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Influence of Supplier Relationship Management on Performance of Large Supermarkets in Nairobi Metropolitan, Kenya

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Abstract

In recent times, the retail chain industry in Kenya has experienced challenges, leading to the closure of large retail outlets. After COVID-19, there was a re-emergence of retail supermarkets. This forms the motivation of the study. The study sought to investigate the relationship between supplier relationship management practice and the performance of large supermarkets in Nairobi Metropolitan. The study was grounded in Resource-Based Theory. The target population was 135 employees, consisting of managers, operations supervisors, stock coordinators, loss branch stock controllers, and transport and logistics supervisors of the selected large supermarkets. Primary data was obtained through a structured questionnaire. Descriptive and inferential statistical techniques were applied, with simple linear regression analysis used to predict the relationships between supplier relationship management practice and supermarket performance. The data was analyzed through SPSS and presented using tables. The study found that supplier relationship management (β =0.576, p value =0.00) has a significant and positive relationship with the performance of large supermarkets in Nairobi Metropolitan. The study recommends that the supermarkets review and strengthen their quality control mechanisms and regular performance reviews to ensure consistent delivery and product standards. Supermarkets should also standardize supplier evaluation procedures to improve reliability and accountability across all suppliers.

Keywords: *Supplier Relationship Management, Supermarkets Performance, Nairobi Metropolitan*

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1. Introduction

The retail supermarket sector in Kenya has, in recent years, faced persistent performance challenges, with several prominent chains such as Nakumatt, Uchumi, Tuskys, and Shoprite closing multiple outlets. These closures have been attributed not only to financial mismanagement but also to inefficiencies in operational practices, particularly in logistics. Supermarkets play a critical role in urban economies by providing convenience to consumers and creating employment, yet many continue to struggle with unpredictable demand, inventory inconsistencies, and weak accountability systems that undermine performance (Cytonn, 2023).

Less emphasis has been placed on how supplier relationship management practice directly influences performance. Poor logistics practices often manifest in stock-outs, excess inventory, high operating costs, and reduced customer satisfaction, all of which weaken competitiveness in a highly dynamic urban retail environment like Nairobi Metropolitan. There are notable gaps in the literature regarding the specific logistics practices employed in the retail chain outlets and the direct impact on performance. Most existing studies focus on general logistics practices without addressing the challenges faced by supermarkets in developing markets. Kithuka (2023) carried out a study to determine the influence of logistics outsourcing risks on Kenyan manufacturing companies' performance, and the results of the study indicated that the performance of the manufacturing companies has been negatively affected. Simiyu and Namusonge (2024) also carried out a study investigating how supply chain management practices affect the performance of large supermarkets in Nairobi County. Additionally, Nzuma and Ndeto (2023) carried out a study determining the influence of logistics management strategies on the performance of food and beverage firms in Nairobi County. Limited empirical evidence exists on the interplay between supplier relationship management components and their collective influence on supermarket performance in the Kenyan context. This study sought to address the relationship between supplier relationship management practice and the performance of large supermarkets in Nairobi Metropolitan.

The quick development of digital technology and the widespread impact of e-commerce have been the main drivers of the major evolution of supplier relationship management (SRM) in recent years. This development signifies a significant change in the way companies handle their supplier relationships, going beyond conventional transactional methods to more cooperative and strategic alliances. SRM is a broad concept that includes a variety of measures used to maximize a business's relationships with its suppliers for competitive advantage purposes and also mutual advantages (Jamaluddin & Saibani, 2021). SRM uses performance indicators and contractual agreements to reduce costs, improve quality, and mitigate risk. However, the scope of SRM has broadened to include more strategic goals like innovation, sustainability, and supplier collaboration since the introduction of digital technologies. E-commerce platforms in particular, have been instrumental in enabling these breakthroughs and have contributed significantly to them. Platforms like Amazon Business and Alibaba have revolutionized procurement practices by giving companies access to a global marketplace with knowledgeable vendors and boosting transactional efficiency. By combining functions like supplier performance statistics, automated sourcing, and safe payment methods, these platforms help companies cut expenses and improve their procurement tactics. Furthermore, a change to more strategic and cooperative supplier relationships has been made necessary by the digitization of SRM. Organizations are increasingly perceiving suppliers as partners in advancing market innovation and competitiveness, rather than simply transactional entities (Giunipero et al., 2019). Building enduring relationships based on trust and similar values is becoming the norm with collaborative efforts, including technology investment and cooperative product creation (Frydlinger et al., 2021).

The foundation of trade processes is logistics, which is an essential element of the supply chain process. The World Bank's Logistics Performance Index (LPI) is one step in this approach.

Karatas and Denktas (2013) pointed out that researchers and decision-makers from all around the world are becoming interested in the role that logistics plays in economic growth. The field of logistics as an academic study is still in its infancy and is growing. Bashuna (2013) stated that the majority of businesses have made major advances in transport management, one of the key elements of logistic management practice. Adopting transport management techniques seeks to maximize supply chain efficiency in the most economical manner possible, giving a business a competitive advantage. The process of monitoring, safeguarding, and controlling the movement of goods from suppliers to the company and from the company to customers has allowed most businesses to reduce their transportation expenses, which has a big influence on supply chain performance.

According to a business report 2023, reaching smaller cities is a major challenge for any grocery chain looking to create a genuinely statewide presence, as less than 15% of Kenyans reside in Nairobi. Fulfilling upcountry deliveries is a challenge to supermarkets since the cost of moving goods in Africa is much higher compared with developed countries. Traffic jams make it hard and slow to deliver goods, and sometimes roads in some parts of the country are in bad condition. The frequency of small orders that result in half-full cars and lengthy offloading delays are two aspects that drives up transportation expenses. Additionally, supermarkets depend on brands to hire merchandisers who stock shelves and place new orders for items that are out of stock, allowing one merchandiser to manage several outlets within Nairobi. This research aims to address these challenges.

Large supermarket is a retail outlet that has a significantly larger floor space than a typical grocery store and offers a wide variety of products. Nyongesa and Atieno (2023) stated that these retail spaces require a minimum of 150 square meters, or 11,625 square feet, of floor space. Large supermarkets in Nairobi's commercial areas include Naivas, QuickMart, Chandarana, and Carrefour. With branches, these big supermarket stores hold a significant portion of the market. Their operating environment may be susceptible to competition. According to the Kenya retail report 2024, large supermarkets are opening new branches because the country has witnessed a growing middle class that seeks products of high quality. The retail market is expanding as a result of the increased consumption brought about by this demographic transition. By adjusting their strategies to meet the requirements and preferences of this rapidly expanding population, investors are determined to benefit from this development.

2. Literature Review

2.1 Theoretical Review

The study was guided by Resource-Based Theory. Barney (1991) developed this theory explaining how the business might use its available resources to its advantage and remain competitive. Resources that a company generates internally or outside can help it remain competitive (Yang& Lirn, 2017). The distinctive qualities of strategic resources aid in the company's ability to compete, as most of their dimensions are difficult for rivals to imitate and lack ideal alternatives. This argument highlights the necessity for the business to utilize its existing resources to remain competitive. According to Wernerfelt (1984), Resource-Based Theory sees organizations as a set of resources that can be controlled and managed to improve a company's competitiveness.

The development of RBT explores the important scarce resources to provide a better knowledge of the source firm's competitive advantage, complementing the strategy as a positioning perspective. It implies that the distinctive, valuable resources and competencies of a company are the source of its competitive advantage. These logistics resources include knowledgeable labor, solid supplier relationships, or effective distribution networks. The proposed theory supports the study by highlighting how crucial efficient resource management is to gaining a competitive edge. It emphasizes how important it is for businesses to manage their resources proactively to keep them relevant and useful in a changing environment and to build strategic alliances with suppliers to acquire special technical capabilities. By applying these principles, organizations can sustain their competitive edge and better align their resources with the study's focus on optimizing resource use in response to market demands.

2.2 Empirical Review

Asa, Nautwima, and Tsoy (2023) conducted research to look at how the Supplier Relationship Management (SRM) framework affected the operational efficiency of the organizations in charge of Namibia's necessary purchases of goods and services. The study targeted 50 employees in the public procurement divisions. 43 respondents in all, representing a wide diversity of public procurement-related organizations and departments, were recorded. To collect quantitative data for the analysis that followed, the study used a structured questionnaire with closed-ended questions. The findings also identified several issues that negatively impact the functioning of businesses engaged in the public procurement of essentials, among other issues, such as a lack of confidence and dedication on the side of governmental procurement departments and their supplier chain partners. The study discussed SRM in a public procurement entity and did not offer insights into supplier relationship management within the private sector, specifically large supermarkets. Therefore, a research gap exists in understanding how SRM frameworks impact operational efficiency and success within the context of large supermarkets.

A 2021 study by Gómez and Fernández in Mexico explored the role of trust and information sharing in supplier relationships within the consumer electronics retail sector. The researchers used a case study methodology, focusing on three major retail chains and their top-tier suppliers. They found that high levels of trust and open communication channels significantly enhanced supplier commitment and reliability. Retailers that established long-term contracts and conducted regular joint performance reviews with suppliers reported a 25% increase in order accuracy and a 30% improvement in on-time delivery. The study emphasized that effective SRM is not only about managing contracts, but also about fostering collaboration and building social capital between buyers and suppliers.

In India, Patel and Rao (2019) investigated the influence of supplier relationship management on supply chain performance in the pharmaceutical manufacturing industry. The researchers adopted a quantitative approach by distributing structured questionnaires to 80 supply chain professionals and analyzing their responses using regression modeling. The results showed a strong positive correlation ($r = 0.76$) between SRM practices, such as supplier audits, collaborative forecasting, and shared risk mitigation, and overall supply chain responsiveness and flexibility. Firms that engaged in frequent communication and involved suppliers in strategic planning were able to respond more effectively to regulatory changes and demand fluctuations, thus achieving better service levels and reduced supply disruptions.

Kosgei and Gitau (2016) conducted a study to assess the effect that relationships with suppliers have on business performance. The study was cross-sectional and conducted at Kenya Airways. The target population is 272 employees, from whom respondents were selected based on their willingness to answer the questions of interest. Since the KQ population was considered to have a diverse spread, stratified random sampling was used to find the sample size. To collect the main data needed for the study, questionnaires were used as the medium of information collection. The research proves that to be competitive in the global marketplace and raise market profit, one must possess a solid knowledge of supply chain management and put it into practice. This includes establishing and maintaining strong relationships with suppliers. The study also found that by properly implementing SRM techniques, firms have a great opportunity to improve their performance. Therefore, it was recommended that companies show a greater dedication to SRM by putting in place mechanisms for monitoring, assessing, and analyzing performance at a strategic level. Doing this will undoubtedly improve survival chances in the very competitive sector. The study focused on SRM within organizations, specifically Kenya Airlines, and it did not focus on the retail sector.

Locally, Tangus (2015) investigated how manufacturing companies in Kisumu County fared after implementing supplier relationship management strategies. Based on the findings of the research, all organizations and supply chain partners should have mutual trust. It also showed that trust is crucial for fostering commitment among supply chain participants. The report also pointed out that trust is necessary for supply chains to be successful and improved. The efficiency and effectiveness of the supply chain will be reduced when its participants lack mutual trust. However, the study did not clearly show the connection between commitment and trust. The study described above is primarily concerned with trust in buyer-supplier interactions, and it does not include other elements that may influence the relationship between suppliers and customers, such as collaborating and sharing information. However, the current study seeks to find in-depth how supplier affiliation management affects the performance of large supermarkets. The study did not explore the impact of SRM on the retail sector, specifically large supermarkets, leaving a gap in understanding how SRM affects its performance.

3. Methodology

The study adopted a descriptive research design, which is a method of gathering information that generates a cross-sectional analysis of the present situation (Siedlecki, 2020). It determines and explains these features of the relevant variables in a given scenario. Logistics management staff of the supermarkets were included in the study to provide relevant data. These categories include branch managers, supervisors of operations, branch stock controllers, coordinators of stocks, and transport and logistics supervisors for the chosen large supermarkets in the Nairobi Metropolitan. These positions were selected because they represent key positions that significantly influence and execute logistics management practices within the supermarkets. The total study population consists of 135 employees from the selected branches of the large supermarkets. The Nairobi Metropolitan was selected as the study location because it is the largest and most vibrant retail hub in Kenya. The population distribution is provided in Table 1.

Table 1: Population

Category	Branch managers	Supervisors of operations	Branch stock controllers	Coordinators of stocks	Transport and logistics supervisors	Population
Naivas	15	15	15	5	4	54
Carrefour	8	7	8	2	2	27
Quickmart	8	7	8	2	2	27
Chandarana	7	7	7	3	3	27
Total	15	15	15	5	4	135

Source: Human Resource Offices of the respective retail stores (2025)

The study used primary data obtained through the use of closed-ended questionnaires that were administered to the respondents. The collected data were first subjected to screening, where only the completely and appropriately filled questionnaires were considered for data extraction. The Statistical Package for Social Sciences (SPSS) was used to aid with data analysis. Data analysis consisted of descriptive and inferential statistics. Descriptive statistics included measurements of distribution, central tendency, and dispersion. Inferential statistics was examined using regression analysis. A linear regression analysis was used to assess the predictive power of the independent variable on organizational performance.

4. Results and Discussion

4.1 Response Rate

The study targeted 135 respondents, out of which 117 returned completed questionnaires. This represents a response rate of 86.7%, which is considered adequate for analysis, as it exceeds the minimum threshold commonly accepted in social science research (generally 70% and above).

4.2 Descriptive Statistics

Regarding the supplier management variable, respondents to the research questions stated the extent to which they agreed or disagreed with the propositions on supply relationship management in their store. Table 2 summarizes the results.

Table 2: Supply Relationship Management

	SA %	A %	NS %	D %	SD %	Mean	Std. Deviation
Supplier involvement has enhanced on on-time delivery of goods	7.7	73.5	15.4	1.7	1.7	3.84	0.660
Suppliers consistently meet delivery schedules.	9.4	59	24.8	5.1	1.7	3.69	0.780
Suppliers' financial check has enhanced the good performance of the suppliers	12.8	62.4	15.4	8.5	0.9	3.78	0.810
The goods and services delivered by suppliers are of good quality	14.5	53.8	21.4	9.4	0.9	3.72	0.860
Aggregate score						3.76	0.780

The findings indicate that supply relationship management is generally perceived positively, with an aggregate mean of 3.76 and a standard deviation of 0.78. The participants (73.5%) agreed that supplier involvement enhances on-time delivery (mean = 3.84, standard deviation of 0.66). The high mean also supports and implies that supplier involvement enhances on-time delivery, which aligns with the findings of Kosgei and Gitau (2016), who emphasized the strategic role of strong supplier relationships in enhancing organizational performance and competitiveness. Their study concluded that implementing SRM practices such as regular supplier engagement and performance monitoring leads to improved business outcomes, a view echoed in the current findings.

The results also show that 59% agreed that suppliers consistently meet delivery schedules, with a mean of 3.69 and a standard deviation of 0.78. However, the relatively moderate standard deviation of 0.78 suggests some variability in experiences, implying that not all suppliers consistently perform at the same level. This inconsistency reflects a critical insight raised by Tangus (2015), who argued that trust is a foundational element in supplier relationships. He noted that supply chains suffer when trust and commitment among partners are weak. While the current study did not focus solely on trust, the variability in delivery performance implies that some suppliers may lack the consistency needed for a seamless supply chain, possibly due to weak relational bonds or inadequate performance evaluation mechanisms.

Additionally, the majority of the respondents (62.4%) agreed that financial checks contribute to supplier performance. This was also reflected by the mean of 3.78 and a standard deviation of 0.78. This finding supports the work of Asa, Nautwima, and Tsoy (2023), who identified a lack of commitment and oversight in supplier relationships as a major challenge in public procurement operations. Their study emphasized the importance of accountability and supplier assessment mechanisms, including financial vetting, as a way to ensure better service delivery and minimize risks in procurement. While their focus was on the public sector in Namibia, the present study extends this understanding to the private retail context, demonstrating that financial evaluation remains a key enabler of supplier reliability and overall performance.

Finally, 53.8% agreed that the goods and services delivered by suppliers are of good quality. While the quality of goods and services received scored well (mean = 3.72), the relatively higher standard deviation (0.86) suggests some inconsistency in supplier performance. These results imply that while supplier relationships are strong, there is room to improve consistency in quality and delivery timelines. This underscores Kosgei and Gitau's (2016) recommendation that firms should institutionalize mechanisms for monitoring and evaluating supplier performance strategically and continuously.

On organizational performance, respondents were asked to express how much they agreed or disagreed with attributes related to information flow management in their store. The results are presented in Table 3.

Table 3: Organizational Performance

	SA %	A %	NS %	D %	SD %	Mean	Std. Deviation
The number of customers complains has reduced in this firm	29.9	50.4	15.4	4.3	0	4.06	0.790
The organization has seen a rise in customer referrals.	18.8	64.1	14.5	2.6	0	3.99	0.660
The organization has loyal customers	17.9	70.9	7.7	3.4	0	4.03	0.630
Our customers often share positive feedback about the products we offer	6.8	74.4	10.3	6.8	1.7	3.78	0.740
The organization utilizes its resources	23.1	53.8	16.2	6.8	0	3.93	0.820
The organization utilizes its resources effectively	13.7	65.8	9.4	8.5	2.6	3.79	0.880
The organization identifies and addresses operational bottleneck	6.8	73.5	10.3	7.7	1.7	3.76	0.760
Organization utilizes any performance tracking tools dashboards	6.8	73.5	13.7	6	0	3.81	0.640
Collaboration with team mates contributed to organization success	28.2	57.6	19.1	3.4	1.7	3.87	0.720
There is a strong sense of teamwork and collaboration within the organization	16.2	65.8	14.5	1.7	1.7	3.93	0.730
High employee productivity directly contributes to increased profitability	16.2	71.8	11.1	0.9	0	4.03	0.560
Organization investment in employee development has a positive impact on its performance.	19.7	61.5	12.8	6	0	3.95	0.750
Aggregate score						3.91	0.740

The study results showed that 50.4% agreed and 29.9% strongly agreed that the number of customer complaints has reduced in the firm, with a mean of 4.06 and, standard deviation of 0.79. Also, 64.1% agreed and 18.8% strongly agreed that the organization has seen a rise in customer referrals, with a mean of 3.99 and, standard deviation of 0.66. In addition, 70.9% agreed that the organization has loyal customers with a mean of 4.03, a standard deviation of 0.63. More so, 74.4% agreed that their customers often share positive feedback about the products they offer, with a mean of 3.78, a standard deviation of 0.74. The results revealed a generally high level of agreement that performance, as measured by customer satisfaction, had improved.

The results show that 53.8% of the respondents agree that resources are utilized, with a mean of 3.93. However, a moderate standard deviation shows that not everyone fully agrees, indicating possible inefficiencies in some organizations. The results show that 65.8% of the respondents agree that the organization utilizes its resources effectively, with a mean of 3.79. However, a moderate standard deviation shows that not everyone fully agrees, indicating possible inefficiencies in some organizations in the effective utilization of resources. The majority of the respondents (73.5%) agreed that the organization identifies and addresses operational bottlenecks with a mean of 3.76, a standard deviation of 0.76. This implies that respondents mostly agree that operational problems are recognized and dealt with.

The results show that 73.5% agreed that the organization utilizes any performance tracking tools or dashboards, with a mean of 3.81 and a standard deviation of 0.64. The use of tools for monitoring performance is generally agreed upon, which is a good sign for data-driven decision-making. The low SD shows most respondents have a similar view. Moreover, 57.6% agree, 28.2% strongly agree, that collaboration with team mates contributed to organizational success, with a mean of 3.87, standard deviation of 0.72. Most respondents believe teamwork plays a key role in success. Similarly, 71.8% agreed that there is a strong sense of teamwork and collaboration within the organization, with a mean of 3.93 and, standard deviation of 0.73. This supports the previous statement and shows that most agree that the workplace culture encourages teamwork.

Notably, 71.8% agreed that high employee productivity directly contributes to increased profitability. This yielded a mean of 4.03 and a standard deviation of 0.56. This shows that respondents link employee productivity with performance, showing awareness of the impact of human capital. The results finally show that 61.5% agreed that organizational investment in employee development has a positive impact on its performance. This yielded a mean of 3.95 and a standard deviation of 0.75. This implies that most respondents believe training and development programs improve outcomes, which reflects positively on HR and leadership strategy.

The study's results reveal that organizational performance in large supermarkets has shown notable improvements across various dimensions assessed in the study. These were customer satisfaction, operational efficiency, and profitability. A majority of respondents indicated that customer complaints have decreased, customer referrals have increased, and loyalty and positive feedback from clients are prevalent. These observations are supported by high mean scores and relatively low standard deviations, suggesting broad consensus. Such performance improvements can be directly linked to customer-centric strategies. These findings are consistent with the sentiment echoed by Hernant (2009) that the profitability of supermarkets is strongly driven by their ability to manage a network of economic and operational factors, including market conduct and scale, which ultimately enhance customer satisfaction and retention.

Moreover, the study shows that most respondents agreed that resource utilization is effective, although the moderate standard deviations indicate some inconsistency, implying potential inefficiencies in specific areas. These findings align with Kabuye, Akugizibwe and Bugambiro (2019), who found that internal control systems and working capital management are critical to financial performance. Their findings suggest that optimizing internal operations, such as inventory control, staffing, and expenditure, contributes significantly to better use of organizational resources. This thus mirrors the present study's emphasis on performance tracking and operational bottleneck resolution. As the study revealed, the respondents expressed strong agreement that operational bottlenecks are being identified and addressed, and that performance tracking tools such as dashboards are actively used. These indicate a growing culture of data-driven decision-making within supermarkets, which is essential for maintaining competitiveness in a dynamic retail environment. This observation reinforces the recommendations by Volpe (2011), who found that supermarket performance, especially in the U.S., was vulnerable to external pressures like competition from hypermarkets, and that internal operational efficiencies and strategic tools are crucial for maintaining profitability.

In addition, the results emphasize the importance of team collaboration and employee productivity in organizational performance. Respondents agreed that teamwork contributes to organizational success and that a strong sense of collaboration exists within the workplace. This is supported by a mean of 3.93 and a relatively low standard deviation, indicating wide agreement. These findings support Hernant's (2009) assertion that the human element, including internal culture and teamwork, is a crucial but often indirect contributor to profitability through its influence on internal efficiencies and customer experience.

Finally, respondents strongly linked employee development and productivity with profitability, which aligns with a broader understanding in business literature that human capital is a strategic asset. The belief that investment in training leads to improved performance reflects positively on management practices and supports Kabuye et al. (2019)'s conclusion that well-managed internal systems, including HR development, are essential for financial and operational success.

The current study expands on previous research by applying these insights to the retail supermarket sector, offering a more holistic view of how internal operations, employee engagement, customer experience, and strategic tools collectively shape organizational performance. Unlike Hernant (2009) and Volpe (2011), who focused on broader market dynamics and external competition, this study offers micro-level insights from employees within supermarkets, bridging a gap in understanding the internal drivers of performance in the highly competitive retail sector.

4.3 Regression Analysis

The regression analysis test was applied to examine the relationships between Supplier Relationship Management and supermarket performance. A simple linear regression analysis was conducted.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.750[a]	.562	.558	.32513
a. Predictors: (Constant), Supplier Relationship Management				

The model summary shows a correlation coefficient (R) of 0.750, indicating a strong positive association between supplier relationship management and performance. The coefficient of determination (R^2) was 0.562, meaning that supplier relationship management accounted for 56.2% of the variation in supermarket performance, while the remaining 43.8% was explained by other factors not captured in the model. The adjusted R^2 of 0.558 confirmed the model after adjusting for sample size.

Table 5: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.591	1	15.591	147.488	.000[b]
	Residual	12.157	115	.106		
	Total	27.748	116			
a. Dependent Variable: Performance						
b. Predictors: (Constant), Supplier Relationship Management						

The ANOVA results further affirmed the model's statistical significance, with an F-statistic of 147.488 and a p-value less than 0.001, indicating that supplier relationship management is a reliable predictor of performance.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.750	.181		9.693	.000
	Supplier Relationship Management	.576	.047	.750	12.144	.000
a. Dependent Variable: Performance						

The coefficient results showed that the constant value was 1.750, suggesting that even in the absence of supplier relationship management, performance would still record a baseline value of 1.750. The unstandardized beta coefficient for supplier relationship management was 0.576, with a t-value of 12.144 and a p-value less than 0.001. This indicates that a one-unit improvement in supplier relationship management practices leads to a 0.576 unit increase in supermarket performance, holding other factors constant. The standardized beta coefficient of 0.750 further confirmed that supplier relationship management exerts a strong positive effect on performance.

This suggests that strong supplier relationships, such as timely deliveries, reliable quality, and effective communication, play a critical role in enhancing performance. This aligns closely with findings by Kosgei and Gitau (2016), who emphasized that the implementation of effective SRM practices can substantially enhance organizational performance by fostering timely deliveries, building mutual trust, and strengthening collaboration. Their recommendation for companies to implement mechanisms for evaluating supplier performance resonates with the current study's evidence that strong supplier relationships, marked by consistent delivery schedules and quality, are critical to retail success.

5. Conclusion

The study concludes that supplier relationship management has a significant and positive relationship with the performance of large supermarkets in Nairobi Metropolitan. Supplier involvement is seen as a key factor in enhancing timely delivery, and there is a strong belief that financial checks play a crucial role in improving supplier performance. Respondents also felt that suppliers are mostly able to meet delivery schedules and provide goods and services of acceptable quality. However, some concerns exist about consistency, particularly regarding the quality of supplies. This suggests that there remains room for improvement in maintaining consistent delivery standards and ensuring uniform quality across all suppliers.

6. Recommendations

While supplier relationships are strong, there should be clear quality control mechanisms and regular performance reviews to ensure consistent delivery and product standards. Supermarkets should standardize supplier evaluation procedures, including financial background checks and delivery performance monitoring, to improve reliability and accountability across all suppliers. Regular audits and performance scoring systems can help identify underperforming suppliers and promote consistent service delivery.

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