*Int Journal of Social Sciences Management and Entrepreneurship 8(3): 958-969 2024*

ISSN 2411-7323

www.sagepublishers.com



# COLLABORATIVE SUPPLIER RELATIONSHIP MANAGEMENT AND PERFORMANCE OF RETAIL FIRMS IN NAIROBI CITY COUNTY, KENYA

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## ABSTRACT

The retail industry is registering a significant contribution to the Kenyan economy, accounting for about 10% of the gross domestic product and employing over 2 million people. However, the sector faces intense competition from both local and foreign players, as well as challenges such as high operational costs, low customer loyalty and poor quality of products and services. The general objective of this study was to investigate the relationship between collaborative SRM and the performance of retail firms in Nairobi City County, Kenya. Specifically, the study sought to investigate the relationship between supplier engagement and the performance of retail firms in Nairobi City County and to examine the relationship between supplier alignment and the performance of retail firms in Nairobi City County. For this study, a descriptive cross-sectional research design was used. The study targeted 232 respondents; 2 from each of the 116 registered retail outlets in Nairobi City County, Kenya that comprises hypermarkets/ supermarkets/ superstores, convenience stores, grocery stores and clothing outlets. The study used Yamane's (1967) formula to calculate the sample size of 147 respondents. Simple random sampling method was used to select 150 respondents from the target population. This research used a questionnaire to collect primary data. Fourteen questionnaires were piloted that represented above 10% of the target population. The study collected quantitative data which was analyzed using descriptive and inferential statistics using the Statistical Package for Social Sciences (SPSS) version 27. Multivariate linear regression was used to determine the relationship between the dependent and independent variables. The study concludes that supplier engagement has a positive and strong relationship with the performance of retail firms in Nairobi City County, Kenya. In addition, the study concludes that there is a strong relationship between supplier alignment and the performance of retail firms in Nairobi City County, Kenya. Based on the findings, the study recommends that the management of retail firms should implement a comprehensive supplier development program. This program should focus on building strong, collaborative relationships with key suppliers through regular communication, joint problem-solving, and shared strategic goals. Further, the study recommends that the management of retail firms should create a formal partnership framework that includes joint business planning and shared strategic goals. This framework should involve collaborative activities such as co-developing new products, sharing market insights, and coordinating promotional efforts.

**Key Words:** Supplier Engagement, Supplier Alignment, Performance of Retail Firms, Collaborative Supplier Relationship Management

## Background of the Study

The current supply chain landscape is disruptive, chaotic, and uncertain in nearly all dimensions. Today's business environment is witnessing a surge in supplier risks, performance issues, breach of contracts and even financial uncertainties. Intermittent changes in demand patterns, currency fluctuations, governmental policies, inflationary pressures are the prevailing dynamics that contribute to supply uncertainty (Lawrence & Wayapurp, 2018). Owing to the prevailing market dynamics be it cost reduction, better customer service and desire for sustainability, firms are aggressively scouting for practical strategies to build long-lasting competitive advantage (Salam, 2017). This calls for a holistic deployment of robust collaborative supplier relationship management more so in the retail sector.

Collaborative SRM is essentially a proactive process of managing interactions and communications with suppliers to maximize mutual benefits. It goes beyond traditional procurement practices and emphasizes long-term engagements, goal alignment, strategic partnership, and continuous supplier performance management (Ochieng, 2018). Researchers Autry et al. (2019) observed that collaboration is adoption of deliberate cooperation to sustain an exchange relationship. It is viewed as a strategic, enterprise-wide, long-term, multi-functional, dynamic approach to selecting suppliers of goods and services and managing them and the whole value network from raw materials to final customer use and disposal to continually reduce total ownership costs, manage risks and improve performance in terms of product quality, responsiveness, reliability and flexibility according to Beatrice & Mulyungi (2019).

The fundamentals of collaborative SRM involves developing closer, more collaborative relationships with key beneficial suppliers in order to enhance value inter-party mutual value (Hartley et al., 2016). Firms in the retail sector can enjoy multiple benefits by deploying effective collaborative SRM practices that include cost reductions, efficiency, improved product quality, greater flexibility, innovations and increased responsiveness to customer demands (Wanjiru et al., 2016). This collaborative nature of SRM is anchored on seamless sharing of information and knowledge aimed at boosting a firm's performance (Benah & Li, 2020) in aspects of supply chain visibility, operational effectiveness and efficiency as well as improved customer services. Undeniably, strategic supplier partnership and supplier performance management contributes greatly to supply chain efficiency and operational performance ( Hughes et al., 2016)

For collaboration to materialize, there should be shared objectives, goals and capacity improvement that is aligned and mutually sustained in a direct long term business relationship as argued by Badraoui, Van der Vorst and Boulaksil (2020). As reported by Min et al. (2015), isolationist approaches are becoming counterproductive, it is pretty difficult for companies to operate autonomously in the quest for market dominance and competitive advantage as such collaborative ties with their suppliers is a prudent strategy to employ. For over a decade now, firms have been deeply preoccupied with building strong collaborative bonds with their supply chain enablers for better performance outcomes (Salam & Heavey, 2018).

The collaborative SRM can potentially increase market share and profit margins while lowering operating costs. It does this by allowing suppliers to engage in the design of new products that benefit the organization through cost reduction, risk identification, and expertise in the product design process—all of which are desirable in the ever-evolving business environment (Tsai & Hung, 2016). Benah and Li (2020) state that these cooperative strategies seek to maintain cooperation in the pursuit of competitive excellence by supply-demand matching, information symmetry, and synergistic efforts. In modern enterprises, collaboration in the retail supply chain is manifested in the vendor controlled inventory, continuous replenishment programs, collaborative planning and forecasting (Geoffrey et al., 2019). Although, many businesses with established information-based collaboration have posted significant benefits (Panahifar *et al.*, 2018), there are notable implementation bottlenecks associated with the complex nature of collaboration, whom to collaborate with, the extent of collaboration and various collaborative approaches to utilize at any specific interaction.

Back home in Kenya, the retail sector has seen rapid growth and transformation over the last decade fuelled by proliferations of supermarket chains in all corners of the country, growth in e-commerce supported by innovative financial services like the M-Pesa, airtel money as well as changes in consumer behaviour thanks to the improved management of the economy after KANU exited power in the year 2002. This growth also led to increasing competition, necessitating retail firms to find innovative ways to manage costs, differentiate offerings, and deliver greater value to consumers. Supplier collaboration has emerged as a potentially impactful strategy to enable retail firms meet these objectives (Atambo, 2020).

Although collaborative supply chain management (SRM) holds great potential, its implementation in the Kenyan retail industry is still restricted due to the transactional and disengaged nature of these relationships, which results in little information exchange, uncoordinated joint planning, and a lack of capacity building between suppliers and retailers (Mwangi et al., 2019; Mukeku et al., 2018). As a result, superficial legacy approaches that prioritize short-term cost reduction over long-term value creation continue to exist, which causes stagnation.

Moreover, cost reduction is the primary motivation for local retailers forming supplier partnerships, rather than value creation or innovation (Wanjiru et al., 2015), while short-term gains are prioritized over long-term strategic objectives. Additionally, small supplier firms face greater barriers in building collaborative relationships with major retailers compared to large multinational suppliers (Atambo, 2020) as issues like financing, technology, and scale inhibit collaboration. Further still, retail employees often lack the skills needed to manage collaborative supplier relationships (Mwangi et al., 2019) while most shoppers prefer to purchase products from within their neighborhood sold in *dukas* or order through online platforms such as Kilimall and Jumia (Chesula & Nkobe, 2018).

Performance can be described as the degree of accomplishing the desired tasks or organizational objectives, be it financial or nonfinancial (Kapsali, Roehrich &Akhtar, 2019). Experts argue that performance is manifested in operational efficiencies, effectiveness that can be traced to aspects like profits, sales growth, market expansion, cost reduction, innovations, flexibility as well as metrics from financial ratios such as return on investments, return on equity and return on capital (Matunga et al., 2020). Other indicators of performance include positive financial outcomes, shorter lead times, improved responsiveness, high customer loyalty, better quality products, and reduction in inventory losses (Kim & Chai, 2017). Many companies have therefore sought to build strategic value-based relationship with suppliers to improve performance.

In relation to the retail supply chain, performance parameters include delivery performance, cycle time and new product development time, flexibility, customer satisfaction and product availability while also enabling access to supplier resources and capabilities, promoting innovation and competitive advantage (Horak & Long, 2018). However, research studies on the influence of specific collaborative approaches of supplier relationship management on the performance outcomes of in the retail sector of the developing countries like Kenya remains scanty and sketchy. This study will confine itself to a quartet of collaborative strategies; supplier engagement, supplier alignment, supplier strategic partnership and supplier performance management to make empirical contributions on this subject of collaborative supplier relationship management and the performance of retail firms in Kenya.

## Statement of the Problem

The retail industry is registering a significant contribution to the Kenyan economy, accounting for about 10% of the gross domestic product and employing over 2 million people (Kenya National Bureau of Statistics, 2022). However, the sector faces intense competition from both local and foreign players, as well as challenges such as high operational costs, low customer loyalty and poor quality of products and services (Limo, 2018; Chesula & Nkobe, 2018).

Coupled with the inefficient, inverted supply chain relationships, to survive and thrive in this dynamic and turbulent environment, retail firms need to adopt effective strategies to manage their supply chains, especially their relationships with their suppliers (Retrak, 2024)

Collaborative SRM practices in this study include supplier integration, supplier alignment, supplier strategic partnership and supplier performance management, which aim to enhance information sharing, coordination, trust, commitment and innovation among supply chain partners (Wang et al., 2016).

Previous studies have shown that various SRM strategies that are not necessarily collaborative can improve various aspects of firm performance such as operational efficiency, financial profitability, product and process innovation, and intangible benefits (Hartley et al., 2016; Leonidou et al., 2019).

It is noteworthy that most of the existing research on SRM and firm performance has been conducted in developed countries such as Europe, North America, and Asia where the supply chain systems are more mature and sophisticated and that there is limited to scanty empirical evidence on the impact of collaborative SRM practices on retail firm performance in developing countries like Kenya, where the supply chain systems are less developed and face different challenges such as lack of supplier competence, unethical practices, inadequate information sharing and absence of mutually beneficial relationships (Singh et al., 2017).

Admittedly, there is an urgent need to fill this knowledge gap by examining how collaborative SRM practices can enhance retail firm performance in the Kenyan context. This study hence is a timely remedy in addressing the above research problem by investigating the relationship between collaborative SRM and the performance of retail firms in Nairobi City County, Kenya.

## General Objective

This research study was guided by the general objective of investigating the relationship between Collaborative Supplier Relationship Management and performance of retail firms in Nairobi City County, Kenya.

## Specific Objectives

This study was guided by the following four objectives:

i) To investigate the relationship between supplier engagement and the performance of retail firms in Nairobi City County, Kenya.
ii) To examine the relationship between supplier alignment and the performance of retail firms in Nairobi City County, Kenya.

## Theoretical Framework

### Resource Based View

The resource-based view (RBV) argues that organizations can gain competitive advantage by controlling valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). According to RBV, effective inter-firm relationships are considered an important resource that can drive performance (Lavie, 2019). Developing and sustaining collaborative supplier relationships enables firms to access unique resources and capabilities from partners (Squire et al., 2019), as retailers can work with suppliers to enhance product innovation, quality, flexibility, and knowledge sharing that improves overall capabilities and efficiency (Li et al., 2019).

RBV suggests that retailers able to cultivate collaborative, trusting relationships with suppliers are better positioned to access the tangible and intangible resources needed to enhance performance

(Corsten & Felde, 2005), while supplier- retailer aligned objectives, sharing information openly and the ability to work synergistically with partners can leverage unique resources that competitors in the industry cannot replicate easily (Squire et al., 2009). RBV therefore provides a rationale for why deep strategic partnerships between retailers and suppliers drive business value.

**Relational View Theory**

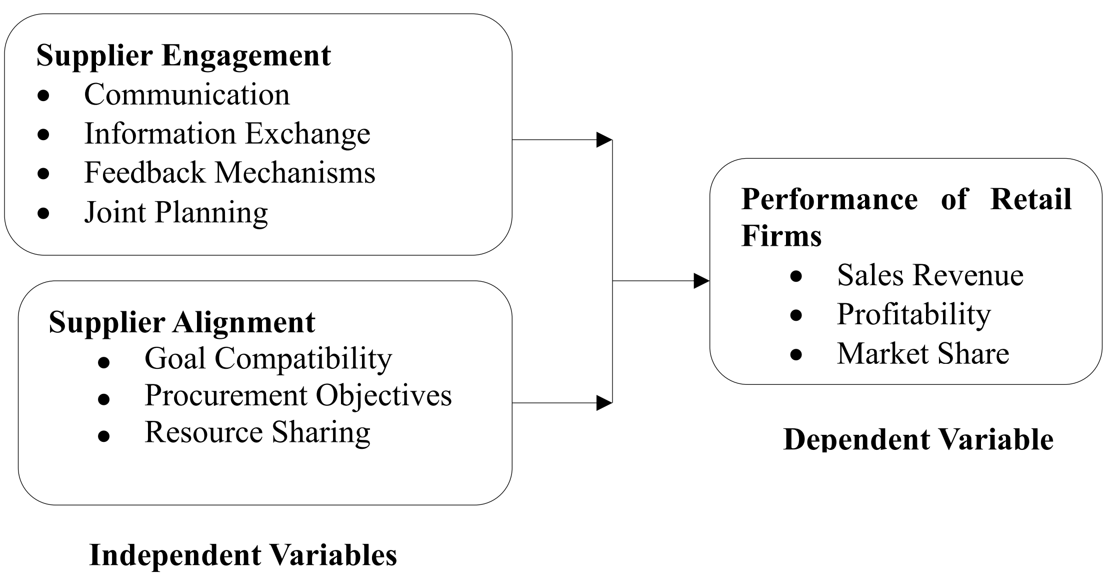
The relational view theory was proposed by Dyer and Singh (1998), who argued that customized inter-organizational linkages can lead to long-term competitive advantage. The relationship between two or more supply chain partners can be determined using relational view theory which is manifested in relationship-specific investments in assets, significant sharing of knowledge, complementary resources/capabilities and effective performance management (Sanders, & Wagner, 2020). Firms which elect to be collaborating partners in relation-specific assets, inter-firm knowledge-sharing routines, complementary tools or skills, and alignment of procurement objectives enjoy superior performance (Sutanto, & Japurta, 2021).

Essentially, the specificity in site location, physical convenience and human capital capacity developed between strategic partners will register positively in their performance as averred by Marris & Williamson (1988). Deliberate strategies such as locating near to alliance partners to minimize inventory and transportation costs, as well as the accumulation of partner-specific experience and skills are some of the useful tools to cut costs while upscaling profit margins (Todo et al., 2022). Over time, as the strategic partners collaborate to acquire advanced knowledge, better product customization, they adopt more effective communication resulting in better quality and expanding market reach (Uwamahoro, 2021).

**Conceptual Framework**

A conceptual framework is a structured plan or model that outlines the key concepts, variables, and relationships within a study. It serves as a guide for researchers to visualize and understand how different elements of the research topic are connected (Lii & Kuo, 2022). The independent variables include supplier engagement, supplier alignment, supplier strategic partnership and supplier performance management while the dependent variable is performance of retail firms.

**Figure 2.1 Conceptual Framework**



## Empirical Literature Review

### Supplier Engagement and Performance of Retail Firms

Supplier engagement encompasses developing close cooperative relationships with key suppliers through activities like including suppliers in planning, sharing confidential information, and recognizing supplier contributions (Pulles et al., 2016). There is growing evidence that supplier engagement leads to better outcomes for both parties and can improve the quality of products and services while reducing costs (Li et al., 2022). Joint problem-solving workshops with suppliers positively enhances operational performance for retailers as retail firms benefit from the expertise of their suppliers and while building stronger business relationships in a coalition of the willing kind of approach (Lii & Kuo, 2022)

Research studies relating to developed Western retailers show that supplier engagement improves innovation, product availability, quality, and flexibility (Mutiso & Ochiri, 2019). In developing countries, retail firms with established supplier engagement approaches report higher produce quality and inventory reliability (Chepkuto et al., 2015). However, the impact of supplier engagement on retailer performance in contexts like Kenya remains under-researched.

### Supplier Alignment and Performance of Retail Firms

Supplier alignment means keeping suppliers close and aligning goals and KPIs by coordinating organizational objectives, strategies, and operations with suppliers to maximize performance outcomes (Wang et al., 2016). By aligning goals and KPIs, retail firms can ensure that their suppliers are working towards the same objectives, which can lead to improved performance and better outcomes.

Strategic alignment focuses on creating shared goals, compatible corporate cultures and coordinated processes between retailers and suppliers (Whipple et al., 2015). Better still, supplier alignment enables more efficient planning, forecasting and integration that reduces costs (Lee et al., 2019). Studies in the US and UK show alignment improves inventory turns, sales growth and profit margins for retailers (Lii & Kuo, 2022). In developing countries, cross-cultural differences can inhibit alignment with local suppliers (Kiilu et al., 2015). It is a matter of fact therefore that empirical evidence on how enhanced supplier alignment impacts the performance of retail firms in the developing countries like Kenya is limited and scanty.

## RESEARCH METHODOLOGY

### Research Design

For this study, a descriptive cross-sectional research design was used to examine correlations between the independent and dependent variables. The descriptive cross-sectional design is appropriate in this case as it enabled the researcher to describe the real situation while establishing accurately the relationship if any between the variables without influencing them (Kothari and Garg, 2014).

This research adopted the quantitative research methodology where primary data was collected from retail firms in operating in Nairobi City County, Kenya using a structured questionnaire to assess the relationship between the following constants: supplier engagement, supplier alignment, supplier strategic partnership and supplier performance management and the dependent variable; performance of retail firms indicated by sales growth, profitability and products' quality as well as the size of the market share.

### Target Population

A target population is the total group of individuals from which the sample size is drawn (Mugenda and Mugenda, 2003). There are 116 registered trading retail outlets in Nairobi City County as recorded by the latest statistics by the Retail Trade Association of Kenya (ReTAK, 2024). For this study, the target population was therefore 232 respondents, 2 individuals from each of 116 formal firms being the unit of observation. The unit of analysis were individual formal retail firms operating hypermarkets, superstores, convenience stores, supermarkets, grocery retailers and clothing/textile stores in Nairobi City County, Kenya as tabulated below.

**Sampling Technique and Sample Size**

The simple random sampling was applied within each stratum to select participant firms proportionate to the total population to achieve representation of the diverse retail sub-sectors (Cooper and Schindler, 2017). The response rate is calculated by dividing the number of completed questionnaires by the number of distributed questionnaires and the obtained data was coded and entered a spreadsheet for analysis.

From the target population of 232, we calculate the sample size using Yamane's (1967) formula as shown: $n = \frac{N}{1+N(e^2)}$

where n is the sample size, and

N is the population size,

e- acceptable margin of sampling error (0.05)

$$= \frac{232}{1+232(0.05^2)}$$

$$= \frac{232}{1.58} = 146.84$$

n≈ 147. Therefore, with a 95% confidence level and 5% margin of error, the required minimum sample size was 147 respondents.

**Data Collection Instrument and Piloting**

This study made use of structured questionnaires gather data on collaborative SRM practices adopted by various retail firms and the performance outcomes achieved measured was measured using the widely adopted Likert Scale where respondents are required to rate each statement supplied describing a specific variable on a scale ranging from 1 to 5, in which [1] – Strongly agree, [2] – Agree, [3] – Neutral, [4] – Disagree and [5] – Strongly disagree. The use of a scientific questionnaire supports independent views which boosts the authenticity of the outcomes (Bryan, 2019). The questionnaire was subjected to pretesting to identify areas of errors and corrections before the actual data collection begins (Mugenda & Mugenda, 2019).

**Data Analysis and Presentation**

The quantitative data obtained was processed using descriptive techniques with Statistical Package for Social Sciences (SPSS) version 27 which provides various tools and functions for data management, manipulation, and visualization. Descriptive analysis established frequency distributions, means and standard deviations while correlational analysis examined Pearson's correlation coefficients between the identified collaborative SRM practices and the firm's performance (Kothari, 2019; Mugenda & Mugenda, 2018). To test the hypothesized relationships between the independent variables and the dependent variable, extensive regression analysis.

## RESEARCH FINDINGS AND DISCUSSIONS

### Descriptive statistics

### Supplier Engagement and Performance of Retail Firms

The first specific objective of the study was to investigate the influence of supplier engagement on the performance of retail firms in Nairobi City County. The respondents were requested to indicate their level of agreement on various statements related to supplier engagement and the performance of retail firms in Nairobi City County. The results were as shown Table 4.1.

From the results, the respondents agreed that they communicate frequently with their suppliers (M=3.995, SD= 0.896). In addition, the respondents agreed that frequent communication with their suppliers leads to better outcomes (M=3.900, SD= 0.876). Further, the respondents agreed that they share crucial information with their suppliers (M=3.887, SD= 0.782).

The respondents agreed that information shared with their suppliers improves their performance (M=3.855, SD= 0.685). The respondents also agreed that they provide quick feedback to their suppliers (M=3.797, SD= 0.698). In addition, the respondents agreed that timely feedback helps in resolving issues (M=3.771, SD= 0.727). Further, the respondents agreed that their suppliers are involved in procurement planning (M=3.687, SD=0.777). The respondents also agreed that engaging their suppliers in planning leads to better results (M=3.632, SD=0.562).

**Table 4. 1: Supplier Engagement and Performance of Retail Firms**

| | Mean | Std. Deviation |
|---|---|---|
| We communicate frequently with our suppliers | 3.995 | 0.896 |
| Frequent communication with our suppliers leads to better outcomes | 3.900 | 0.876 |
| We share crucial information with our suppliers | 3.887 | 0.782 |
| Information shared with our suppliers improves our performance | 3.855 | 0.685 |
| We provide quick feedback to our suppliers | 3.797 | 0.698 |
| Timely feedback helps in resolving issues | 3.771 | 0.727 |
| Our suppliers are involved in procurement planning | 3.687 | 0.777 |
| Engaging our suppliers in planning leads to better results | 3.632 | 0.562 |
| **Aggregate** | **3.816** | **0.750** |

### Supplier Alignment and Performance of Retail Firms

The second specific objective of the study was to examine the relationship between supplier alignment and the performance of retail firms in Nairobi City County.The respondents were requested to indicate their level of agreement on various statements related to supplier alignment and the performance of retail firms in Nairobi City County. The results were as shown Table 4.4.

From the results, the respondents agreed that their firm has strategies for long-term alignment with key suppliers (M=3.940, SD=0.772). In addition, the respondents agreed that aligned goals yield better performance (M=3.840, SD=0.889). Further, the respondents agreed that their firm sets smart objectives with their suppliers (M=3.827, SD=0.768). The respondents also agreed that having suppliers understand their smart objectives improves results (M=3.800, SD=0.562).

As shown in the results, the respondents agreed that they have mechanisms of coordinating key resources with suppliers (M=3.743, SD=0.879). In addition, the respondents agreed that resource coordination leads to higher efficiency (M=3.708, SD=0.692). Further, the respondents agreed that their suppliers internalize their corporate culture of improvement (M=3.688, SD=0.760). The respondents also agreed that mutual corporate culture leads to increased productivity (M=3.624, SD=0.590).

**Table 4. 2: Supplier Alignment and Performance of Retail Firms**

| | Mean | Std. Deviation |
|---|---|---|
| Our firm has strategies for long-term alignment with key suppliers | 3.940 | 0.772 |
| Aligned goals yield better performance | 3.840 | 0.889 |
| Our firm sets smart objectives with our suppliers | 3.827 | 0.768 |
| Having suppliers understand our smart objectives improves results | 3.800 | 0.562 |
| We have mechanisms of coordinating key resources with suppliers | 3.743 | 0.879 |
| Resource coordination leads to higher efficiency | 3.708 | 0.692 |
| Our suppliers internalize our corporate culture of improvement | 3.688 | 0.760 |
| Mutual corporate culture leads to increased productivity | 3.624 | 0.590 |
| **Aggregate** | **3.771** | **0.739** |

### Correlation Analysis

This research adopted Pearson correlation analysis to determine how the dependent variable (performance of retail firms in Nairobi City County) relates with the independent variables (supplier engagement and supplier alignment).

**Table 4. 3: Correlation Coefficients**

| | | Retail Firm Performance | Supplier Engagement | Supplier Alignment |
|---|---|---|---|---|
| Retail Firm Performance | Pearson Correlation | 1 | | |
| | Sig. (2-tailed) | | | |
| | N | 136 | | |
| Supplier Engagement | Pearson Correlation | .815** | 1 | |
| | Sig. (2-tailed) | .003 | | |
| | N | 136 | 136 | |
| Supplier Alignment | Pearson Correlation | .825** | .327 | 1 |
| | Sig. (2-tailed) | .002 | .032 | |
| | N | 136 | 136 | 136 |

From the results, there was a very strong relationship between supplier engagement and performance of retail firms in Nairobi City County (r = 0.815, p value =0.003). The relationship was significant since the p value 0.003 was less than 0.05 (significant level). The findings are in line with the findings of Lii and Kuo (2022) who indicated that there is a very strong relationship between supplier engagement and retail firm performance.

Moreover, there was a very strong relationship between supplier alignment and performance of retail firms in Nairobi City County (r = 0.825, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the findings of Lee, *et al*, (2019) who indicated that there is a very strong relationship between supplier alignment and retail firm performance.

### Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (supplier engagement and supplier alignment,) and the dependent variable (performance of retail firms in Nairobi City County).

**Table 4. 4: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .865 | .748 | .749 | .10472 |

a. Predictors: (Constant), supplier engagement and supplier alignment

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.748. This implied that 74.8% of the variation in the dependent variable (performance of retail firms in Nairobi City County) could be explained by independent variables (supplier engagement and supplier alignment).

**Table 4.5: Analysis of Variance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 112.028 | 2 | 56.014 | 1000.25 | .002[b] |
| | Residual | 3.654 | 131 | .028 | | |
| | Total | 115.682 | 135 | | | |

a. Dependent Variable: performance of retail firms in Nairobi City County
b. Predictors: (Constant), supplier engagement and supplier alignment

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 1000.25 while the F critical was 2.411. The p value was 0.002. Since the F-calculated was greater than the F-critical and the p value 0.002 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of supplier engagement and supplier alignment on performance of retail firms in Nairobi City County.

**Table 4.6: Regression Coefficients**

| | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 0.331 | 0.084 | | 3.940 | 0.001 |
| supplier engagement | 0.386 | 0.097 | 0.387 | 3.979 | 0.000 |
| supplier alignment | 0.376 | 0.095 | 0.375 | 3.957 | 0.001 |

The regression model was as follows:

$$\mathbf{Y = 0.331 + 0.386X_1 + 0.376X_2 + \varepsilon}$$

According to the results, supplier engagement has a significant effect on performance of retail firms in Nairobi City County, Kenya $\beta_1$=0.386, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Lii and Kuo (2022) who indicated that there is a very strong relationship between supplier engagement and retail firm performance.

The results also revealed that supplier alignment has a significant effect on performance of retail firms in Nairobi City County $\beta1$=0.376, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Lee, *et al*, (2019) who indicated that there is a very strong relationship between supplier alignment and retail firm performance.

## Conclusion

The study concludes that supplier engagement has a positive and significant relationship with the performance of retail firms in Nairobi City County, Kenya. Findings revealed that communication, information exchange, expedited feedback and joint planning brings about positive outcomes in the performance of retail firms in Nairobi City County, Kenya.

In addition, the study concludes that there is a strong relationship between supplier alignment and the performance of retail firms in Nairobi City County, Kenya. Findings revealed that goal compatibility, smart objectives, coordinated resources and matching corporate culture leads to better performance in retail firms in Nairobi City County, Kenya.

Further, the study concludes that supplier strategic partnership has a strong relationship with the performance of retail firms in Nairobi City County, Kenya. Findings revealed that joint product development, vendor managed inventory, long-term supplier contracts and collaborative problem solving leads to higher performance of retail firms in Nairobi City County, Kenya.

**Recommendations**

The study recommends that the management of retail firms should implement a comprehensive supplier development program. This program should focus on building strong, collaborative relationships with key suppliers through regular communication, joint problem-solving, and shared strategic goals.

In addition, the study recommends that the management of retail firms should establish clear, mutually agreed-upon performance metrics and expectations. Retail firms should develop a detailed supplier scorecard that outlines key performance indicators (KPIs) such as delivery timeliness, product quality, and cost efficiency.

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