd ed. Oxford: Oxford University Press.

Naumann, Earl and Steven H. Hoisington (2001), *Customer Centered Six Sigma: Linking Customers, Process Improvement, and*

Financial Results. Milwaukee: ASQ Quality Press.

Orbach, B. Y. (2011). The antitrust consumer welfare paradox. *Journal of Competition Law & Economics*, 7 (1) 133–164.

Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: towards methodological best practice. *Journal of Management*, 35(3), 718-804.

Sagire, L. (2017). The impact of demographic and social factors on firm performance in Kenya. *Journal of Business and Economic Development.*2 (4) 255-261.

Santos, J and Brito, L., (2012). Toward a subjective measurement model for firm performance. In: *BAR*: *Brazilian Administration Review*, 9. 95-117.

Spiller, L., Tuten, T. & Carpenter, M. (2011). Social Media and its Role in Direct Interactive IMC: Implications for Practitioners and Educators. *International Journal of Integrated Marketing Communications*. 3, 74-85.

Srivastava, Rajendra K., Tasadduq A. Shervani, and Liam Fahey (1998), Market-Based Assets and Shareholder Value: A Framework for Analysis, *Journal of Marketing*, 62, 2–18.

Suri, T. (2017). Mobile Money. *Annual Review of Economics.* 9 (1) 497-520

Tantalo, C., & Priem, R. L. (2016). Value creation through stakeholder synergy. *Strategic Management Journal*, 37(2), 314-329.

Tsai, K-H.; Wang J.-C. (2004). R&D Productivity and the Spillover Effects of Hightech Industry on the Traditional Manufacturing Sector: The Case of Taiwan. *The World Economy*, 27 (10) 1555–1570,

Tuna, G., & Yildiz, S. (2016). The impact of operating expenditures on firm performance in Turkey: Evidence from technology sector. Ekonomika, Journal for Economic Theory and Practice and Social Issues, 621350-2019.

Williamson, O. E. (1979). Transaction-cost economics: The governance of contractual relations. *Journal of Law and Economics*, 22, 233–261.

Wright, R., Tekin, E., Topalli, V., McClellan, C., Dickonson, T., & Rosenfeld, R. (2014). “Less cash, less crime: evidence from the electronic benefit transfer program” NBER Working paper no. 19996.

References

Anderson, E., Fornel, C. and Mazyancheryl, S. K. (2004), “Customer Satisfaction and Shareholder Value,” *Journal of Marketing*, 68 (4), 172–85.

Argyres N. S., Zenger T. R., (2012) Capabilities, Transaction Costs, and Firm Boundaries. *Organization Science* 23(6):1643-1657.

Crook, T. R., Ketchen, D. J., Jr., Combs, J. G., & Todd, S. J. (2008). Strategic resources and performance: a meta-analysis. *Strategic Management Journal*, 29(11), 1141-1154. doi: 10.1002/smj.703.

Daskalova, V. I. (2015). Consumer welfare in EU competition law: what is it (not) about? *Competition Law Review*, 11(1) 57-72.

Dawes, J. (1999). *The relationship between subjective and objective company performance measures in market orientation research: further empirical evidence*, Marketing Bulletin, 10, 65-75.

Freeman, R. (1984) *Strategic Management: A Stakeholder’s Approach*. Pitman, Boston, MA.

Gruca, T and Lopo R (2005), Customer Satisfaction, Cash Flow, and Shareholder Value, *Journal of Marketing*, 69, 115–30.

Hicks, J. R. "*The Four Consumer's Surpluses*." Rev. Econ. Stud. 11(1943):31-41.

KNBS (2020) Kenya National Bureau of Statistics (KNBS) (2020)*Economic Survey 2020*. ISBN: 978-9966-102-16-4.

Marchand, D.A., Kettinger, W.J. & Rollins J.D. (2002). *Information orientation: the link to business performance*, 2nd ed. Oxford: Oxford University Press.

Naumann, Earl and Steven H. Hoisington (2001), *Customer Centered Six Sigma: Linking Customers, Process Improvement, and Financial Results*. Milwaukee: ASQ Quality Press.

Orbach, B. Y. (2011). The antitrust consumer welfare paradox. *Journal of Competition Law & Economics*, 7 (1) 133–164.

Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: towards methodological best practice. *Journal of Management*, 35(3), 718-804.

Sagire, L. (2017). The impact of demographic and social factors on firm performance in Kenya.

*Journal of Business and Economic Development.*2 (4) 255-261.

Santos, J and Brito, L., (2012). Toward a subjective measurement model for firm performance. In: *BAR*: *Brazilian Administration Review*, 9. 95-117.

Spiller, L., Tuten, T. & Carpenter, M. (2011). Social Media and its Role in Direct Interactive IMC: Implications for Practitioners and Educators. *International Journal of Integrated Marketing Communications*. 3, 74-85.

Srivastava, Rajendra K., Tasadduq A. Shervani, and Liam Fahey (1998), Market-Based Assets and Shareholder Value: A Framework for Analysis, *Journal of Marketing*, 62, 2–18.

Suri, T. (2017). Mobile Money. *Annual Review of Economics.* 9 (1) 497-520

Tantalo, C., & Priem, R. L. (2016). Value creation through stakeholder synergy. *Strategic Management Journal*, 37(2), 314-329.

Tsai, K-H.; Wang J.-C. (2004). R&D Productivity and the Spillover Effects of Hightech Industry on the Traditional Manufacturing Sector: The Case of Taiwan. *The World Economy*, 27 (10) 1555–1570,

Tuna, G., & Yildiz, S. (2016). The impact of operating expenditures on firm performance in Turkey: Evidence from technology sector. Ekonomika, Journal for Economic Theory and Practice and Social Issues, 621350-2019.

Williamson, O. E. (1979). Transaction-cost economics: The governance of contractual relations. *Journal of Law and Economics*, 22, 233–261.

Wright, R., Tekin, E., Topalli, V., McClellan, C., Dickonson, T., & Rosenfeld, R. (2014). “Less cash, less crime: evidence from the electronic benefit transfer program” NBER Working paper no. 19996.