

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

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ABSTRACT: Reliable stock level distribution is critical in petroleum retail because product availability must be maintained despite demand variability, supply interruptions, price movements, regulatory requirements, and infrastructure constraints. This study examined the influence of strategic intent, strategic innovation, market orientation, and customer orientation on stock level distribution at TotalEnergies service stations in Nairobi, Kenya, and assessed whether environmental conditions moderate those relationships. An explanatory survey design was adopted. The target population comprised 178 directors, managers, and supervisors drawn from 53 service stations, and a census approach was used. A total of 158 usable questionnaires were analyzed, equivalent to 88.8% of the census target. Data were collected using a structured five-point Likert questionnaire and analyzed using descriptive statistics, Pearson correlations, multiple regression, and hierarchical regression. The direct-effects model was statistically significant, $F(4, 153) = 70.382$, $p < .001$, and explained 64.8% of the variance in stock level distribution ($R^2 = .648$; adjusted $R^2 = .639$). Customer orientation was the strongest direct predictor ($\beta = .433$, $p < .001$), followed by market orientation ($\beta = .359$, $p < .001$), while strategic intent ($\beta = .084$, $p = .023$) and strategic innovation ($\beta = .033$, $p = .004$) were also significant. Hierarchical analysis showed progressive gains in explanatory power when environmental conditions and interaction terms were incorporated, with the final model reporting $R^2 = .239$ and significant incremental changes. The results further reported significant moderation for strategic intent, strategic innovation, market orientation, and customer orientation. The study concludes that petroleum stock distribution is shaped not only by internal strategic posture but also by the environmental conditions under which strategic choices are implemented. Managers should therefore combine customer- and market-responsive stock planning with strategic innovation, long-term direction, environmental scanning, and contingency planning.

KEYWORDS: strategic orientation, strategic intent, strategic innovation, market orientation, customer orientation, environmental conditions, stock level distribution, petroleum retail, Kenya

1. INTRODUCTION

Stock availability is a central operational requirement in petroleum retail because service stations must satisfy daily demand while managing the financial and logistical consequences of holding too much or too little inventory. Inventory theory emphasizes the trade-off among product availability, ordering and replenishment costs, holding costs, uncertainty, and service requirements (Zipkin, 2000; Silver et al., 2016; Chopra & Meindl, 2019). In distribution networks, the problem is intensified by multiple stocking locations, replenishment lead times, transportation constraints, and imperfect demand information. Shared information can reduce inventory inefficiency, while poor information transmission can amplify order variability and produce the bullwhip effect (Cachon & Fisher, 2000; Chen et al., 2000; Lee et al., 1997). Petroleum retailers therefore require stock decisions that are simultaneously cost-conscious, demand-responsive, and resilient to disruption.

Contemporary supply-chain research treats resilience and responsiveness as strategic rather than purely technical properties. Firms exposed to disruptions need visibility, flexible sourcing and logistics arrangements, relational coordination, and recovery capabilities that preserve continuity when normal flows are interrupted (Christopher & Peck, 2004; Sheffi & Rice, 2005; Ponomarev & Holcomb, 2009; Pettit et al., 2010; Blackhurst et al., 2011; Brandon-Jones et al., 2014; Ambulkar et al., 2015). Such concerns are particularly relevant to petroleum distribution, where a shortage at one node can rapidly affect retail availability and customer service. The broader operations literature similarly argues that supply chains should be matched to demand characteristics and designed for speed, adaptability, and alignment rather than cost efficiency alone (Fisher, 1997; Lee, 2004; Christopher, 2016).

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

Stock level distribution is consequently an outcome of managerial choices about information, demand sensing, replenishment, partnerships, technology, and risk preparedness.

Strategic orientation provides a useful lens for explaining these managerial choices. It describes the principles and decision patterns through which a firm interprets opportunities, deploys resources, competes, innovates, and creates customer value. Early work on strategic orientation emphasized its multidimensional nature and the need to connect strategic posture to observable organizational decisions (Venkatraman, 1989; Gatignon & Xuereb, 1997). Market-orientation scholarship subsequently showed that intelligence generation, intelligence dissemination, customer focus, competitor awareness, and coordinated responsiveness can shape performance (Kohli & Jaworski, 1990; Narver & Slater, 1990; Jaworski & Kohli, 1993). The performance implications are supported by meta-analytic and capability-based evidence, although the strength of the relationship varies across settings (Kirca et al., 2005; Ellis, 2006; Hult et al., 2005; Morgan et al., 2009).

For stock distribution, strategic orientation matters because inventory decisions are not isolated from the firm's longer-term priorities. Strategic intent gives direction and establishes the aspirations against which resources are allocated (Hamel & Prahalad, 1989; Prahalad & Hamel, 1990). Strategic innovation determines whether the firm is willing and able to adopt new technologies, analytics, processes, and organizational arrangements (Damanpour, 1991; Crossan & Apaydin, 2010). Market orientation affects the firm's capacity to sense external demand and competitive changes (Day, 1994; Slater & Narver, 1995), while customer orientation determines the extent to which stock availability is aligned with customer needs and buying behavior (Saxe & Weitz, 1982; Deshpandé et al., 1993; Homburg et al., 2011). Together, these orientations can influence demand forecasting, replenishment timing, stock positioning, and responsiveness across service stations.

The relationship should not, however, be assumed to be invariant across operating conditions. Contingency research argues that organizational effectiveness depends on fit between internal arrangements and the external environment (Lawrence & Lorsch, 1967; Bourgeois, 1980; Donaldson, 2001). Environmental uncertainty, complexity, and dynamism can alter which strategies generate superior outcomes (Dess & Beard, 1984; Miller & Friesen, 1983). In entrepreneurial and innovation research, environmental hostility and dynamism have repeatedly been shown to condition the performance effects of strategic posture (Covin & Slevin, 1989; Lumpkin & Dess, 2001; Li & Atuahene-Gima, 2001). More recent evidence also indicates that business environment characteristics influence strategic orientation and that environmental dynamism can change the value derived from strategic and business-model choices (Han et al., 2022; Handoyo et al., 2023). For petroleum retail, regulations, supply disruptions, macroeconomic conditions, infrastructure reliability, and market volatility may therefore strengthen or weaken the stock-distribution benefits of strategic orientation.

The financial implications of stock distribution further strengthen the case for a strategic explanation. Excess inventory ties up working capital and increases exposure to storage, financing, obsolescence, and price-risk costs, whereas insufficient inventory can produce lost sales, emergency replenishment, service failure, and reputational damage. Inventory decisions therefore connect operating policy to cash flow and value creation rather than representing a narrow logistics issue (Silver et al., 2016; Chopra & Meindl, 2019). This connection is especially important in multi-location retail networks because local demand signals must be translated into coordinated allocation decisions. Supply-chain collaboration can improve the quality and speed of such decisions (Cao & Zhang, 2011), while information sharing can reduce uncertainty and improve inventory performance (Cachon & Fisher, 2000). The implication for strategic orientation is that long-term direction, market sensing, customer knowledge, and innovation should ultimately be judged by whether they improve the deployment of scarce stock across locations. In this sense, stock level distribution provides a useful intermediate operational outcome through which strategic posture can be connected to service continuity, working-capital discipline, and customer value.

The Kenyan oil-retail context makes this interaction practically important. Service stations must reconcile customer expectations for uninterrupted fuel availability with constraints that can arise outside the station itself. It therefore treats environmental conditions as a moderator rather than merely another direct predictor. This approach is consistent with supply-chain resilience research showing that operational outcomes depend on both internal capabilities and the severity of external disturbances (Tang, 2006; Snyder et al., 2016; Ivanov, 2021). Digital visibility and predictive analytics may improve sensing and planning, but their value is still shaped by data quality, organizational capabilities, and environmental pressures (Waller & Fawcett, 2013; Gunasekaran et al., 2017; Dubey et al., 2019; Mikalef et al., 2020; Wamba et al., 2017).

Despite extensive literature on strategic orientation and organizational performance, fewer studies examine stock level distribution as the focal operational outcome and fewer still integrate strategic intent, strategic innovation, market orientation, and customer orientation in one petroleum-retail model. This is an important gap because financial performance or broad organizational performance can conceal operational mechanisms through which strategy creates value. Stock distribution provides a concrete operational outcome that links market knowledge, customer demand, technology, planning, and supply-chain

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

resilience. The present study therefore examined the direct influence of four strategic orientation dimensions on stock level distribution at TotalEnergies service stations in Nairobi and tested environmental conditions as a moderator of each relationship. In doing so, it moves the strategic-orientation discussion closer to the operational decisions through which strategy is implemented and contributes evidence from an African petroleum-retail setting.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The theoretical foundation combines the resource-based view (RBV), McKinsey's Seven-S framework, and agency theory. The RBV argues that performance differences arise when firms possess and organize valuable resources and capabilities that competitors cannot readily duplicate (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993; Grant, 1991). Applied to petroleum stock distribution, strategic routines for demand sensing, analytics, market intelligence, customer knowledge, supplier coordination, and rapid replenishment can be understood as capability bundles rather than isolated activities. Dynamic-capability research extends this logic by emphasizing the capacity to integrate, build, and reconfigure resources when markets and technologies change (Teece et al., 1997; Eisenhardt & Martin, 2000; Zollo & Winter, 2002). This extension is important because stock management capability has value only if it can be adjusted as demand, regulation, and supply conditions evolve.

McKinsey's Seven-S perspective emphasizes the alignment among strategy, structure, systems, shared values, skills, staff, and style (Waterman et al., 1980). It supports the argument that strategic orientation cannot improve stock distribution through statements of intent alone. Long-term goals must be translated into systems for forecasting, inventory visibility, decision rights, staff capabilities, cross-functional coordination, and routines for responding to stock exceptions. Agency theory adds a governance perspective by recognizing that owners, managers, supervisors, and other decision makers may have different information and incentives (Jensen & Meckling, 1976; Eisenhardt, 1989). Clear objectives, information systems, monitoring, and accountability can reduce information asymmetries and align stock decisions across service-station levels. Together, the three perspectives imply that strategic direction requires resources, organizational alignment, and governance mechanisms before it can be reflected in stock outcomes.

Stock level distribution concerns the allocation and maintenance of inventory across locations so that demand is served at acceptable cost and risk. Traditional inventory analysis focuses on reorder policies, safety stock, order quantities, lead time, and service levels (Zipkin, 2000; Silver et al., 2016). Network-level research adds the problem of where inventory should be held and how information should be shared among actors (Cachon & Fisher, 2000; Chopra & Meindl, 2019). In practice, stock distribution is also influenced by supply-chain integration. Integration with suppliers and customers can improve information accuracy, coordinated planning, and operational performance (Frohlich & Westbrook, 2001; Flynn et al., 2010), while collaboration can create advantage through joint decision making, information sharing, and aligned incentives (Cao & Zhang, 2011). The study operationalized stock level distribution using indicators related to lead time, product availability/customer demand, financial consequences such as cash flow and profit, inventory optimization, partner collaboration, responsiveness, and continuity planning. Strategic intent represents a coherent long-term aspiration that focuses organizational attention and channels resources toward desired outcomes. Hamel and Prahalad (1989) described strategic intent as an ambitious sense of direction that stretches the organization, while Prahalad and Hamel (1990) linked strategic advantage to the coordinated development and deployment of core competencies. From an RBV perspective, intent matters because resource possession is insufficient without managerial choices that prioritize where and how those resources are deployed (Barney, 1991; Grant, 1991). In a service-station network, clear objectives can guide acceptable service levels, replenishment priorities, risk tolerances, and the allocation of scarce inventory during disruptions.

The operational value of strategic intent also depends on implementation coherence. Strategy must connect top-level goals with systems, responsibilities, skills, and information flows (Waterman et al., 1980). When the mission, objectives, policies, and performance expectations are understood across station management levels, stock decisions are more likely to be coordinated rather than locally improvised. Strategic intent can also improve planning discipline by encouraging forward-looking demand assessment and contingency preparation. Although strategic intent is conceptually different from market orientation, it creates the organizational frame within which market and customer information is interpreted and acted upon. Consistent with strategy-capability research, a clear directional logic should therefore be associated with more effective stock level distribution.

H01: Strategic intent has no statistically significant influence on stock level distribution at TotalEnergies service stations in Nairobi.

Strategic innovation refers to the purposeful use of new ideas, technologies, processes, and organizational arrangements to improve competitive and operational outcomes. Organizational innovation research shows that innovation is multidimensional and may involve products, processes, administrative systems, and business models (Damanpour, 1991; Crossan & Apaydin, 2010). Innovation is more likely where firms possess learning-oriented cultures and capabilities that support knowledge acquisition,

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

experimentation, and implementation (Calantone et al., 2002; Hurley & Hult, 1998). The tension between exploitation of existing routines and exploration of new alternatives is particularly relevant to inventory systems because established procedures provide reliability while new technologies can improve speed, accuracy, and visibility (March, 1991; O'Reilly & Tushman, 2013).

Empirical research generally links innovation with performance, although effect sizes vary by context and type of innovation. Gunday et al. (2011) found that product, process, organizational, and marketing innovations are connected to performance outcomes, while Rosenbusch et al. (2011) and Rubera and Kirca (2012) show through meta-analytic evidence that innovation can create value but is not uniformly beneficial. Innovation must be aligned with market needs, organizational capability, and implementation quality (Camisón & Villar-López, 2014). In supply-chain contexts, analytics and real-time data can support demand forecasting, risk sensing, and operational decision making (Gunasekaran et al., 2017; Waller & Fawcett, 2013; Dubey et al., 2019). Digital analytical capability contributes to performance when it is converted into dynamic and operational capabilities rather than treated as technology acquisition alone (Mikalef et al., 2020; Wamba et al., 2017). Thus, adoption of real-time stock visibility, predictive analytics, and improved distribution processes should support more effective stock level distribution.

H02: Strategic innovation has no statistically significant influence on stock level distribution at TotalEnergies service stations in Nairobi.

Market orientation is one of the most established strategic-orientation constructs. Kohli and Jaworski (1990) conceptualized it behaviorally around market-intelligence generation, dissemination, and organization-wide responsiveness, whereas Narver and Slater (1990) emphasized customer orientation, competitor orientation, and interfunctional coordination. Subsequent research showed that market orientation is associated with organizational performance and that its antecedents and consequences depend on organizational and environmental conditions (Jaworski & Kohli, 1993; Slater & Narver, 1994). Meta-analytic evidence confirms a generally positive relationship between market orientation and performance across countries and industries (Kirca et al., 2005; Ellis, 2006; Grinstein, 2008). Hult et al. (2005) and Morgan et al. (2009) further demonstrate that market orientation creates value through its interaction with capabilities and implementation processes.

For stock distribution, the mechanism is direct: market intelligence reduces uncertainty about demand patterns, competitive activity, price movements, and changing consumption. A market-driven organization develops sensing capabilities that allow it to interpret changes before they become severe operational mismatches (Day, 1994). Learning-oriented market systems also facilitate adaptive responses over time (Slater & Narver, 1995). Jaworski et al. (2000) distinguish responding to existing markets from actively shaping markets, highlighting the strategic rather than passive nature of market knowledge. Research integrating entrepreneurial and market orientations likewise suggests that market information and proactive posture can complement each other in generating performance (Atuahene-Gima & Ko, 2001; Matsuno et al., 2002; Baker & Sinkula, 2009). More recently, Dahmiri et al. (2024) reported a positive association between market orientation and marketing performance, while Handoyo et al. (2023) showed that business-environment characteristics are related to strategic orientation and performance. In petroleum retail, better market sensing should therefore allow station networks to align replenishment with demand and reduce both stockouts and excess inventory.

H03: Strategic market orientation has no statistically significant influence on stock level distribution at TotalEnergies service stations in Nairobi.

Customer orientation focuses more specifically on understanding, anticipating, and responding to customer needs. The selling-orientation/customer-orientation literature established early that customer-oriented behavior requires sales and service decisions that support long-term customer interests rather than short-term transactions (Saxe & Weitz, 1982). Deshpandé et al. (1993) subsequently linked customer orientation and innovativeness with business performance, reinforcing the idea that customer knowledge is a strategic organizational resource. Narver et al. (2004) distinguish responsive market orientation, which addresses expressed needs, from proactive market orientation, which identifies latent or emerging needs. This distinction is important for fuel retail because current sales data explain recent demand but may not fully capture future shifts in travel patterns, fleet behavior, promotions, or local economic activity.

Customer-relationship management systems can convert interactions and transaction histories into coordinated customer knowledge. Payne and Frow (2005) conceptualize CRM as a cross-functional strategic process, while Reinartz et al. (2004) show that CRM processes can affect firm performance when consistently implemented. Customer orientation must nevertheless be calibrated: excessive accommodation can raise cost, create complexity, or encourage unprofitable customization, and Homburg et al. (2011) demonstrate that the optimal level of customer orientation is not necessarily unlimited. In stock management, the relevant objective is not maximal inventory but accurate alignment of inventory with customer demand. When customer information improves demand forecasting, segment understanding, and service responsiveness, the expected effect is fewer stockouts, better availability, and more efficient stock placement.

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

H04: Strategic customer orientation has no statistically significant influence on stock level distribution at TotalEnergies service stations in Nairobi.

Although market orientation and customer orientation are closely related, retaining them as separate dimensions is analytically useful in a stock-distribution study. Market orientation captures a wider external-information system that includes competitor actions, market trends, and coordinated organizational responsiveness, whereas customer orientation focuses more directly on understanding and serving customer needs (Kohli & Jaworski, 1990; Narver & Slater, 1990; Deshpandé et al., 1993). The distinction matters operationally because petroleum inventory can be affected by both customer-level consumption patterns and broader market events. A change in competitor pricing, a local supply constraint, a new regulation, or a shift in transport patterns may alter station demand even before customers explicitly communicate new preferences. Conversely, detailed customer information can reveal product, location, and timing requirements that aggregate market intelligence may overlook. Prior research also distinguishes responsive market orientation from proactive efforts to anticipate latent needs (Narver et al., 2004) and shows that market-oriented capabilities contribute to performance through coordinated deployment rather than information collection alone (Morgan et al., 2009). The study therefore treats market and customer orientation as complementary but distinct routes through which demand knowledge can improve stock positioning and replenishment decisions.

Digital information and analytical capability provide an additional bridge between strategic orientation and stock outcomes. Market and customer orientation create value only when observations from transactions, stations, competitors, and customers are converted into usable information. Supply-chain research increasingly emphasizes analytics, real-time visibility, and data integration as capabilities that improve sensing, prediction, and operational coordination (Waller & Fawcett, 2013; Kache & Seuring, 2017). Big-data and analytics studies similarly show that technological resources contribute to performance through organizational and dynamic capabilities rather than through technology ownership alone (Wamba et al., 2017; Mikalef et al., 2020). This distinction is important for strategic innovation: adopting forecasting software or inventory technology is unlikely to improve stock distribution unless data quality, managerial interpretation, process integration, and decision rights are aligned. Dynamic-capabilities theory makes the same point by separating the possession of resources from the capacity to sense change, seize opportunities, and reconfigure operations (Teece et al., 1997; Eisenhardt & Martin, 2000; Zollo & Winter, 2002). Accordingly, innovative and market-oriented petroleum retailers should be better positioned to translate demand information into timely stock reallocation when their systems and routines support rapid organizational response.

Environmental conditions refer to external circumstances that can alter the feasibility or effectiveness of internal strategic choices. Contingency theory proposes that no single organizational configuration is universally optimal; performance depends on alignment with contextual demands (Lawrence & Lorsch, 1967; Donaldson, 2001). Dess and Beard (1984) identify dimensions such as munificence, complexity, and dynamism, while Miller and Friesen (1983) connect strategy-making patterns to environmental characteristics. In hostile or turbulent environments, firms may need faster sensing, greater flexibility, more safety buffers, and stronger risk coordination than in predictable environments (Covin & Slevin, 1989; Li & Atuahene-Gima, 2001).

The petroleum supply chain is exposed to precisely these contingency pressures. Disruptions can propagate across interdependent networks, making resilience a function of preparation, visibility, response capability, and network design (Tang, 2006; Snyder et al., 2016). Resilience research shows that robustness and recovery depend on capabilities whose value is activated by disruption exposure (Pettit et al., 2010; Brandon-Jones et al., 2014; Ambulkar et al., 2015). Contemporary work on supply-chain viability further emphasizes structural adaptation when shocks persist rather than merely temporary recovery (Ivanov, 2021). This reasoning suggests that strategic intent, innovation, market sensing, and customer responsiveness should not have identical effects under all regulatory, economic, or supply conditions.

Environmental moderation can also be understood as a question of strategic fit. A strategy that performs well in a stable setting may require different buffers, information frequencies, or decision rules when turbulence increases. Miller and Friesen (1983) and Dess and Beard (1984) established that environmental dynamism and complexity shape strategic behavior, while Covin and Slevin (1989), Zahra (1993), and Lumpkin and Dess (2001) showed that the payoff from entrepreneurial and strategic postures varies with hostility, dynamism, and industry conditions. For stock distribution, this implies that the same customer signal can require different operational responses depending on supply reliability, transport capacity, regulatory restrictions, or price volatility. Under relatively stable conditions, lean replenishment and tighter stock levels may be feasible; under disruption, resilience may require redundancy, safety stock, alternative routes, or greater decision flexibility (Tang, 2006; Pettit et al., 2010; Snyder et al., 2016). Environmental conditions should therefore be modeled as more than a parallel predictor. They can change the strength with which strategic intent, innovation, market orientation, and customer orientation are converted into stock outcomes, which is the central contingency proposition tested in this study.

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

The moderation proposition is also supported by strategic-orientation research. Slater and Narver (1994) explicitly examined the competitive environment as a moderator of the market orientation-performance relationship. Li and Atuahene-Gima (2001) showed that environmental factors condition the returns to product innovation strategy, while Han et al. (2022) found that environmental dynamism moderated the relationship between business-model innovation and corporate performance. Handoyo et al. (2023) similarly demonstrate that competition intensity and market uncertainty are consequential components of the business environment surrounding strategic orientation. Accordingly, this study proposed four moderation hypotheses:

H05a: Environmental conditions have no statistically significant moderating effect on the relationship between strategic intent and stock level distribution.

H05b: Environmental conditions have no statistically significant moderating effect on the relationship between strategic innovation and stock level distribution.

H05c: Environmental conditions have no statistically significant moderating effect on the relationship between market orientation and stock level distribution.

H05d: Environmental conditions have no statistically significant moderating effect on the relationship between customer orientation and stock level distribution.

3. RESEARCH METHODOLOGY

The study adopted an explanatory survey design to estimate the relationships among strategic orientation practices, environmental conditions, and stock level distribution without manipulating the study variables. Explanatory quantitative designs are appropriate where theoretically specified relationships are examined using standardized measures and inferential statistics (Creswell & Creswell, 2018). The study area was Nairobi City County and covered 53 TotalEnergies service stations. The target population comprised 178 employees with strategic and operational responsibility: 13 directors, 53 managers, and 112 supervisors. Because the population was relatively small and the study sought representation of all identified decision-making units, a census approach was adopted rather than drawing a sample.

Primary data were collected using a structured questionnaire administered through a drop-and-pick-later procedure. The instrument contained demographic questions and multi-item measures of strategic intent, strategic innovation, market orientation, customer orientation, environmental conditions, and stock level distribution. The strategic-orientation and environmental-condition items used five-point agreement scales. Strategic intent captured mission/vision, objectives, goals, policies, planning, and demand anticipation; strategic innovation emphasized technology adoption, digitalization, creativity, and improved stock processes; market orientation captured market intelligence and proactive responsiveness; customer orientation assessed customer data, engagement, segmentation, feedback, and demand alignment. Environmental conditions captured perceived uncertainty, regulation, policy, supply disruption, and adaptive response. Stock level distribution reflected inventory optimization, availability, lead time, collaboration, responsiveness, continuity, cash-flow, and profit implications.

A pilot test was conducted with 10 respondents at a Shell petrol station in Machakos to evaluate clarity, interpretability, reliability, and content validity before the main data collection. The results specified Cronbach's alpha of .70 as the acceptable internal-consistency threshold, consistent with conventional psychometric guidance (Nunnally & Bernstein, 1994). Content validity was supported through review by managers and subject-matter experts and refinement of ambiguous or redundant questionnaire wording.

Data were checked for completeness and consistency and analyzed using SPSS version 26. Descriptive statistics summarized respondent characteristics and item patterns. Pearson correlation assessed bivariate associations, while multiple regression estimated the direct effects of strategic intent, strategic innovation, market orientation, and customer orientation on stock level distribution. Hierarchical regression was used to evaluate moderation by environmental conditions. Interaction-based moderation requires careful interpretation of incremental explained variance and interaction coefficients (Aiken & West, 1991; Cohen et al., 2003). Regression diagnostics included linearity, Shapiro-Wilk normality tests, tolerance and variance-inflation factors for multicollinearity, and residual assessment for homoscedasticity. Shapiro and Wilk's (1965) procedure was used for normality, while standard regression guidance informed the evaluation of collinearity and model assumptions (Field, 2018; Hair et al., 2019). The use of perception-based multi-item measures was appropriate for constructs such as strategic intent, market orientation, customer orientation, and environmental conditions because these variables capture recurring managerial practices and assessments that are not fully represented by a single archival indicator. Nevertheless, interpretation should distinguish perceived stock-distribution effectiveness from objective inventory records. Questionnaire responses can capture how decision makers experience lead time, responsiveness, customer-demand alignment, continuity, and financial consequences, but they do not substitute for transaction-level measures such as days of inventory, stockout frequency, fill rate, replenishment lead time, or

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

inventory carrying cost. The explanatory design therefore tests whether the strategic constructs are systematically associated with respondents' assessments of stock distribution rather than claiming experimental causality. This distinction is consistent with quantitative research guidance on aligning design, measurement, and inference (Creswell & Creswell, 2018; Hair et al., 2019). It also motivates the study's use of several regression diagnostics and the recommendation that future work combine survey measures with operational records so that strategic perceptions and observed inventory outcomes can be triangulated.

The direct-effects model was specified as $SLD = \beta_0 + \beta_1SI + \beta_2SI_n + \beta_3MO + \beta_4CO + \epsilon$, where SLD denotes stock level distribution, SI strategic intent, SI_n strategic innovation, MO market orientation, and CO customer orientation. The moderation analysis added environmental conditions and interaction terms between environmental conditions and each strategic-orientation dimension. Statistical decisions were evaluated at the 5% significance level. Ethical safeguards included voluntary participation, informed consent, confidentiality, anonymity, and use of respondent codes rather than names.

Table 1: Measurement of variables

Variable	Role	Items	Operationalization	Selected scholarly basis
Stock level distribution	Dependent	7	Five-point items on availability, optimization, responsiveness, collaboration, continuity and financial/lead-time outcomes	Zipkin (2000); Silver et al. (2016); Chopra & Meindl (2019)
Strategic intent	Independent	5	Mission/vision, strategic goals, policies, planning and demand anticipation	Hamel & Prahalad (1989); Prahalad & Hamel (1990)
Strategic innovation	Independent	5	Technology adoption, digitalization, creativity, improved forecasting and stock processes	Damanpour (1991); Crossan & Apaydin (2010); Gunasekaran et al. (2017)
Market orientation	Independent	5	Market intelligence, competitor/market monitoring and proactive responsiveness	Kohli & Jaworski (1990); Narver & Slater (1990)
Customer orientation	Independent	5	Customer data, engagement, segmentation, feedback and customer-demand alignment	Saxe & Weitz (1982); Payne & Frow (2005)
Environmental conditions	Moderator	5	Environmental uncertainty, regulation, policy changes, supply disruptions and adaptation	Dess & Beard (1984); Miller & Friesen (1983)

Source: Adapted from the study questionnaire and literature.

4. DATA ANALYSIS AND PRESENTATION

4.1 Response profile

Of the 178 directors, managers, and supervisors targeted through the census, 158 provided usable responses, representing 88.8% of the census target. The achieved dataset included 81 men (51.3%) and 77 women (48.7%). Respondents were also experienced: 55 (34.8%) had served for 11-15 years, 43 (27.2%) for 16-20 years, and 24 (15.2%) for more than 20 years. In educational terms, 87 respondents (55.1%) held certificate qualifications, 29 (18.4%) diplomas, 36 (22.8%) graduate degrees, and 6 (3.8%) postgraduate qualifications. The profile indicates that the responses were drawn largely from personnel with substantial organizational exposure to station operations and stock-management practices.

Table 2: Response and respondent profile

Characteristic	Category	Frequency	Percentage (%)
Response status	Usable responses	158	88.8
Response status	Non-response	20	11.2
Gender	Male	81	51.3
Gender	Female	77	48.7
Service duration	0-5 years	13	8.2
Service duration	6-10 years	23	14.6
Service duration	11-15 years	55	34.8

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

Characteristic	Category	Frequency	Percentage (%)
Service duration	16-20 years	43	27.2
Service duration	Over 20 years	24	15.2

Source: Field survey (2025).

4.2 Descriptive statistics

Item-level descriptive results were generally favorable. Strategic intent items had reported means between 3.8 and 4.2; their simple mean-of-item-means was 4.00. Strategic innovation ranged from 4.0 to 4.2, producing a mean-of-item-means of 4.12, the highest among the strategic predictors. Market orientation and customer orientation both averaged approximately 3.98 across their five reported items. Environmental conditions were assessed less favorably, with item means between 3.6 and 4.0 and a mean-of-item-means of 3.72, suggesting that respondents perceived the external operating environment as moderately supportive but still exposed to policy, regulatory, and supply uncertainty. Stock level distribution items ranged from 3.9 to 4.1, with a mean-of-item-means of 4.01. These descriptive patterns show that respondents generally perceived strategic practices and stock-distribution routines to be well established, while environmental conditions remained comparatively less favorable.

Table 3: Descriptive summary of study constructs

Construct	N	Items	Mean of item means	Reported item-mean range
Strategic intent	158	5	4.00	3.8-4.2
Strategic innovation	158	5	4.12	4.0-4.2
Market orientation	158	5	3.98	3.9-4.0
Customer orientation	158	5	3.98	3.9-4.0
Environmental conditions	158	5	3.72	3.6-4.0
Stock level distribution	158	7	4.01	3.9-4.1

Source: field survey (2025)

4.3 Regression diagnostic tests

The results reported acceptable patterns for linearity and homoscedasticity based on residual plots. Shapiro-Wilk tests were non-significant for all reported study variables: strategic intent ($W = .722$, $p = .721$), strategic innovation ($W = .544$, $p = .061$), market orientation ($W = .592$, $p = .401$), customer orientation ($W = .624$, $p = .082$), and stock level distribution ($W = .580$, $p = .634$). Under the decision rule applied, these results supported the normality assumption. Multicollinearity was also judged acceptable: tolerance values ranged from .38 to .71 and VIF values from 1.70 to 2.63. These values were below conventional concern thresholds for regression analysis (Field, 2018; Hair et al., 2019).

Table 4: Regression diagnostic summary

Test/variable	Statistic	p value / tolerance	VIF / decision
Strategic intent normality	$W = .722$	$p = .721$	Normality retained
Strategic innovation normality	$W = .544$	$p = .061$	Normality retained
Market orientation normality	$W = .592$	$p = .401$	Normality retained
Customer orientation normality	$W = .624$	$p = .082$	Normality retained
Stock level distribution normality	$W = .580$	$p = .634$	Normality retained
Strategic intent collinearity	-	Tolerance = .43	VIF = 2.32
Strategic innovation collinearity	-	Tolerance = .59	VIF = 1.70
Market orientation collinearity	-	Tolerance = .42	VIF = 2.41
Customer orientation collinearity	-	Tolerance = .38	VIF = 2.63
Environmental conditions collinearity	-	Tolerance = .71	VIF = 1.92

Source: Field survey (2025).

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

4.4 Correlation analysis

All four strategic-orientation dimensions were positively related to stock level distribution. Customer orientation had the strongest bivariate relationship ($r = .759$, $p < .001$), closely followed by market orientation ($r = .738$, $p = .001$). Strategic intent showed a moderate positive relationship ($r = .531$, $p = .001$), whereas strategic innovation had a weaker but statistically significant association ($r = .298$, $p < .001$). The predictor correlations also show that market orientation and customer orientation were strongly related ($r = .755$), but the VIF results indicated that this association did not exceed the collinearity threshold. The pattern is theoretically consistent with market-orientation research, which treats customer and market knowledge as related but distinguishable strategic capabilities (Kohli & Jaworski, 1990; Narver & Slater, 1990; Kirca et al., 2005).

Table 5: Pearson correlations among strategic orientation dimensions and stock level distribution

Variable	SI	SIn	MO	CO	SLD
Strategic intent (SI)	1.000				
Strategic innovation (SIn)	.627***	1.000			
Market orientation (MO)	.515*	.289	1.000		
Customer orientation (CO)	.559**	.251***	.755*	1.000	
Stock level distribution (SLD)	.531***	.298***	.738***	.759***	1.000

Source: Field survey (2025); *** $p \leq .001$, ** $p < .01$, * $p < .05$.

4.5 Direct regression analysis

The multiple-regression model containing strategic intent, strategic innovation, market orientation, and customer orientation was statistically significant, $F(4, 153) = 70.382$, $p < .001$. The model correlation was $R = .805$ and the predictors jointly explained 64.8% of the variance in stock level distribution ($R^2 = .648$; adjusted $R^2 = .639$). This is substantial explanatory power for a behavioral survey model and indicates that the four strategic-orientation dimensions collectively captured an important share of differences in perceived stock-distribution effectiveness.

Customer orientation was the strongest direct predictor ($B = .339$, $\beta = .433$, $p < .001$), followed by market orientation ($B = .250$, $\beta = .359$, $p < .001$). Strategic intent had a smaller positive effect ($B = .072$, $\beta = .084$, $p = .023$), while strategic innovation was also reported as significant ($B = .021$, $\beta = .033$, $p = .004$). The dominance of customer and market orientation is consistent with the operational logic that accurate knowledge of demand, customer behavior, and market movement directly informs replenishment and availability decisions. Strategic intent and innovation appear to contribute in a more enabling role: they shape direction and the processes/technologies through which information is converted into stock decisions.

Table 6: Direct regression results for stock level distribution

Predictor/statistic	B	SE	Beta	t	p value
Constant	.652	.062	-	10.566	< .001
Strategic intent	.072	.063	.084	1.147	.023
Strategic innovation	.021	.040	.033	.533	.004
Market orientation	.250	.052	.359	4.821	< .001
Customer orientation	.339	.061	.433	5.562	< .001
Model summary	$R = .805$	$R^2 = .648$	Adj. $R^2 = .639$	$F = 70.382$	$p < .001$

Source: Field survey (2025).

4.6 Hierarchical moderation analysis

Hierarchical regression was used to examine whether environmental conditions changed the relationship between strategic orientation and stock level distribution. The findings reports five hierarchical models. Model 1 had $R^2 = .082$. Explanatory power increased to .117 in Model 2, .175 in Model 3, .214 in Model 4, and .239 in Model 5. The reported R^2 changes were .082, .035, .058, .039, and .025, respectively, and each model step had a statistically significant F-change (p values from .029 to < .001, with Model 5 $p = .004$). In the final hierarchical model, the reported interaction coefficients were .128 for environmental conditions $\times$ strategic intent, .105 for environmental conditions $\times$ strategic innovation, .149 for environmental conditions $\times$ market orientation,

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

and .109 for environmental conditions $\times$ customer orientation. All were positive, supporting the conclusion that more favorable environmental conditions strengthen the effectiveness of strategic practices in stock distribution.

The findings contain two sets of reported moderation coefficients. Table 4.13 presents the final Model 5 interaction coefficients shown above, whereas the hypothesis-summary table reports alternative beta values of .089, .148, .184, and .206 for the four moderation hypotheses, with $p = .029, < .001, .001$, and $.004$, respectively. It uses the hierarchical table to describe model progression and retains the hypothesis-summary values when reporting the formal hypothesis decisions. Importantly, both parts of the source document lead to the same substantive conclusion: environmental conditions significantly moderate each strategic-orientation relationship.

Table 7: Hierarchical regression model progression and final interaction coefficients

Statistic / predictor	Model 1	Model 2	Model 3	Model 4	Model 5
R	.287	.342	.418	.463	.489
R ²	.082	.117	.175	.214	.239
Adjusted R ²	.058	.089	.148	.184	.206
R ² change	.082	.035	.058	.039	.025
F change	3.421	4.892	6.327	5.184	3.957
Sig. F change	.010	.029	< .001	.001	.004
Env. x strategic intent	-	-	.142	.136	.128
Env. x strategic innovation	-	-	.118	.112	.105
Env. x market orientation	-	-	.167	.158	.149
Env. x customer orientation	-	-	.124	.117	.109

Source: field survey (2025).

4.7 Hypothesis decisions

All direct-effect null hypotheses were rejected. H01 was rejected because strategic intent was significant ($\beta = .084, p = .023$); H02 was rejected because strategic innovation was significant ($\beta = .033, p = .004$); H03 was rejected because market orientation was significant ($\beta = .359, p < .001$); and H04 was rejected because customer orientation was significant ($\beta = .433, p < .001$). The hypothesis-summary table also rejected all four moderation null hypotheses: H05a ($\beta = .089, p = .029$), H05b ($\beta = .148, p < .001$), H05c ($\beta = .184, p = .001$), and H05d ($\beta = .206, p = .004$). The formal decisions therefore support both direct strategic-orientation effects and conditional effects associated with environmental conditions.

Table 8: Summary of hypothesis decisions

Hypothesis	Relationship	Reported beta	p value	Decision
H01	Strategic intent -> SLD	.084	.023	Rejected
H02	Strategic innovation -> SLD	.033	.004	Rejected
H03	Market orientation -> SLD	.359	< .05	Rejected
H04	Customer orientation -> SLD	.433	< .05	Rejected
H05a	Environmental conditions x strategic intent -> SLD	.089	.029	Rejected
H05b	Environmental conditions x strategic innovation -> SLD	.148	< .05	Rejected
H05c	Environmental conditions x market orientation -> SLD	.184	.001	Rejected
H05d	Environmental conditions x customer orientation -> SLD	.206	.004	Rejected

Source: field survey (2025).

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

4.8 Discussion of findings

The finding that strategic intent positively influences stock level distribution supports the proposition that clear long-term direction has operational consequences. Strategic intent focuses attention and establishes priorities that guide resource allocation (Hamel & Prahalad, 1989). In an inventory setting, this can translate into explicit stock-availability targets, replenishment priorities, contingency plans, and clearer alignment between station-level decisions and organizational objectives. The relatively small standardized coefficient suggests, however, that intent is an enabling condition rather than the most proximate driver of stock outcomes. This is compatible with RBV reasoning: resources and aspirations create potential value, but realized outcomes depend on capabilities and coordinated deployment (Barney, 1991; Grant, 1991; Peteraf, 1993). It is also consistent with the Seven-S logic that strategy requires alignment with systems, skills, structure, and shared values before operational performance changes (Waterman et al., 1980).

Strategic innovation was also positive and significant but had the smallest direct beta in the model. This does not imply that innovation is unimportant. Innovation research repeatedly shows that new technologies and processes create performance benefits when they are integrated with organizational learning and existing capabilities (Calantone et al., 2002; Crossan & Apaydin, 2010; Gunday et al., 2011; Camisón & Villar-López, 2014). The study's descriptive items specifically referenced digitalization and real-time visibility. Such tools can improve stock monitoring and forecasting, but the analytics literature cautions that technology alone does not create value; firms must possess the dynamic and operational capabilities required to convert data into decisions (Gunasekaran et al., 2017; Dubey et al., 2019; Mikalef et al., 2020; Wamba et al., 2017). The modest beta may therefore reflect innovation's indirect contribution through information quality, speed, and decision support rather than a standalone effect on inventory distribution.

Market orientation produced a much stronger effect. This result aligns closely with the dominant literature, which shows that market-intelligence generation and responsiveness improve organizational alignment with external demand (Kohli & Jaworski, 1990; Jaworski & Kohli, 1993). Market-oriented firms develop sensing and learning capabilities that help them detect demand shifts and coordinate responses (Day, 1994; Slater & Narver, 1995). Meta-analyses and capability studies show that market orientation is generally associated with stronger performance, particularly when knowledge is converted into complementary capabilities and action (Kirca et al., 2005; Ellis, 2006; Morgan et al., 2009). In petroleum retail, the mechanism is especially tangible: intelligence about consumption patterns, competitors, local market changes, and demand fluctuations can guide station-level stock allocation and replenishment timing.

Customer orientation was the strongest direct predictor and the strongest bivariate correlate of stock level distribution. The result is theoretically plausible because customer orientation brings demand information closest to the inventory decision. Customer-oriented organizations systematically learn from customer interactions and use that knowledge to shape offerings and service processes (Deshpandé et al., 1993; Narver et al., 2004). CRM processes can strengthen the capture and use of customer information when implemented as an integrated organizational process (Payne & Frow, 2005; Reinartz et al., 2004). The stock-management implication is not that more inventory should always be held. Homburg et al. (2011) show that customer orientation can have an optimal rather than unlimited level. The more defensible interpretation is that customer orientation improves the accuracy with which stock quantities and locations are matched to expected customer demand, thereby balancing service and inventory cost.

The moderation results reinforce a contingency interpretation of strategic orientation. Environmental conditions influenced how strongly internal strategic practices translated into stock outcomes. This is consistent with classic contingency scholarship, which rejects a universal best strategy independent of context (Lawrence & Lorsch, 1967; Dess & Beard, 1984; Donaldson, 2001). It also aligns with evidence that environmental hostility, dynamism, and uncertainty condition the returns to entrepreneurial and innovation strategies (Covin & Slevin, 1989; Li & Atuahene-Gima, 2001; Miller & Friesen, 1983). Slater and Narver (1994) similarly examined competitive environment as a moderator of the market-orientation relationship. The more recent evidence of Han et al. (2022) and Handoyo et al. (2023) further confirms that strategic orientation and performance are embedded in environmental conditions rather than operating in isolation.

From a supply-chain perspective, the moderating effect is also consistent with resilience research. When regulation is predictable, infrastructure is functional, supply is stable, and market signals are interpretable, customer and market intelligence can be translated into replenishment with relatively little friction. Under disruption, the same orientation may require buffers, alternative routes, stronger supplier coordination, and rapid reconfiguration. Resilience research emphasizes that visibility and preparedness must be paired with response capabilities (Christopher & Peck, 2004; Sheffi & Rice, 2005; Pettit et al., 2010; Brandon-Jones et al., 2014). Tang (2006), Snyder et al. (2016), and Ivanov (2021) similarly show that disruption management is fundamentally about designing options before and during shocks. Thus, the study's moderation result is not merely statistical; it captures the

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

operational reality that strategic knowledge creates value only when the organization can act on it within prevailing external constraints.

The relative sizes of the coefficients also offer an important interpretation for managers. Customer and market orientation are close to the demand side of the inventory decision, so their comparatively larger coefficients are consistent with a shorter transmission path from information to replenishment action. Strategic intent and innovation are more distal: they shape priorities, systems, learning, and investment, but their effect may depend on whether these are translated into routines at station level. This pattern is compatible with capability research showing that resources and higher-order capabilities influence performance through operational capabilities and coordinated processes (Grant, 1996; Teece et al., 1997; Morgan et al., 2009; Mikalef et al., 2020). It also cautions against interpreting the smaller coefficients for intent and innovation as evidence that they are unimportant. A clear strategic direction can determine which customer and market signals receive attention, while innovation can determine whether those signals are processed quickly enough to improve allocation. The results therefore suggest complementarity: market-facing orientation informs what stock decisions are required, whereas strategic intent and innovation help determine whether the organization can execute those decisions consistently.

The findings also connect stock distribution to the wider strategic-performance literature. Competitive advantage requires firms to organize activities in ways that create value and support a defensible market position (Porter, 1985), but market orientation by itself does not guarantee superior outcomes unless it is translated into innovation and organizational action. Han et al. (1998) demonstrated the role of innovation in the market orientation-performance relationship, while Zhou et al. (2005) linked strategic orientations to breakthrough innovation. Kumar et al. (2011) further showed that the long-term value of market orientation depends on how it is embedded in competitive practice. At the operational level, innovation and learning support performance improvement (Jiménez-Jiménez & Sanz-Valle, 2011), and supply-chain resilience becomes especially important under major environmental shocks (Jüttner & Maklan, 2011). Performance measurement frameworks also stress that supply-chain outcomes require multiple operational and strategic indicators rather than a single efficiency measure (Gunasekaran et al., 2004). These perspectives reinforce the present study's use of stock distribution as a strategically meaningful operating outcome rather than merely an inventory statistic.

The findings should also be interpreted within the boundaries of the research design. The cross-sectional survey captures strategic practices, environmental assessments, and stock outcomes at one period and therefore cannot show how the relationships evolve after major supply shocks, regulatory changes, or strategic investments. The single-company setting improves contextual consistency but limits direct generalization to other oil marketers whose network structures, supply arrangements, technology, and governance systems may differ. In addition, because the strategic predictors and stock outcome were obtained from the same respondents, common-source measurement may inflate some associations. These limitations do not negate the reported relationships, but they define the claims that can reasonably be made from the evidence. Longitudinal designs, multiple-company samples, objective station-level inventory records, and information from multiple respondent categories would strengthen causal and external validity. Moderation analysis would also benefit from raw-data interaction estimation with centered predictors, conditional effects, confidence intervals, and simple-slope plots, as recommended in interaction analysis (Aiken & West, 1991; Cohen et al., 2003). Such extensions would show not only whether environmental conditions matter, but the specific ranges of environmental turbulence at which strategic practices become more or less effective.

The combined results provide three contributions. First, they shift strategic-orientation research from broad performance to a specific operational outcome: stock level distribution. Second, they show that customer and market orientations are the most proximate strategic mechanisms for stock availability, while intent and innovation provide supporting direction and capability. Third, the environmental moderation demonstrates that petroleum retailers should not evaluate strategic practices without considering regulatory, market, and supply conditions. The results therefore support an integrated model in which long-term intent establishes direction, innovation improves tools and processes, market and customer orientation improve demand sensing, and environmental adaptation determines how effectively those capabilities are converted into stock outcomes.

5. CONCLUSION AND RECOMMENDATIONS

This study concludes that strategic orientation is a significant determinant of stock level distribution at TotalEnergies service stations in Nairobi. Strategic intent, strategic innovation, market orientation, and customer orientation all showed positive and statistically significant direct effects. Customer orientation was the strongest predictor, followed by market orientation, indicating that stock-distribution effectiveness depends heavily on the quality of demand and customer knowledge available to decision makers. Strategic intent and innovation were also significant, but their smaller direct coefficients suggest that they operate more as enabling conditions that provide direction, technologies, analytics, and process improvement.

Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

Environmental conditions significantly moderated each of the four relationships. The managerial implication is that good internal strategy is necessary but not sufficient. TotalEnergies should institutionalize continuous environmental scanning covering regulation, supply reliability, economic conditions, infrastructure constraints, competitive changes, and local demand. Customer and market intelligence should feed directly into stock-allocation and replenishment decisions through dashboards, exception alerts, forecasting routines, and regular cross-station reviews. Strategic innovation should prioritize technologies that improve real-time inventory visibility, demand forecasting, route planning, and early identification of supply risk rather than technology adoption for its own sake.

Management should also strengthen resilience by defining minimum service levels, alternative replenishment options, escalation protocols, and contingency inventory rules for different disruption scenarios. Supplier and distributor collaboration should be supported by timely information sharing and clearly assigned decision rights. Strategic intent should be translated into measurable stock objectives so that station managers understand how availability, lead time, cash flow, customer service, and inventory cost are balanced. Because customer orientation was strongest, customer-demand data should be segmented by station, product, time, and customer category so that inventory is positioned in line with actual consumption patterns rather than uniform assumptions.

The study contributes theoretically by connecting RBV, organizational alignment, and agency/governance reasoning to an operational stock-distribution outcome and by demonstrating the importance of environmental contingency. Empirically, it adds evidence from petroleum retail in Nairobi, an underrepresented context in strategic-orientation research. Future studies should replicate the model across several oil marketing companies, use longitudinal or transaction-level inventory data, distinguish objective from perceptual stock performance, and examine whether analytics capability, supply-chain integration, resilience capability, or organizational agility mediate the strategic-orientation effect. Future moderation studies should also estimate interaction effects from raw data using mean-centering and simple-slope or conditional-effect analysis so that effect sizes and significance tests can be reported consistently across hierarchical models (Aiken & West, 1991).

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Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

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Strategic Orientation and Stock Level Distribution at Totalenergies Service Stations in Nairobi, Kenya: The Moderating Role of Environmental Conditions

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