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Supplier Relationship Management and Performance of Supermarkets in Nairobi County, Kenya

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Abstract

In Kenya, supermarkets are regarded as one of the primary contributors to the economy's notable expansion and advancement. However, in recent times, the performance of the retail industry has been beset by several challenges. This study aimed to examine the effect of supplier relationship management on supermarket performance in Nairobi County. The research adopted a descriptive research design which focused on describing the phenomenon being studied. The research target population comprised 147 registered hyper and mega supermarkets operating within Nairobi City County. Stratified and simple random sampling techniques were employed. A sample size of 45 supermarkets and 135 respondents were selected for the study. In the analysis process, descriptive, inferential, and thematic statistical analysis was employed to analyze the data collected in this study. The study found that there is a positive and significant relationship between trust-based relationship management (β=0.0152, p=0.002), supplier segmentation (β=0.3154, p=0.002), and the performance of supermarkets. The study concludes that establishing and maintaining trust with suppliers is essential for ensuring a smooth and efficient supply chain, as well as fostering long-term partnerships that benefit both parties. Supplier segmentation helps supermarkets improve their overall performance by tailoring their approach to each supplier based on their specific needs and capabilities. The study recommends that when supermarkets have strong, trust-based relationships with their suppliers, they are more likely to receive timely deliveries, high-quality products, and competitive pricing. By segmenting suppliers, supermarkets can better match their specific needs and requirements with the capabilities of different suppliers.

Keywords: *Supplier Relationship Management, trust-based relationship management, supplier segmentation, Performance of Supermarkets*

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1. Introduction

Globally, to provide (consumers) with more competitive services and goods, businesses must re-establish and restructure their operations through an effective and efficient measurement of performance. As the global market has grown more complex over time and competition has intensified, this has forced businesses to do so (Lockett, 2018). Supplier relationship management and how it affects the operations of enterprises have become contentious issues in industrialized countries (Govindan, Mangla & Luthra, 2017).

According to Statista (2021), in the United States, the retail sector accounts for approximately 6% of GDP, reflecting the substantial consumer spending and economic activity generated by retail businesses across the country. The U.S. retail industry is known for its diversity, encompassing a wide range of businesses from large multinational corporations to small local shops such as department stores, specialty stores, discount stores, supermarkets, convenience stores, and e-commerce platforms, which drives economic growth and stability.

Africa has continually witnessed an increase in retail business performance, especially in Nigeria, Angola, and Kenya due to supplier relationship management over time (Kamp, Ochoa & Diaz, 2017). The retail and wholesale sector in Nigeria, which has the largest domestic market in Africa, has seen a decline in performance as a result of issues with high production costs, subpar infrastructure, and high prices for commodities. For instance, the retail and wholesale sectors contributed 15.61% to the GDP, a reduction of 0.47% for the year 2021 (National Bureau of Statistics, 2021), and Angola's retail and wholesale contribution to GDP stood at 15.4% respectively (Statista, 2021). According to Tajiri (2017), supplier relationship management (SRM) is essential to a supermarket's performance, and factors like dedication and trust are seen as playing crucial roles in high-value strategic partnerships.

In Kenya, the retail and wholesale sector is considered the 5th largest contributor to GDP and the 3rd largest in terms of employment generation in Kenya with 238500 people employed and an 8.4% contribution to GDP for the year 2016 alone (KIPPRA, 2020). However, supplier relationship management can further improve this performance as it effectively gives customers options of meeting demand at any time at a reduced cost due to their inventory management abilities that curtail supply disruptions and select the best supplies to gain a competitive advantage (Chauhan, Kaur, Arrawatia, Ractham & Dhir, 2022). Effective SRM also works to streamline the process of supermarket sales by ensuring that organizations' products are supplied to the prioritized suppliers' needs to meet the demand of buyers.

1.1 Problem Statement

Retailing serves a significant industry in Kenya, according to Vision 2030, contributing to the third largest share of formal employment and 8.4% of the GDP (Wanjau, 2023). The added value tax is collected at the level of retailing; therefore, serving as an essential tax collection. It adds to customers' social welfare by providing items at fair rates (Arasa & Achuora, 2020; Kenya Vision 2030). Thus, as the economy moves closer to a 10 percent growth rate, the vision accentuates the need to boost productivity and improve retail commerce performance (Kenya Vision 2030).

Recently, the retail sector in Nairobi City County has faced a number of difficulties, with major players like Nakumatt, Uchumi, and Tuskys dealing with troubling financial issues that have resulted in unfilled shelves, the closure of branch stores both domestically and regionally, and concerns from underpaid suppliers (Arasa & Achuora, 2020), with the Ebrahim supermarket almost extinct and the Jack and Jill and Ukwala supermarkets having closed shop. As a result, the retail sector's contribution to GDP has progressively declined; in 2014 at 8.0 percent and further decreasing to 7.5 percent in 2015, 7.4%, 7.7%, 7.4%, 7.3% and 7% in 2016, 2017, 2018, 2019 and 2020 as claimed by Statista (2022), casting doubts about the sector's ability to contribute effectively to the implementation of the national vision 2030. This then requires a new approach with the potential to improve supermarket performance to meet Vision 2030 milestones (Arasa & Achuora, 2020).

Empirically, a number of studies have been looked at considering how supplier relationship management affects performance in different locations. Tundunaung, Tumbuan, and Tasik's

(2021) research failed to clarify the specific components of SRM that have the most significant impact on SME performance. Also, the generalizability of the findings was limited by the narrow focus on SMEs in Manado, which this study aims to address by exploring potential confounding variables between SRM and organizational performance of supermarkets in Nairobi City County. Kurgat (2021) established that communication of suppliers and segmentation of the supplier has impacted business performance in a significantly positive manner, nonetheless; despite the conducted in Kenya, the premise of the study was state state-owned establishment that the findings cannot be applied to supermarkets.

Vanhala and Tzafrir (2021) study did not discuss potential methodological limitations in detail, which this study aims to do by ensuring all components are analyzed and reported. Baah *et al* (2022) used SEM to establish that information sharing has positively and significantly impacted performance though, focusing on a different technique of analysis from this study thus exposing a methodology gap that was bridged by this study. To fill these gaps, this study assessed the effect of supplier relationship management on the performance of supermarkets.

1.2 Research Objectives

i. Investigate the effect of trust-based relationship management on the performance of supermarkets in Nairobi County, Kenya.

ii. Determine the effect of supplier segmentation on the performance of supermarkets in Nairobi County, Kenya

2. Literature Review

2.1 Theoretical Review

2.1.1 Commitment Trust Theory

Morgan and Hunt (1994) developed the idea based on two factors which include commitment and trust which need to be inculcated to allow for the success of an association (Oluwajana, Adeshola & Olowu, 2021). Relationship marketing, according to the apologists for this theory, comprises forging connections with suppliers by fulfilling obligations and meeting expectations. Trust is defined by Kosgei and Gitau (2016) as the shared beliefs of two parties having a relationship where the other partner will not take any actions that could jeopardize that relationship. Businesses typically gain customers' trust by keeping their word. A long-term pursuit of a respected partnership is what engagement on the other side entails.

According to the claim made by Li, Ragu-Nathan, Ragu-Nathan, and Rao (2016), firms adhere to the concepts of relationship marketing, which aims to develop long-lasting relationships with their suppliers, rather than working for a quick profit. Kamp *et al* (2017) said that the desire of the organization to maintain and improve close relationships with consumers affects the organization's ongoing investment in these relationships. The organization demonstrates its dedication to the suppliers via a variety of activities that build up relationships. Pullman *et al* (2018) observed that cooperative behaviors that enable both groups to satisfy their requirements are the outcome of a partnership built on commitment and trust.

Commitment Trust Theory has received some criticism in the literature. The theory does not adequately consider the influence of external factors, such as social media marketing, on purchase intention. Also, the hypothesis has limited applicability in virtual brand communities as the mediating role of brand relationship quality, for example, plays a significant role in shaping trust and commitment within virtual brand communities (Akrout & Nagy, 2018).

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Notwithstanding the critique, the Commitment Trust Theory asserts that trust and commitment are essential elements of fruitful organizational collaborations and interpersonal interactions. According to the theory, building and sustaining solid, trustworthy relationships with suppliers, staff, and consumers is essential for improving performance and attaining long-term success. This is demonstrated by the application of trust-based relationship management to supermarkets in Nairobi County, Kenya. Additionally, fostering commitment and trust among stakeholders through transparent communication, reliable service delivery, and cooperation, helps supermarkets to build loyalty, improve customer satisfaction, and drive sustainable growth. Trust-based relationship management strategies, such as building rapport with suppliers, empowering employees to act with integrity, and prioritizing customer needs, create a positive organizational culture centered on trust and collaboration, ultimately leading to improved operational efficiency, profitability, and market competitiveness for supermarkets in Nairobi City County.

2.1.2 Resource Based View Theory

RBV was first presented by Bain (1968) and Porter (1985). According to this theory, businesses have special and priceless assets that support their competitive edge and better performance (Miller, 2019). This assumption is based on the idea that resources are heterogeneous across firms, meaning that different firms have different bundles of resources at their disposal. The RBV theory argues that these unique resources are not easily imitable or substitutable by competitors, leading to sustained competitive advantage (Rauf *et al*., 2019).

The resource-based perspective places a strong emphasis on the value of an organization's resources and assets (McGahan, 2021). According to the RBV theory, resources enable businesses to outperform their rivals and achieve a competitive edge (Njogu & Moronge, 2018). Collaboration between suppliers is required to ensure that the resources are effective in satisfying the market and financial needs of the companies, which necessitates the need for adequate and high-quality resources. In order to establish their improved performances, corporations must collaborate. The RBV argued that a company's resources are a reflection of its supply chain performance and capabilities (McGahan, 2021).

Resources and company capabilities are very dissimilar, according to Chan *et al* (2017). Resources are viewed as readily available factors of production that are owned and managed by an organization, whereas capabilities are viewed as a specific form of resource that drives the productivity and efficiency level of all other resources owned by the firm. The quality-of-service delivery is determined by resources, according to RBV. Resources include things like a company's assets, IT capabilities, and supply chain procedures, all of which are essential for boosting a company's performance and productivity (Bain, 1968). According to Riofiandi and Tarigan (2022), resources must be useful since they work best when combined with talents to achieve a superior outcome. A supply chain's performance is improved and its participants have more effective relationships, giving it a bigger competitive edge (Kotzab, Teller, Grant & Friis, 2015).

The resource-based paradigm, according to Mekuria (2016), does not stress managerial implications or point out ways that managers might impact organizational success. Additionally, according to Lagat (2017), the operations of smaller businesses are not taken into account by the resource-based paradigm. More so, RBV theory lacks consistency in terms of identifying and defining firm resources and capabilities. There is no clear framework for effectively analyzing and evaluating resources, leading to subjective and inconsistent conclusions.

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To improve company success, RBV theory, however, places a strong emphasis on the strategic value of utilizing both external supplier relationships and internal resources and competencies. It suggests that enterprises can achieve sustainable competitive advantage by deploying unique, valuable, and non-substitutable resources and capabilities. In the case of supermarkets, supplier segmentation based on RBV principles involves identifying and prioritizing suppliers that offer strategic resources, such as high-quality products, reliable delivery, and innovative solutions, aligned with the supermarket's core competencies and value proposition. Supplier development initiatives, guided by RBV principles, focus on nurturing and enhancing the capabilities of strategic suppliers through collaboration, knowledge sharing, and capability-building programs, thereby strengthening the supermarket's resource base and enhancing its ability to deliver superior products and services to customers. Aligning supplier segmentation and development efforts with RBV principles helps supermarkets in Nairobi City County to optimize their supplier relationships, improve operational efficiency, and ultimately enhance their performance and competitiveness in the retail market.

2.2 Empirical Review

2.2.1 Trust-based Relationship and Organizational Performance

Research by Paschina (2023) focused on investigating the relationships between trust in management, work flexibility, and their impact on organizational performance at Paul Valery University. The researcher employed a cross-sectional research methodology to explore these dynamics in the context of modern work environments, where data was collected from students working at Paul Valery University. A structured questionnaire was used to aid the data collection process. Organizations with higher levels of trust tended to demonstrate better performance outcomes. Additionally, the study found that work flexibility was associated with increased job satisfaction and employee engagement, which in turn positively impacted organizational performance. While the study provided valuable insights into the importance of trust in management and work flexibility for organizational performance, it could have further investigated the specific mechanisms through which trust and flexibility influence performance outcomes, such as through enhanced communication, collaboration, or employee well-being.

Tundunaung, Tumbuan, and Tasik (2021) investigated how the management of supplier relationships has impacted the financial performance of small and medium-sized businesses in Manado. Cluster random sampling was employed for participant selection, involving dividing the population into distinct clusters with shared characteristics and selecting one cluster as the sample. Data collection primarily relied on questionnaires, which serve as a research tool comprising a series of inquiries designed to obtain data. The data for this study are analyzed using an analytical approach called ordinal regression. Demonstration showed that relationships based on trust, collaboration, and information sharing have a major impact on firm performance. Small and medium-sized businesses in Manado served the case with supermarkets in Nairobi City County for this investigation. However, the research failed to clarify the specific components of SRM that have the most significant impact on SME performance. Additionally, the generalizability of the findings was limited by the narrow focus on SMEs in Manado.

Vanhala and Tzafrir (2021) investigated the connection between performance and organizational trust in a variety of settings. Researchers employed a questionnaire and quantitative empirical analysis on survey data collected from a randomly selected sample of 715 respondents employed by major Finnish ICT and forest companies. The study findings revealed a consistent positive association between organizational trust and performance across diverse organizational settings. Trust within an organization is found to significantly influence performance metrics such as productivity, efficiency, innovation, and employee satisfaction. The authors emphasize the importance of considering contextual factors such as organizational culture, industry dynamics, and national culture in understanding the trust-performance relationship. These contextual elements shape how trust operates within an organization and its implications for performance. The study employed quantitative empirical analysis, utilizing SEM, however, it did not discuss potential methodological limitations in detail.

Mwangi (2017) examined how the management of supplier relationships is associated with sugar companies' operational performance in Kenya. The independent variables were trust-based relationships, representing teamwork and commitment, information sharing, and collaboration with suppliers, while the dependent variable was firm performance. The inquiry employed a descriptive design in which a questionnaire was distributed to the employees in the supply chain departments of 13 Kenyan sugar companies. Regression, correlation analysis, and descriptive statistics were used. The analysis shows that trust-based relationships positively influence the sugar companies' success. Conversely, the previous investigation was based on the manufacturing sector in Kenya but focused on sugar companies in Kenya. Without a solid theoretical foundation, the study's findings lack theoretical coherence and fail to contribute meaningfully to the existing body of knowledge in the field.

2.2.2 Supplier Segmentation and Organizational Performance

Kurgat (2021) investigated how SRM affected the performance of Kenya's state-owned businesses. The 34 commercial SOEs served as the study's observation unit in a descriptive research design study. Used descriptive and inferential approaches to analyze the research data gathered. According to the study's findings, segmenting and communicating with suppliers significantly and favorably affects business performance. According to the study's findings, supplier cooperation had little bearing on business performance. The research briefly touches upon the practical implications of the findings but does not provide detailed guidance for practitioners.

Lajimi and Majidi (2021) conducted research on supplier segmentation aimed to provide a systematic literature review. The sample size consisted of a wide array of articles and publications that covered various aspects of supplier segmentation. The target respondents were researchers, practitioners, and academics interested in supply chain management and supplier relationship strategies. The main aim of the research was to synthesize existing knowledge on supplier segmentation practices. The major finding highlighted the importance of effectively segmenting suppliers to improve supply chain performance and enhance strategic supplier relationships, although the research lacked quantitative data analysis and potential contradiction from the discrepancies between the identified supplier segmentation strategies and real-world implementation challenges faced by organizations.

The study conducted by Sang and Wachiuri (2023) investigated the impact of supplier segmentation on the organizational performance of devolved governments in Kenya. The main aim of the research was to determine how supplier segmentation strategies impact the performance of devolved government entities in Kenya. The major finding revealed that segmenting suppliers significantly and effectively enhances operational efficiency and service delivery within devolved government systems. However, the study did not include an in-depth analysis of specific supplier segmentation techniques used by devolved governments and their alignment with organizational goals.

Lagat (2017) assesses the impact of supplier relationship management techniques on Almasi Beverages Limited's procurement performance. Four hundred and twenty-six Almasi Beverages Limited respondents were surveyed using descriptive design on the population. Analytical of the descriptive nature, Almasi Beverages Limited instructs its suppliers on how to meet quality standards. The company's suppliers work together to make better decisions together. To assist supplier relationship management in regard to procurement performance, the company divides its suppliers into categories based on quality improvement and places a strong emphasis on quality improvement in the company's procurement process. Despite the study on SRM, Almasi Beverages Limited was the only firm used for the study, thus, limiting the generalizability of the findings.

Kiarie (2017) did research to determine the correlation of supplier relationship management methods with corporate success in Kenya's large industrial firms. A correlation design was adopted where a population of 594 listed manufacturing enterprises in Kenya was reached. The survey instrument was an open-ended and closed-ended structured questionnaire. The study's findings indicated a favorable and considerable impact on manufacturing enterprises. However, the study lacked discussion on how contextual factors such as industry differences, business environment dynamics, and regulatory frameworks in Kenya impact the connection between operational performance and supplier management practices.

3. Methodology

The study adopted a descriptive research design which focused on describing the phenomenon being studied. The research target population comprised 147 registered hyper and mega supermarkets operating within Nairobi City County. Stratified and simple random sampling techniques were employed. A sample size of 45 supermarkets and 135 respondents were selected for the study. A structured questionnaire was used. Validity of the questionnaire was assessed by use of content and construct validity while reliability was tested using Cronbach alpha test. In the analysis process, descriptive, inferential, and thematic statistical analysis was employed to analyze the data collected in this study.

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4. Results and Discussion

This section presents descriptive statistics and regression analysis results.

4.1 Descriptive Statistics

4.1.1 Organizational Performance

Table 1: Organizational Performance

Items	SD (%)	D(%)	N(%)	A(%)	SA(%)	M	SD
The organization has streamlined processes to enhance efficiency and minimize redundant tasks.	16.2	3.8	0.7	23.1	56.2	4.08	0.92
Increased sales can be attributed to the organization's strong market positioning and effective sales strategies.	10	3.1	0	24.6	62.3	3.61	1.39
Just-in-time practices have led to a more agile and responsive supply chain for the organization.	14.6	12.3	3.8	20.8	48.5	4.07	0.93
The implementation of Just-In-Time principles has improved inventory management and reduced waste in the organization.	16.9	26.2	1.5	13.1	42.3	3.67	1.33
Efficiency in operations and processes has been a key focus for the organization leading to improved productivity.	1.5	5.4	0.7	32.3	60	3.58	1.42
Cost reduction initiatives have been well-received and effectively implemented across various departments.	9.2	4.6	2.3	26.9	56.9	4.09	0.91
The organization consistently meets or exceeds performance targets related to cost reduction, efficiency, increased sales, and Just-In-Time practices.	5.4	12.3	0	26.2	56.2	3.87	1.13
Aggregate score						**3.85**	**1.147**

Table 1 reveals that (79.3%) of the participants noted that the organization has streamlined processes to enhance efficiency and minimize redundant tasks with 20.0% disagreeing. The statement that most (86.9%) of the respondents agreed that increased sales can be attributed to the organization's strong market positioning and effective sales strategies while 13.1% of the respondents disagreed. Most (69.3%) of the participants agreed that just-in-time practices have led to a more agile and responsive supply chain for the organization with 26.9% of the respondents disagreeing. The statement that the implementation of Just-In-Time principles has improved inventory management and reduced waste in the organization was agreed by most (55.4%) of the respondents while 43.1% of the respondents disagreed. Majority (92.3%) of the respondents agreed that efficiency in operations and processes has been a key focus for the organization leading to improved productivity while 9.6% of the respondents disagreed. The statement that cost reduction initiatives have been well-received and effectively implemented across various departments was agreed by majority (83.8%) of the respondents while 13.8% disagreed and the statement that the organization consistently meets or exceeds performance targets related to cost reduction, efficiency, increased sales, and Just-In-Time practices was agreed by most (82.4%) of the respondents with 17.7% disagreeing.

Furthermore, the aggregate mean and standard deviation of 3.85 and 1.147, respectively, show that the respondents agreed with the claims regarding supermarket performance. Operational and financial outcomes are among the many elements that affect a company's efficacy (Jiputra, Tarigan & Siagian, 2020). The organization outcome finally arrived at in output terms is measured and compared to the anticipated results or output to determine the firm's performance, according to Siagian & Tarigan (2021). Business performance is viewed as a multifaceted concept and a measure of a firm's success and accomplishment (Kristianto & Tarigan, 2019). Shivajee, Singh, and Rastogi (2019) outlined organizational performance in terms of cost-cutting, quality assurance, sales growth, and product development.

4.1.2 Trust-based Relationship Management and Performance

The research investigated the effect of trust-based relationship management on the performance of supermarkets. The descriptive results on trust-based relationship management are reported below.

Table 2: Trust-based Relationship Management

Item	SD (%)	D(%)	N(%)	A(%)	SA(%)	M	SD
Trust-based Relationship Management has improved collaboration and communication within my team.	6.1	3.8	0	48.5	41.5	3.96	1.04
Trust-based Relationship Management has enhanced loyalty and commitment among team members toward achieving common goals.	0.7	3.1	1.5	53.1	41.5	4.22	0.78
I believe that Trust-based Relationship Management has built a strong sense of trust and respect within the team.	6.9	1.5	0	51.5	40	3.96	1.04
Team members engage in effective teamwork practices as a result of Trust-based Relationship Management strategies being implemented.	1.5	0	0.7	55.4	42.3	4.52	0.48
I perceive that trust, loyalty, and commitment are prioritized and valued within our Trust-based Relationship Management approach.	11.5	7.7	2.3	30.8	47.7	4.19	0.81
Trust-based Relationship Management has contributed to a positive and supportive team culture.	4.6	0.7	0	36.2	58.5	4.39	0.61
I have observed an increase in team members' commitment and dedication since implementing Trust-based Relationship Management practices.	16.2	3.8	0.7	23.1	56.2	4.08	0.92
I am confident that Trust-based Relationship Management is a valuable approach that enhances team dynamics and performance.	10	3.1	0	24.6	62.3	3.61	1.39
Aggregate score						**4.12**	**0.884**

Table 2 indicates that 90% of the participants agreed that Trust-based Relationship Management has improved collaboration and communication within my team with 9.9% disagreeing with the same statement. The statement that trust-based relationship management had enhanced loyalty and commitment among team members toward achieving common goals was agreed by 94.6% of the respondents while 3.8% disagreed. Majority (91.5%) believe that Trust-based relationship management has built a strong sense of trust and respect within the

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team with 8.4% disagreeing. Most (97.7%) of the respondents agreed that team members engage in effective teamwork practices as a result of Trust-based Relationship Management strategies being implemented and only 1.5% disagreed.

The statement on a perception that trust, loyalty, and commitment were prioritized and valued within a trust-based relationship management approach was agreed by most (78.5%) of the respondents with 30.8% disagreeing with the statement. The statement that trust-based relationship management had contributed to a positive and supportive team culture was agreed by 94.7% of the respondents while 5.3% disagreed. Most (79.3%) had observed an increase in team members' commitment and dedication since implementing Trust-based Relationship Management practices while 20.0% disagreed. 86.9% of the respondents agreed that they were confident that Trust-based Relationship Management was a valuable approach that enhances team dynamics and performance with 13.1% disagreeing with the statement.

Furthermore, the respondents agreed with the assertions outlining the influence of trust-based relationship management on the performance of supermarkets in Nairobi County, Kenya, as indicated by the aggregate mean and standard deviation of 4.12 and 0.884, respectively. These findings are in line with a study by Paschina (2023) that looked at the relationships between work flexibility and management trust and how these factors affected the organizational performance of Paul Valery University. The study's findings showed a positive relationship between organizational performance and management trust. Organizations with higher levels of trust tended to demonstrate better performance outcomes. Additionally, the study found that work flexibility was associated with increased job satisfaction and employee engagement, which in turn positively impacted organizational performance. The finding also agrees with Tundunaung, Tumbuan, and Tasik (2021) who investigated how the management of supplier relationships has impacted the financial performance of SMEs in Manado. Demonstration showed that relationships based on trust, collaboration, and information sharing have a major impact on business performance.

The participants were asked to indicate how their organization builds and maintains trust-based relationships with suppliers. The responses given are given as follows;

'Supermarkets establish and uphold trust-based partnerships with their suppliers by being transparent in their communication and operations. This includes sharing information about their business practices, expectations, and goals with suppliers. Supermarkets should also be fair and consistent in their dealings with suppliers, ensuring that agreements are honored and payments are made on time. Building a strong relationship based on trust and mutual respect can lead to long-term partnerships that benefit both parties.

The participants were asked to indicate how trust impacts the effectiveness of communication, problem-solving, and long-term partnerships with suppliers. The responses given are presented as follows;

'Trust is essential for problem-solving. When issues arise, such as delays in delivery or quality control issues, a strong level of trust between supermarkets and suppliers allows for open and honest communication to address the problem quickly and effectively. This can prevent further disruptions to the supply chain and ensure that customers continue to receive high-quality products. Furthermore, trust is crucial for the development of long-term partnerships with suppliers. When supermarkets trust their suppliers, they are more likely to collaborate on new product development, marketing strategies, and other initiatives that can benefit both parties. This can lead to a more sustainable and mutually beneficial relationship that can help both supermarkets and suppliers thrive in the long run.'

The participants were asked to indicate the strategies that would be recommended to establish trust-based relationships with suppliers; The respondents indicated the following strategies;

‘Open and transparent communication is key to building trust with your suppliers. Be honest and upfront with your suppliers about your business practices, policies, and goals. Treat your suppliers with respect and fairness. Pay them on time, provide clear and accurate feedback on their products or services, and resolve any disputes or issues promptly and fairly. Work collaboratively with the suppliers to find mutually beneficial solutions to challenges and opportunities. Regularly evaluate the performance of your suppliers based on key metrics such as quality, delivery times, pricing, and customer service.

4.1.3 Supplier Segmentation and Performance

The study sought to establish the effect of supplier segmentation on the performance of supermarkets.

Table 3: Supplier Segmentation

Item	SD (%)	D(%)	N(%)	A(%)	SA(%)	M	SD
Suppliers have been identified and categorized according to their significance and worth to the company with the aid of the supplier segmentation method.	0	1.5	0	29.2	69.2	4.11	0.89
Supplier segmentation has allowed for better allocation of resources and efforts towards managing relationships with key suppliers.	8.5	2.3	0.7	23.8	64.6	4.21	0.79
The timing of the supply affects the performance of supermarkets.	2.3	2.3	0	27.8	67.7	3.59	1.41
The separation of suppliers is based on their needs or requests.	25.4	15.3	5.3	15.3	38.5	4.06	0.94
The organization has been able to negotiate better terms and conditions with suppliers as a result of supplier segmentation.	20.8	27.8	1.5	11.5	38.5	3.84	1.16
Supplier segmentation has enabled the organization to tailor its communication and engagement strategies based on the specific needs and characteristics of different supplier segments.	7.7	26.9	7.7	19.2	38.5	4.15	0.85
The implementation of supplier segmentation has led to improved supplier performance and the quality of products/services received.	14.6	12.3	3.8	20.8	48.5	4.07	0.93
The organization has seen a measurable increase in cost savings and efficiency after implementing supplier segmentation strategies.	16.9	26.2	1.5	13.1	42.3	3.67	1.33
Supplier segmentation has helped in identifying potential risks and vulnerabilities in the supply chain, allowing for better risk management strategies to be put in place.	9.2	13.8	0	40	36.9	3.86	1.14
Aggregate score						**3.95**	**1.049**

Table 3 indicates that most (98.4%) of responders agreed that the process of supplier segmentation had helped in identifying and categorizing suppliers based on their importance and value to the organization with 1.5% disagreeing. The statement that most (88.4%) of the respondents agreed that supplier segmentation had allowed for better allocation of resources and efforts towards managing relationships with key suppliers while 10.8% of the respondents disagreed. Most (95.5%) agreed that the timing of the supply affected the performance of supermarkets with 4.6% disagreeing. The statement that the separation of suppliers was based on their needs or requests was agreed upon by most (53.8%) while 40.8% disagreed.

Majority (50.0%) of the respondents agreed that the organization had been able to negotiate better terms and conditions with suppliers as a result of supplier segmentation while 48.6% of the respondents disagreed. The statement that supplier segmentation had enabled the organization to tailor its communication and engagement strategies based on the specific needs and characteristics of different supplier segments was agreed by majority (57.7%) of the respondents while 34.6% disagreed. The statement that the implementation of supplier segmentation had led to improved supplier performance and quality of products/services received was agreed by most (69.3%) of the respondents with 26.9% disagreeing. Most (55.4%) of the participants agreed that the organization has seen a measurable increase in cost savings and efficiency after implementing supplier segmentation strategies while 43.1% disagreed. Most (76.9%) of the respondents agreed that supplier segmentation has helped in identifying potential risks and vulnerabilities in the supply chain, allowing for better risk management strategies to be put in place with 23.0% disagreeing with the statement.

Additionally, as demonstrated by the 3.95 aggregate mean and 1.049 standard deviations, respectively, the respondents agreed with the claims that supplier segmentation affects supermarket performance in Nairobi County, Kenya. The results concur with Kurgat (2021) who investigated how supplier relationship management affected the performance of Kenya’s state-owned businesses. According to the study’s findings, supplier cooperation had little bearing on business performance. The finding also concurs with Lajimi and Majidi (2021) who researched supplier segmentation and aimed to provide a systematic literature review. The major finding highlighted the importance of effectively segmenting suppliers to improve supply chain performance and enhance strategic supplier relationships.

The respondents were asked to describe factors used to segment suppliers in their organization. They indicated as follows;

Product range: Suppliers are categorized based on the range of products they offer, such as fresh produce, packaged goods, specialty items, etc.

Volume and capacity: Suppliers may be categorized based on their production capacity and ability to meet the supermarket's demand for products.

Quality standards: Suppliers are evaluated based on their adherence to quality standards and certifications, such as ISO, HACCP, and organic certifications.

Pricing and terms: Suppliers may be categorized based on their pricing structure, payment terms, and discounts offered to the supermarket.

Delivery and logistics: Suppliers are categorized based on their ability to deliver products on time and in good condition, as well as their flexibility in terms of order quantities and delivery schedules.

The participants were asked to indicate the segmentation strategy that can be adapted to impact supplier relationships and organizational performance. The responses are given as follows;

‘Implementing a segmentation strategy to enhance supplier relationships in supermarkets involves categorizing suppliers based on various criteria such as their importance, performance, and potential for growth. By segmenting suppliers, supermarkets can tailor their approach to each supplier group, leading to improved communication, collaboration, and overall performance. By understanding the specific needs and expectations of each supplier segment, supermarkets can develop customized strategies to strengthen relationships, negotiate better terms, and drive mutual growth. Furthermore, by fostering closer relationships with suppliers, supermarkets can gain access to valuable insights, innovations, and competitive advantages. This collaboration can lead to improved product quality, availability, and pricing, ultimately enhancing the overall shopping experience for customers.

4.2 Regression Analysis

The study performed linear regression analysis to establish how trust-based relationships and supplier segmentation influenced the performance of supermarkets.

Table 4: Coefficient of Regression

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.611	0.301		2.029	0.003
	Trust based relationship	0.751	0.254	0.0152	2.957	0.002
	Supplier segmentation	0.708	0.229	0.3154	3.092	0.002

Table 4 reveals that there is a positive and significant relationship between trust-based relationship management and the performance of supermarkets (β=0.0152, p=0.002). The finding agrees with Tundunaung, Tumbuan, and Tasik (2021) who investigated how the management of supplier relationships has impacted the financial performance of small and medium-sized businesses in Manado. Demonstration showed that relationships based on trust, collaboration, and information sharing have a major impact on business performance.

According to the study, supermarket performance in Nairobi County, Kenya, and supplier segmentation have a positive and significant link (β=0.3154, p=0.002). The findings agree with Lajimi and Majidi (2021), which sought to give a thorough evaluation of the literature. The key finding made clear how crucial it is to divide up suppliers in an efficient manner to boost strategic supplier relationships and supply chain performance.

5. Conclusion

The study concludes that establishing and maintaining trust with suppliers is essential for ensuring a smooth and efficient supply chain, as well as fostering long-term partnerships that benefit both parties. When supermarkets prioritize trust in their relationships with suppliers, it can lead to improved communication, collaboration, and problem-solving. This, in turn, can result in better product quality, on-time deliveries, and cost savings for the supermarket. Trust-based relationships also help to build loyalty and commitment from suppliers, leading to a more stable and reliable supply chain.

The study concludes that supplier segmentation helps supermarkets in Nairobi County, Kenya, improve their overall performance by tailoring their approach to each supplier based on their specific needs and capabilities. By segmenting suppliers into categories such as strategic partners, preferred suppliers, and transactional suppliers, supermarkets can allocate resources more effectively and build stronger relationships with key suppliers. Better communication, teamwork, and creativity may result from this, which will ultimately boost customer happiness, product quality, and overall company performance. Additionally, by segmenting suppliers, supermarkets can better manage risk, ensure compliance, and drive continuous improvement in their supply chain operations.

6. Recommendations

The study recommends that when supermarkets have strong, trust-based relationships with their suppliers, they are more likely to receive timely deliveries, high-quality products, and competitive pricing. This, in turn, allows supermarkets to better meet the needs and expectations of their customers, leading to increased sales and profitability. Furthermore, trust-based relationships with suppliers can also lead to collaboration and innovation. When supermarkets and suppliers trust each other, they are more likely to work together to develop new products, improve processes, and find cost-saving solutions. This can give supermarkets a competitive edge in the market and help them stay ahead of the competition.

The study recommends that by segmenting suppliers, supermarkets can better match their specific needs and requirements with the capabilities of different suppliers. This can help ensure that they are working with suppliers who are best suited to meet their demands, leading to improved product quality and availability. By understanding the strengths and weaknesses of each supplier segment, supermarkets can leverage this knowledge to negotiate more favorable contracts and pricing agreements, ultimately reducing costs and increasing profitability. By categorizing suppliers based on their reliability and delivery performance, supermarkets can prioritize working with suppliers who consistently meet their deadlines and quality standards, reducing the risk of stockouts and disruptions in their operations.

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