

Critical Success Factors of Vendor-Managed Inventory in Predicting Client Acquisition in Logistics Sector

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Abstract

This study investigated the critical success factors of Vendor-Managed Inventory (VMI) in predicting client acquisition within the logistics sector. Specifically, it examined the extent to which VMI contributes to information quality, technology integration, relationship quality, organizational quality, forecast accuracy, cost efficiency, and relationship transparency, and how these factors collectively influence the ability of logistics service providers to acquire and retain clients. A quantitative research approach employing a descriptive-correlational design was utilized. Primary data were collected through a structured survey questionnaire administered to 51 respondents representing logistics enterprises registered under the Philippine Economic Zone Authority (PEZA) in the Cavite Economic Zone. Prior to data collection, the research instrument underwent expert validation and reliability testing using Cronbach's Alpha to ensure its validity and internal consistency. The collected data were analyzed using Frequency and Percentage Distribution, Weighted Mean, Standard Deviation, Cronbach's Alpha, Kruskal-Wallis H Test, and Spearman Rank-Order Correlation. The findings revealed that the respondents perceived VMI as highly effective in improving information quality through timely, accurate, and reliable inventory information. Technology integration enhanced real-time communication, inventory visibility, and automated replenishment processes among supply chain partners. Relationship quality and organizational quality were likewise rated highly, and coordinated operational practices are essential to successful VMI implementation. Furthermore, VMI significantly improved forecast accuracy, reduced inventory-related costs, optimized delivery performance, and strengthened relationship transparency by promoting trust, information sharing, and long-term collaboration. The study concludes that effective implementation of Vendor-Managed Inventory provides logistics companies with a strategic competitive advantage by improving operational efficiency, strengthening supply chain collaboration, enhancing customer responsiveness, and increasing organizational credibility. The findings provide valuable insights for logistics managers, business leaders, and researchers seeking to strengthen supply chain performance through effective Vendor-Managed Inventory practices.

Keywords: VMI, LSP, logistics, vendor-managed inventory, supply chain

