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EFFECT OF SOURCING FLEXIBILITY ON COMPETITIVE ADVANTAGE AMONG KENYAN SMALL-SCALE IMPORTERS WITHIN GIKOMBA MARKET, NAIROBI COUNTY KENYA

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ABSTRACT

The objective of the study was to examine the effect of sourcing flexibility on competitive advantage among small-scale importers in Gikomba Market, Nairobi County. The study adopted a descriptive research design. The target population for this study comprised 1,500 licensed small-scale importers at Gikomba Market, and the sampling frame was obtained from The Nairobi Importers and Small Traders Association (NISTA). The sampling technique used was stratified sampling, selecting 316 importers. Primary data was collected using a structured questionnaire. The questionnaire contained closed-ended questions, scored and rated on a five-point Likert scale. Data cleaning and analysis were performed using SPSS Version 25.0 software, and descriptive and inferential statistics were generated. The descriptive results included means and standard deviations, while the regression results were based on the Pearson correlation coefficient and simple linear regression models. Finally, the output of the analysis was expressed as frequencies and percentages, with the results presented in tables and charts.

Results showed that a range of suppliers ensured consistent product quality (mean = 3.67). Participants agreed that reducing delivery time lowers costs and enhances competitiveness (mean = 3.82). Furthermore, supplier switching costs were found to be moderate, with 43% agreeing that easy transitions between suppliers improve competitive positioning (mean = 3.84). Pearson correlation analysis revealed a significant positive correlation ($r = 0.774$, $p < 0.05$) between sourcing flexibility and competitive advantage. Regression analysis confirmed a strong relationship ($R = 0.774$, $R^2 = 0.599$, $p < 0.05$), indicating that an increase in sourcing flexibility leads to a corresponding increase in competitive advantage.

The study concludes that lead time reduction plays a critical role in enhancing cost efficiency and competitive pricing. The study recommends regularly evaluate suppliers' reliability to ensure quality and timely deliveries by establishing performance metrics and conducting quarterly reviews. Further studies could investigate the effect of supplier switching costs, as these may significantly influence supply chain flexibility.

Key Words: *Sourcing, Imports, Business Flexibility*

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INTRODUCTION

The global turbulence including the war in Ukraine, Houthis attacks, and the Middle East instability are causing challenges in the supply sources and the main sea transportation routes (Pratono, 2024). The global supply chain has been exposed to unprecedented shocks, leaving it more exposed and threatening its agility and flexibility (Alhitmi & Ndambuki, 2023). For instance, trade between the EU27 and the rest of the world had not fully recovered from the covid-19. Trade by air and sea has been affected, with the European Union experiencing decreases in both exports and imports (Srai, Graham, Van Hoek, Joglekar, & Lorentz, 2023). In addition, the immediate impact of the Red Sea crisis which accounts to a third of global logistics is evident in disrupted supply chains, soaring transportation costs, and port congestion, which could jeopardize the affordability and availability of essential goods worldwide (Nair, 2024).

Disruptions of COVID-19 pandemic exposed the critical role of supply chain flexibility in responding to changes in consumer behavior, market dynamics, and disruptions (Farida & Setiawan, 2021). The American companies are focusing on adjusting production, distribution, and sourcing strategies quickly to meet demand and maintain customer satisfaction (Siagian & Tarigan, Jie, 2021). The central issues in supply chain flexibility (SCF) such as lack of flexibility measures and the significant impact of information sharing among supply chain members have become evident (Farida & Setiawan, 2022). Mello et al. (2019) argued that the absence of flexibility measures hampers external flexibility, particularly in planning and control activities. Importantly, dynamic capabilities, logistics integration, and digital capabilities play crucial roles in enhancing competitive advantage through effective import strategies, supply chain management practices, and multiple supplier relationships (Tukamuhabwa et al., 2023;).

Al Azzani and Jusoh (2024) argue that supply chain flexibility (SCF) significantly influences SMEs' performance and customer responsiveness. Additionally, customer responsiveness significantly influences SMEs' performance, and it plays a complementary partial mediating role in the relationship between SCF and SME performance in Oman. Baziedy et al. (2023) notes that SCF positively affects SCA and SMEs' performance. Additionally, SCA is identified as an essential predictor of SMEs' performance and mediates the effect of SCF on SMEs' performance in Sleman Regency, Yogyakarta, Indonesia. Ismail et al. (2017) contend that rust is significantly related to commitment and export performance among, while commitment positively influences competitive advantage but not export performance. Trust indirectly affects competitive advantage through commitment, and the impact of commitment on export performance is mediated by competitive advantage.

In West Africa, the political and economic crisis in Nigeria significantly threatens supply chain stability for Western companies reliant on Nigerian imports (Shibuya, Shibasaki, Kawasaki, & Tokuori, 2023). The main exports, such as petroleum and agricultural goods, face disruptions withundreds of American and European companies with Nigerian suppliers at risk, exacerbated by a cash crisis and logistical challenges (Chilokwu, 2024). In Ghana, supply chain risks negatively impact enterprise performance, with effective risk management strategies essential for mitigating these impacts (Ganiyu et al., 2020).

Gikomba Market in Nairobi, known for its vibrant trade, faces challenges like infrastructural deficiencies and foreign competition, particularly from Chinese traders. The influx of Chinese traders, with their advanced strategies including financial, marketing and supply chain competencies, poses a threat to local traders, leading to concerns about a possible takeover (Newcomb, 2020). Additionally, the import of cheaper Chinese fish has affected local fish traders. Despite these challenges, Gikomba Market plays a crucial role in Nairobi's economy, offering affordable goods and employment. However, frequent fires and current rains have disrupted activities, highlighting the need for better infrastructure and support to protect traders' livelihoods.

Problem Statement

Supply chain flexibility plays a critical role in enhancing competitive advantage in the import retail business. Several studies have shown the significant relationship between supply chain management (SCM) practices and competitive advantage. For instance, Baqleh and Alateeq (2023) found that supply chain practices such as information quality and sharing significantly influence competitive advantage. In the food processing industry, Habtemariyam and Kero (2022) also demonstrated that supply chain responsiveness positively impacts competitive advantage. However, challenges persist in understanding how different dimensions of supply chain flexibility-sourcing, product mix, and volume flexibility affect small-scale importers.

In Gikomba Market, small-scale traders in the market are grappling with challenges stemming from sub-standard Chinese imports and the implementation of the Kenya Revenue Authority's new tax plan, impacting over 7,500 traders at Gikomba market. This tax directive imposes substantial financial burdens, including $1,000 container deposits and $2 per kilogram of cargo (Kitimo, 2023). Moreover, on average, supply chain disruptions result in a 3-5% increase in expenses and a 7% decrease in sales. The existing studies, such as by Okello and Were (2014), acknowledge that SCM practices contribute to profitability, yet these do not address the specific issues faced by small-scale importers. Supply chain issues like sub-standard imports, inconsistent shipping schedules due to global events, and new tax regulations, have further exacerbated the problem, leading to inefficiencies in trade practices (Chacha, Kirui, & Wiedemann, 2024). Despite research into COVID-19 impacts on Eastleigh Market (Doll & Golole, 2023), there remains a gap in studies addressing supply chain flexibility strategies for small-scale importers in Gikomba.

The delays in deliveries, fluctuations in shipping costs, difficulty in inventory management, and evolving customer preferences remain largely understudied in the context of local informal markets. The limited capital capabilities, difficulty in integrating digital solutions, and weak strategic orientation have been cited as barriers in navigating volatile supply chain environments (Al Azzani & Jusoh, 2024). As outlined by Mutuku (2021), logistics play a crucial role in determining competitive advantage, but small traders may not benefit from these practices, leading to diminished market presence. Therefore, further investigation was required to understand how sourcing flexibility affects competitive advantage in this unique retail context.

Objective of the Study

The objective of the study was to examine effect of sourcing flexibility on competitive advantage among small scale importers in Gikomba Market, Nairobi County, Kenya.

LITERATURE REVIEW

Sourcing Flexibility and Competitive Advantage Among Small Scale Importers

Adapting procurement strategies allows importers to mitigate risks, improve responsiveness, and maintain advantageous supplier relationships, enhancing their market position and operational efficiency.

Supplier Diversification

Sourcing flexibility refers to the ability of importers to adapt their procurement strategies in response to changing market conditions and supplier dynamics (Biazzin, Miguel, de, Tonelli, & Soares, 2019). Supplier diversification plays a crucial role in this flexibility, as it allows small-scale importers to reduce dependency on a single supplier (Benito-Osorio, 2020). That is, sourcing from multiple suppliers, importers can mitigate risks such as supply chain disruptions and price volatility. According to Yin and Ran (2022), this strategy not only ensures a steady supply of goods but also enhances negotiating power, leading to better pricing and terms, which contribute to a stronger competitive position in the market.

Arte and Larimo (2022) conducted a meta-analysis on the moderating influence of product diversification on the relationship between international diversification and firm performance. Analyzing 263 effect sizes from

187 studies, they found a non-linear inverted U-shaped relationship. Performance was higher in firms with low or related product diversity and lower in those with high or unrelated product diversity, suggesting a nuanced approach to dual diversification strategies.

Alcalde and Dahm, M. (2024) explored the trade-off between supplier diversity and cost-effective procurement in the context of the COVID-19 pandemic. They proposed a model integrating share auctions with affirmative action to support high-cost suppliers, enhancing competition and reducing procurement costs. Their findings highlight the potential of such strategies to mitigate supply chain risks and improve procurement efficiency. Golmohammadi and Hassini (2020) reviewed supplier diversification and responsive pricing strategies in mitigating supply and demand risks. They categorized studies on lot-sizing under random supply and demand scenarios, emphasizing the importance of multiple sourcing channels and pricing strategies in risk management. Their analysis provides insights into effective supply chain management strategies amid uncertainties.

Lead Time Management

Lead time reduction is another critical component of sourcing flexibility, defined as the capability to shorten the period between placing an order and receiving the goods (Santana, Afonso, Zanin, & Wernke, 2019). For small-scale importers, reducing lead times can significantly improve responsiveness to market demands and trends. This agility allows importers to maintain lower inventory levels, minimizing holding costs and reducing the risk of obsolescence. The quicker turnaround times enable importers to offer the latest products to their customers, thereby improving customer satisfaction and gaining a competitive edge (Kohn, 2019).

Tiedemann, Wikner, and Johansson (2021) explored strategic lead times' (SLTs) implications for return on investment (ROI) through a multiple case study approach involving five cases. Empirical data were collected via interviews and focus groups. Findings indicated that SLTs significantly impact companies' financial performance, varying in strength and either directly or indirectly. The study provides a framework for understanding these implications but suggests further research on environmental and social sustainability. It highlights practical applications for supply chain analysis based on financial performance, although its scope is limited to specific case studies, necessitating broader investigation for general applicability.

Supplier Switching Costs

Supplier switching costs, the expenses associated with changing suppliers, can significantly impact sourcing flexibility (Setyawan et al, 2022). High switching costs can hinder small-scale importers from transitioning to better suppliers, thus locking them into less favorable agreements (López-Jáuregui, Martos-Partal, & Labeaga, 2022). This implies that managing and reducing these costs, importers can maintain the freedom to switch suppliers as needed, optimizing their supply chain for better prices, quality, and innovation. This capability to adapt supplier relationships without incurring prohibitive costs strengthens their competitive advantage by ensuring they can continuously improve their procurement strategies.

Richards and Liaukonytė (2023) examined the impact of switching costs on consumer behavior and retail pricing strategies. The study challenges the notion that switching costs are purely anticompetitive, suggesting instead that they can lead to lower prices due to increased customer loyalty and reduced-price uncertainty. Using household-level store-choice data, the authors found empirical evidence supporting the idea that loyalty programs designed to increase customer retention ("stickiness") contribute to competitive retail pricing. Castanha and Gasparetto (2024) explored the impact of switching costs and resource dependence on interorganizational cooperation. The study, investigates how these factors influence cooperative relationships between organizations. Using empirical data, the authors analyze the dynamics of resource interdependence and switching costs in fostering or hindering collaborative efforts.

Ha et al. (2023) investigated the interplay of service quality (SQ), service value (SV), customer satisfaction (CS), and loyalty (CL) in private healthcare in Ho Chi Minh City. They utilized Partial Least Squares

Structural Equation Modeling (PLS-SEM) with a sample of 300 patients. Findings highlight that procedural, financial, and relational switching costs influence customer loyalty significantly, mediated by CS and SV relationships. The study underscores the importance of enhancing service value to bolster customer satisfaction and loyalty amidst high switching costs, offering strategic insights applicable to healthcare SMEs in developing countries navigating customer retention challenges.

METHODOLOGY

This study utilized a descriptive research design to systematically describe the characteristics and impacts of sourcing flexibility on competitive advantage among small-scale importers in Gikomba Market, Nairobi County.

The target population for this study included 1,500 licensed small-scale importers at Gikomba Market.

The study determined the sample size using Yamane's (1967) formula. This approach is commonly used for calculating sample sizes in a finite population. Therefore, given a population of 1,500 and a margin of error (e) of 0.05, the formula was:

n = N/(1+N(e)2

where:

N = population size

e= margin of error

n = sample size

1,500/(1+1,500(0.05)^2

1,500/4.75

Thus, the sample size for the study were 316 small scale importers. The study used both primary and secondary data. Data collection was undertaken using a structured questionnaire that contained close-ended questions.

Data analysis entailed assessing the effect of sourcing flexibility on competitive advantage among small-scale importers. The responses were then entered into the Statistical Package for the Social Sciences (SPSS) software, version 25, to retrieve the results.

RESULTS AND FINDINGS

Response Rate

The study attained a response rate of 77%. This was equivalent of 242 out of the 316 questionnaires that were distributed to the small-scale importers at Gikomba market, Nairobi County.

Sourcing Flexibility and Competitive Advantage among Small Scale Importers

Rating of Sourcing Flexibility and Competitive Advantage

Supplier Diversification

The highest-rated statement was that having a range of suppliers ensures consistent product quality and reduces supply disruptions, with 41% agreeing. This implies that supplier diversification significantly enhances reliability and consistency in supply chains for small-scale importers (mean = 3.67, sd=1.12). However, the lowest-rated statement was that engaging suppliers from various countries mitigates risks, with 21% neutral. This shows that geopolitical and economic concerns may not be primary considerations for some

importers (mean = 3.36). The study achieved a composite mean of 3.53 and a standard deviation of 1.11, demonstrating moderate supplier diversification practices.

Table 1: Rating of Supplier Diversification

Supplier Diversification	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std Dev
1. Working with various suppliers from different regions helps me quickly adapt to changes in product availability.	5	14	24	34	23	3.57	1.12
2. Multiple supplier options enable me to secure better prices and terms, making my pricing more competitive.	7	12	22	41	18	3.53	1.12
3. Engaging suppliers from various countries mitigates risks such as political or economic instability in any single region.	11	13	21	38	17	3.36	1.23
4. Having a range of suppliers ensures consistent product quality and reduces the likelihood of supply disruptions.	1	12	26	41	20	3.67	0.96
Composite Mean						**3.53**	**1.11**

Lead Time Reduction

Thirty eight percent (38%) of participants agreed that reducing the time it takes for goods to arrive lowers holding costs and enables competitive pricing. This implies that lead time reduction directly enhances cost efficiency and pricing strategies for small-scale importers (mean = 3.82). However, (30%) of participants were neutral on rapid supply replenishment adjusting to sudden demand changes. This shows challenges in aligning supplier speed with unpredictable customer needs (mean = 3.59). The study achieved a composite mean of 3.68 and a standard deviation of 1.03, demonstrating moderate lead time reduction practices. The results are shown in Table 2.

Table 2: Rating of Lead Time Reduction

Lead Time Reduction	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std Dev
5. Faster supplier delivery helps me quickly meet customer orders, allowing me to capture more market opportunities.	3	12	27	38	20	3.61	1.01
6. Reducing the time it takes for goods to arrive lowers my holding costs and enables me to offer more competitive pricing.	1	9	24	38	28	3.82	0.98
7. Rapid supply replenishment allows me to swiftly adjust to sudden changes in customer demand.	3	10	30	39	18	3.59	1.00
8. Efficient processing and delivery from suppliers support my ability to maintain a steady inventory and meet deadlines.	6	16	17	28	33	3.71	1.12
Composite Mean						**3.68**	**1.03**

Supplier Switching Costs

Forty three percent (43%) of participants agreed that easy transitions between suppliers allow them to capitalize on better deals and improve competitive standing. This implies that low supplier switching costs enhance flexibility and adaptability for small-scale importers (mean = 3.84). However, forty-five (45%) of

participants were neutral on high expenses limiting their ability to pursue better prices or reliable sources. This shows uncertainty about the impact of switching costs on supplier decisions (mean = 3.47). The study attained a composite mean of 3.62 and a standard deviation of 1.05, demonstrating moderate supplier switching flexibility. The results are shown in Table 3.

Table 3: Rating of Supplier Switching Costs

Supplier Switching Costs	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std Dev
9. High expenses involved in changing suppliers limit my ability to pursue better prices or more reliable sources.	4	16	45	25	10	3.47	1.01
10. Switching suppliers requires significant time and resources, impacting my overall operational efficiency.	5	10	27	36	22	3.60	1.09
11. Easy transition between suppliers allows me to capitalize on better deals and improve my competitive standing.	2	9	20	43	26	3.84	0.97
12. Lower switching costs enable me to remain flexible and responsive to changing market conditions and opportunities.	7	11	20	43	19	3.58	1.14
Composite Mean						**3.62**	**1.05**

Pearson Correlation between Sourcing Flexibility and Competitive Advantage

Pearson correlational analysis showed a significant positive correlation (n=242, r = .774**, p<0.05) between the sourcing flexibility and competitive advantage. The results imply that diversified supplier base, adapting to market changes, cost optimization, increased responsiveness, and risk management in the supply chain, predict better competitive advantage outcomes. Therefore, as sourcing flexibility rises, competitive advanatge improves as well. This relationship is shown in Table 4.

Table 4: Pearson Correlation between Sourcing Flexibility and Competitive Advantage

		Sourcing Flexibility	Competitive Advantage
Sourcing Flexibility	Pearson Correlation	1	.774**
	Sig. (2-tailed)		.000
	N	242	242
Competitive Advantage	Pearson Correlation	.774**	1
	Sig. (2-tailed)	.000	
	N	242	242

**. Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis between Sourcing Flexibility and Competitive Advantage

The regression model summary for sourcing capabilities and competitive advantage shows a significant relationship (R = .774, R Square = .599, Adjusted R Square = .597, p < .05). The model explains 59.9% of the variance in competitive advantage whereas the remaining 40.1% could be explained by other factors not captured in the model. The findings are shown in Table 5.

Table 5: Model Summary for Sourcing Flexibility and Competitive Advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.774[a]	.599	.597	.50864

a. Predictors: (Constant), Sourcing Flexibility

The findings of the study show that the F value at 357.827 is high hence the model used in the study was suitable. The significance value, P value is <0.05. Therefore, the relationship between sourcing flexibility and competitive advantage is significant. The findings are shown in Table 6.

Table 6: ANOVA between Sourcing Flexibility and Competitive Advantage

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.574	1	92.574	357.827	.000[b]
	Residual	62.091	240	.259		
	Total	154.664	241			

a. Dependent Variable: Competitive_Advantage

b. Predictors: (Constant), Sourcing_Flexibility

The regression coefficients for sourcing flexibility revealed the constant of .794 ($p < .05$), and the coefficient for sourcing flexibility is .775 ($p < .001$). The standardized coefficient (Beta) is .774, implying a strong effect. The regression equation is:

$$Competitive\ advantage = 0.794 + 0.775 * Sourcing\ Flexibility$$

The findings imply that a unit increase in sourcing flexibility attracts 0.775 unit increase in competitive advantage among the small-scale traders. The results are shown in Table 4.7.

Table 7: Regression Coefficients between Sourcing Flexibility and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.794	.149		5.341	.000
	Sourcing_Flexibility	.775	.041	.774	18.916	.000

a. Dependent Variable: Competitive_Advantage

CONCLUSION AND RECOMMENDATIONS

The study found that supplier diversification significantly enhances supply chain reliability and consistency. This aligns with Biazzin et al. (2019), who observed that diversification reduces dependence on a single supplier. It also supports Benito-Osorio et al. (2020), noting that diversification mitigates supply chain risks. Additionally, the results align with Golmohammadi and Hassini (2020) who emphasize the need for multiple suppliers to manage supply and demand risks effectively. This enables small scale importers to supply customers with a unique assortment of goods.

The findings suggest that reducing lead time boosts cost efficiency and pricing strategies. This supports Santana et al. (2019), who argued that faster lead times enable competitive pricing. The results also mirror Yin and Ran (2022), emphasizing that quicker replenishment enhances responsiveness. Moreover, Alcalde and Dahm (2024) found that reduced lead times during crises lead to improved procurement efficiency, resonating with the study's findings. The study reveals that lead time reduction is directly linked to the ability to adjust to demand changes. This concurs with Santana et al. (2019), who emphasized the value of swift supply replenishment. Yin and Ran (2022) also noted that rapid adjustments improve market positioning. Similarly, Arte and Larimo (2022) found that quick adaptations positively impact firm performance, aligning with the study's results.

The results indicate that supplier switching costs influence operational flexibility. This finding supports the work of Biazzin et al. (2019), who identified the importance of flexibility in supplier transitions. Similarly,

Benito-Osorio et al. (2020) found that low switching costs enhance supply chain responsiveness. Golmohammadi and Hassini (2020) further supported this by noting the role of flexibility in managing supply risks during uncertain times. The study found that low switching costs contribute to greater competitive advantage. This resonates with Arte and Larimo (2022), who identified flexibility as a key competitive factor. In addition, Alcalde and Dahm (2024) emphasized that the ability to switch suppliers is critical for cost-effective procurement. Yin and Ran (2022) also found that flexibility enhances resilience, reinforcing the results of the current study.

The study established that sourcing flexibility leads to competitive advantage. This finding agrees with Biazzin et al. (2019), who linked sourcing flexibility to improved market positioning. Additionally, Benito-Osorio et al. (2020) highlighted that sourcing flexibility directly impacts competitive advantage. Similarly, Yin and Ran (2022) found that firms with flexible sourcing strategies achieve better resilience, aligning with the study's results.

A strong and significant positive correlation between sourcing flexibility and competitive advantage was found. This supports the findings of Biazzin et al. (2019), who demonstrated that sourcing flexibility enhances competitive positioning. Additionally, Benito-Osorio et al. (2020) found that firms with more flexible sourcing strategies experience improved performance. Yin and Ran (2022) also noted that flexible sourcing leads to higher supply chain resilience, confirming the correlation observed in the study. The regression analysis confirmed a significant relationship between sourcing flexibility and competitive advantage. This supports the work of Benito-Osorio et al. (2020), who found that flexible sourcing strategies positively influence competitive outcomes. Similarly, Yin and Ran (2022) observed that flexibility in sourcing enhances firm performance. The study's findings underscore the importance of sourcing flexibility in gaining a competitive edge, in line with these studies.

Finally, descriptive results indicated that low supplier switching costs enhance competitive advantage. This contrasts with the findings of Arte and Larimo (2022), who found that the relationship between switching costs and performance is more complicated. Similarly, Alcalde and Dahm (2024) argued that high switching costs could limit flexibility. Golmohammadi and Hassini (2020) also highlighted that high switching costs can restrict sourcing options, providing a different perspective from the current study.

The study concludes that supplier diversification enhances supply chain reliability for small-scale importers. It further concludes that geopolitical concerns may not be significant for some importers when selecting suppliers. The study also concludes that lead time reduction plays a critical role in enhancing cost efficiency and competitive pricing. Additionally, the study concludes that easy supplier transitions improve competitive advantage and flexibility. It further concludes that sourcing flexibility is positively correlated with competitive advantage, explaining a significant portion of the variance. Lastly, the study concludes that increased sourcing flexibility directly boosts competitive advantage for small-scale importers.

To enhance supplier diversification, small-scale importers should increase supplier networks by expanding outreach to new regions and sectors. Furthermore, engage suppliers from diverse regions to reduce disruptions and ensure consistency by developing long-term partnerships across multiple geographic locations. In addition, negotiate competitive prices with multiple suppliers to improve profit margins by leveraging bulk purchasing and long-term contracts for cost advantages. Moreover, regularly evaluate suppliers' reliability to ensure quality and timely deliveries by establishing performance metrics and conducting quarterly reviews. Additionally, monitor geopolitical risks to make informed decisions about global suppliers by subscribing to risk assessment tools and keeping up with global news. Furthermore, implement flexible supplier contracts to adapt to unforeseen market changes by negotiating clauses that allow for adjustments based on market conditions. Finally, lower supplier switching costs by maintaining relationships with backup suppliers for quick transitions by setting up pre-negotiated terms with secondary suppliers.

Further studies could investigate the effect of supplier switching costs, as these may significantly influence supply chain flexibility. Customization capabilities and their potential in enhancing market differentiation for small-scale importers should be thoroughly researched.

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