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Supplier Relationship Management and Organizational Performance of Food and Beverage Manufacturing Companies in Nairobi County, Kenya

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Abstract

Supplier Relationship Management (SRM) is a strategic approach to managing a company's interactions with organizations that supply the goods and services it uses. Despite growth, challenges like high costs, competition from imported goods, compliance issues and access to financing hinder the full potential of the Kenyan food and beverage manufacturing sector. The general objective of the study was to examine the influence of supplier relationship management on the performance of food and beverage companies in Nairobi County, Kenya. Specifically, the study sought, to establish the influence of supplier strategy development on the performance of food and beverage companies in Nairobi, Kenya and to establish the influence of supplier strategic collaboration on the performance of food and beverage manufacturing companies in Nairobi, Kenya. The study adopted a descriptive research design. The study focused on 16 top food and beverage manufacturing companies located in Nairobi County, targeting 2 financial managers for each manufacturing company, 2 operations managers, 2 customer service managers, 2 marketing managers, and 2 supply chain officers, giving us a target population of 192. To determine the sample size, the Slovin formula was used. By applying the formulae, from a population (N) of 192, the desired sample for the study accurately is 130 samples. The study mainly used questionnaires as data collection tools. The data was analysed using SPSS version 26 and was presented in form of tables. The study concludes that both supplier strategy development and supplier strategic collaboration have a positive and significant effect on performance of food and beverage manufacturing companies in Nairobi, Kenya. The study recommends that the management of food and beverage manufacturing companies in Kenya should establish long-term partnerships with local suppliers. This approach can enhance supply chain reliability, reduce costs associated with transportation and importation, and foster better communication and collaboration. Further, the study recommends that the management of food and beverage manufacturing companies in Kenya should implement a robust supplier performance management system. This system should include regular assessments based on key performance indicators (KPIs) such as quality, delivery timeliness, and cost efficiency.

Keywords: *Supplier Strategy Development, Supplier Strategic Collaboration and Food and Beverage Manufacturing Companies*

INTRODUCTION

Supplier Relationship Management (SRM) is a strategic approach to managing a company's interactions with organizations that supply the goods and services it uses. Its goal is to streamline and make more effective the processes between an organization and its suppliers (Choi & Hartley, 2023), which involves the systematic assessment of suppliers' assets and capabilities, with a focus on developing closer, more collaborative relationships to achieve mutual benefits and drive innovation (Miemczyk, Johnsen, & Macquet, 2023).

Effective SRM can lead to significant cost savings, improved quality, and faster time to market. It includes activities such as supplier segmentation, performance management, and the development of joint initiatives for continuous improvement (Schuh, Schönberger, & Hieber, 2023). By fostering strong relationships, organizations can ensure supply chain resilience and responsiveness, which are crucial in today's dynamic and often volatile market environments (Sánchez-Rodríguez & Hemsworth, 2023).

Firm performance refers to how well a company achieves its financial and operational goals, encompassing measures like profitability, return on assets, and market share. It reflects the company's efficiency in utilizing resources to generate revenue and sustain growth, often assessed through metrics such as net income, earnings per share, and return on equity (Kaplan & Norton, 2020). Moreover, internal factors, including management capabilities and operational strategies, influence firm performance, and external factors like market conditions and competitive landscape (Barney, 2022).

Evaluating firm performance involves both quantitative and qualitative analyses to provide a comprehensive understanding of a company's health and prospects. Financial ratios, industry benchmarks, and trend analysis are commonly used to quantify performance, while qualitative aspects consider organizational culture, innovation, and customer satisfaction (Porter, 2021). A holistic approach to assessing firm performance enables stakeholders to make informed decisions regarding investments, strategic initiatives, and overall corporate governance (Mintzberg, 2019).

A study by Wanjiku and Muturi (2022) highlights that Kenyan firms, particularly in the manufacturing sector, have increasingly adopted SRM practices to enhance supply chain efficiency and reduce operational costs. The research emphasizes that companies focusing on collaborative supplier relationships have seen improvements in product quality and timely delivery, which are critical for maintaining competitive advantage in the regional market.

Moreover, a report by Kiarie and Kamau (2023) underscores the role of SRM in fostering innovation among Kenyan firms. The study finds that organizations engaging in joint development activities with suppliers are better positioned to innovate and adapt to market changes. This collaborative approach has facilitated the introduction of new products and services, allowing companies to meet the evolving needs of consumers more effectively. Additionally, the research notes that such partnerships often lead to knowledge transfer and capacity building, further strengthening the local supply chain ecosystem.

In the agricultural sector, SRM practices have been pivotal in enhancing the resilience and sustainability of supply chains.

Kenyan agribusinesses that invest in strong supplier relationships have reported better access to high-quality inputs and more reliable market access (Mwangi and Wambugu, 2023). The study suggests that these relationships are essential for managing risks associated with agricultural production, such as fluctuating weather patterns and market volatility. By working closely with suppliers, agribusinesses can ensure more stable supply chains and improve overall productivity.

Lastly, the adoption of SRM in the Kenyan public sector is explored by Njoroge and Gachoka (2023). Their research indicates that government agencies implementing SRM frameworks have achieved greater transparency and efficiency in procurement processes. The study highlights that SRM has enabled these agencies to negotiate better terms, ensure compliance with regulatory standards, and reduce instances of corruption. This has led to more effective utilization of public resources and improved service delivery to citizens, demonstrating the broader benefits of SRM beyond the private sector.

According to the Kenya National Bureau of Statistics (KNBS), over 300 registered food and beverage manufacturing firms are currently operating in Nairobi. Food and beverage companies in Kenya have typically started through a combination of local entrepreneurial initiatives and foreign investments, capitalizing on the country's rich agricultural resources and growing consumer market. Many of these companies began as small family-owned businesses which gradually expanded through reinvestment of profits and strategic partnerships. For instance, brands like Delmonte and Coca-Cola had established local operations by leveraging Kenya's favorable climate for fruit production and its strategic position as a gateway to East African markets. Government policies supporting agro-processing and value addition have also spurred growth in this sector (Kinyua, 2022; Mwangi & Wanjohi, 2023).

Statement of the problem

The food and beverage manufacturing sector in Kenya contributes around 28% to the country's manufacturing GDP, growing at an average of 6% annually (KAM, 2023). Production capacity reached 75% utilization in 2022, while the sector accounts for 18% of manufacturing jobs (Kariuki & Mutua, 2023). Processed food exports represent 14% of Kenya's total exports, with regional markets as primary destinations (KNBS, 2023). Despite growth, challenges like high costs, competition from imported goods, compliance issues and access to financing hinder the full potential of the Kenyan food and beverage manufacturing sector (Omondi & Wanjala, 2022; Muthoni & Karanja, 2023).

Muriithi and Kinyua (2023) found that 40% of Kenyan firms do not effectively categorize their suppliers, leading to misallocated resources and missed opportunities for optimizing supplier performance. Kamau and Wanjohi (2023) reported that 55% of companies experienced delays and cost overruns due to poor supplier strategy execution, causing inefficiencies and increased costs. Furthermore, Mwangi and Wambugu (2023) noted that 60% of firms did not engage in strategic development activities with suppliers, which hindered innovation and the creation of value-added products.

Njoroge and Gachoka (2023) found that 50% of businesses in Kenya faced supply chain inefficiencies due to poor collaboration and communication with their suppliers, leading to misaligned objectives and disruptions. Therefore, this research aimed to study the influence of Supplier Relationship Management on the organizational performance of food and beverage companies in Nairobi County.

General Objective

The general objective of the study is to examine the influence of supplier relationship management on the performance of food and beverage companies in Nairobi County, Kenya.

Specific Objectives

i. To establish the influence of supplier strategy development on the performance of food and beverage companies in Nairobi, Kenya.
ii. To establish the influence of supplier strategic collaboration on the performance of food and beverage manufacturing companies in Nairobi, Kenya.

Research questions

i. How does supplier strategy development influence the performance of food and beverage manufacturing companies in Nairobi, Kenya?
ii. How does supplier strategic collaboration influence the performance of food and beverage manufacturing companies in Nairobi, Kenya?

LITERATURE REVIEW

Theoretical Review

Resource-Based theory

The Resource-Based Theory of Jay Barney (1991) posits that a firm's competitive advantage stems from its unique resources and capabilities that are valuable, rare, inimitable, and non-substitutable. It emphasizes leveraging internal assets such as technology, expertise, and relationships to achieve superior performance and sustain competitiveness. It suggests that firms should collaborate with suppliers to enhance and access unique resources and capabilities, fostering innovation and creating value-added products. With strategic supplier relationships, companies can build a robust supply chain that supports their long-term competitive advantage and operational efficiency.

Collaboration theory

The collaboration theory, developed by Barbara Gray in 1980, emphasizes the importance of cooperation and joint decision-making among various stakeholders to achieve common goals. It suggests collaborative efforts can lead to more effective problem-solving and innovation by leveraging diverse perspectives and resources.

In the context of supplier strategy collaboration, it underlines the need for strong partnerships between companies and suppliers, fostering trust, open communication, and shared objectives. Effective supplier collaboration, guided by this theory, can enhance supply chain efficiency, drive mutual growth, and improve overall competitiveness.

Conceptual Framework

A conceptual framework is a structured plan that outlines the key concepts, variables, and their relationships within a study, providing a clear roadmap for the research process. It serves as a foundation for understanding the theoretical underpinnings and guiding the analysis and interpretation of data (Miles & Huberman, 1994). By illustrating the connections between the research questions, hypotheses, and existing theories, a conceptual framework helps to ensure coherence and rigor in the study (Maxwell, 2019).

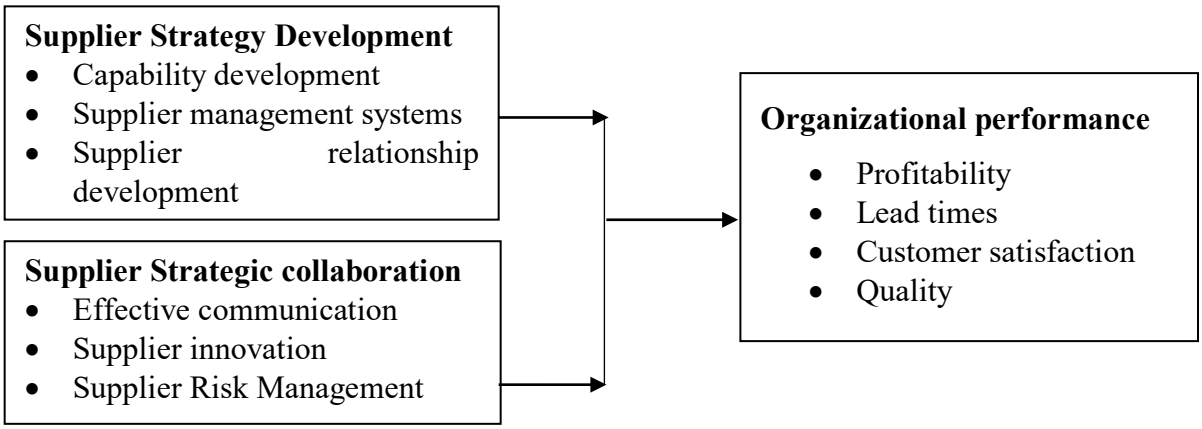

Figure 1: Conceptual Framework

Supplier Strategic Development

Capability development in correlation to supplier strategic development emphasizes on enhancing a supplier's skills and resources to foster mutual growth and innovation. Recent studies demonstrate that investing in supplier development initiatives, such as training and technology upgrades, improves supplier performance and stronger collaborative relationships (Zhao and Huo, 2020). This, in turn, boosts the buying firm's competitiveness and supply chain resilience (Kim & Lee, 2021). Effective capability development requires continuous commitment and strategic alignment between both parties (Smith & Watson, 2022).

Supplier management systems (SMS) are crucial for effective supplier strategic development, as they enable firms to streamline interactions, monitor performance, and foster collaborative innovation. Recent studies indicate that implementing advanced SMS facilitates strategic development by providing real-time data analytics, enhancing communication, and supporting joint problem-solving initiatives (Lee & Kim, 2020; Johnson & Flynn, 2021). This integration leads to improved product quality, innovation, and competitive advantage, ultimately boosting overall organizational performance (Smith & Brown, 2023).

Effective supplier relationship development fosters trust and communication, which are essential for strategic initiatives such as joint innovation and process improvements (Mwangi & Wambugu, 2023). These strategic developments lead to better product quality, reduced costs, and increased competitiveness. Recent studies indicate that firms engaging in robust supplier development practices significantly improve supply chain performance and overall business success (Kamau & Wanjohi, 2023; Njoroge & Gachoka, 2023).

Strategic Supplier Collaboration

Effective communication is crucial for successful supplier strategic collaboration, as it fosters transparency, trust, and alignment of goals between firms and suppliers. Recent studies highlight that clear and consistent communication improves coordination, mitigates risks, and enhances problem-solving capabilities, which in turn leads to better supply chain performance, innovation, and competitive advantage (Chen & Li, 2020; Miller & Green, 2021). Effective communication aids in establishing strong partnerships which are essential for achieving mutual benefits and long-term success in supplier relationships.

Supplier innovation is significantly enhanced through strategic collaboration with suppliers, as such partnerships foster mutual knowledge sharing, joint development projects, and co-creation of new products and processes (Li & Wilson, 2021; Zhao *et al*., 2023). Effective collaboration builds trust and aligns goals, which enable suppliers to contribute innovative solutions that drive competitive advantage and operational efficiency. Studies have shown that companies engaging in strategic supplier collaboration experience higher innovation rates and improved market performance (Chen *et al*., 2019; Kumar & Singh, 2020).

Effective collaboration can significantly mitigate supply chain risks. By fostering strong relationships and open communication with suppliers, firms can proactively identify and address potential risks to enhance resilience and reliability. Recent studies highlight those collaborative strategies lead to better risk assessment, shared resources, and joint problem-solving, which ultimately reduce supply chain disruptions and improve supply chain performance. This integrated approach ensures a more robust and adaptable supply chain (Smith *et al*., 2021; Johnson & Lee, 2023).

Empirical review

Supplier Strategic Development

Supplier strategy development is identified as a crucial component in enhancing supply chain performance and fostering innovation. Various research highlights the importance of strategic supplier relationships in achieving competitive advantage through collaborative efforts and joint ventures. Developing long-term partnerships with key suppliers enables firms to leverage shared resources and expertise, leading to improved product quality and reduced costs (Wang & Hu, 2019). This strategic approach is essential for companies aiming to adapt to market changes swiftly and maintain resilience in their supply chains.

Several studies have explored the impacts of supplier strategy development on organizational performance. For instance, an empirical study by Lee, Shi & Shen (2018) demonstrated that companies engaging in strategic supplier development initiatives reported significant improvements in operational efficiency and market responsiveness. These initiatives often include supplier training, technological support, and collaborative innovation projects, which help suppliers to meet the evolving market demands.

The study emphasized that such development efforts were instrumental in achieving sustainable competitive advantage. Furthermore, Kumar & Rahman (2020) examined the role of supplier development in fostering innovation within the automotive industry. Their findings suggested that strategic supplier development enhances product innovation and contributes to process improvements and cost reductions. The study highlighted that firms investing in the capabilities of their suppliers could achieve better alignment of goals and expectations, leading to mutually beneficial outcomes, critical for maintaining a seamless and efficient supply chain.

Recent studies continue to underscore the importance of strategic supplier development.

Tan, Zhang, & Liu (2022) found that firms implementing comprehensive supplier development programs experienced enhanced supply chain agility and resilience, particularly during disruptions such as the COVID-19 pandemic. These programs often involve close collaboration, continuous improvement initiatives, and shared risk management strategies. The research concluded that a proactive approach to supplier development is vital for building robust and adaptable supply chains, capable of withstanding global uncertainties.

Supplier Strategy Collaboration

Supplier strategy collaboration is recognized as a critical component for achieving competitive advantage and enhancing supply chain efficiency. Studies have highlighted the importance of transparency, trust, and shared goals between firms and their suppliers. For instance, collaborative strategies can lead to improved innovation, reduced costs, and increased responsiveness to market changes (Nyaga, Whipple, & Lynch, 2019). The emphasis on building strong, cooperative relationships is deemed essential for overcoming supply chain disruptions and fostering long-term partnerships.

Recent research has explored the benefits and challenges associated with supplier collaboration. A study by Fawcett & Al. (2018) examined the impact of collaborative strategies on supply chain performance and found that companies engaging in deep collaboration with suppliers reported higher levels of efficiency and agility. The study also identified barriers such as misaligned incentives and cultural differences, which can hinder effective collaboration. Addressing these challenges requires deliberate efforts to align interests and build mutual trust.

Further studies have delved into specific industries and regions to understand the nuances of supplier collaboration. A study by Zhang, Henke, and Griffith (2020) focused on the automotive industry, revealing that strategic supplier collaboration significantly improved innovation and

product quality. Similarly, research conducted by Lee and Rha (2021) in the electronics sector emphasized the role of joint problem-solving and knowledge sharing in achieving better supply chain outcomes.

These studies underscore the industry-specific dynamics that influence the success of collaborative strategies. The literature also highlights the evolving nature of supplier strategy collaboration in response to global challenges. A study by Kumar and Rahman (2022) discussed how the COVID-19 pandemic has accelerated the need for closer collaboration to enhance supply chain resilience. This research found that companies with strong collaborative practices were better equipped to handle disruptions and maintain continuity.

RESEARCH METHODOLOGY

Research Design

The study adopted a descriptive research design. A descriptive research design is a study designed to describe the characteristics of a population or phenomenon under study (Creswell & Creswell, 2017). Descriptive research design is crucial for obtaining a detailed and accurate picture of various aspects of a research subject. This design is chosen as it provide a solid foundation for understanding the current state of the phenomenon under study, identifying trends, and generating hypotheses for further research (Babbie, 2020).

Population

A population is defined as the entire group of individuals, objects, or events that share a common characteristic and from which a sample may be drawn for study. It encompasses all elements that meet the criteria specified for a particular research investigation (Creswell & Creswell, 2018). The study focused on 16 top food and beverage manufacturing companies located in Nairobi County, targeting 2 financial managers for each manufacturing company, 2 operations managers, 2 customer service managers, 2 marketing managers, and 2 supply chain officers, giving us a target population of 192.

Table 1: Target Population

Departments	Number of firms	Respondents	Total
Finance officers	16	2	32
Operations managers	16	2	32
Customer service managers	16	2	32
Marketing managers	16	2	32
Supply chain officers	16	2	32
Product developers	16	2	32
TOTAL			**192**

Sample size and technique

A sample size refers to the number of subjects or units included in a study to represent the larger population, ensuring that the results are statistically significant and generalizable (Taherdoost, 2016; Creswell & Creswell, 2018). A sample technique refers to the process used to select a portion of a population for study (Bryman, 2016). To determine the sample size, the Slovin formulae was used.

The Slovin formulae ($n = N / (1 + Ne2)$ offers a straightforward approach to sample size determination, especially when dealing with large populations (Ezeife, 2020). By applying the formulae, from a population (N) of 192, the desired sample for the study accurately is obtained with a margin of error of 5%, giving us precisely 130 samples.

Data collection tools

A questionnaire is a research instrument consisting of a series of questions to gather information from a pool of respondents (Creswell & Creswell, 2018). Questionnaires can be delivered through various mediums such as online surveys, printed forms, or face-to-face interviews. The study mainly used questionnaires as data collection tools due to their efficiency, standardization, ease of analysis, and ability to collect diverse data types (quantitative and qualitative), a perfect fit for descriptive research.

Data collection

Quantitative and qualitative research methods enables information gathering from direct interactions with procurement officers, supply chain managers, and stakeholders of manufacturing companies, or from direct data that can be quantified into multiple figures. Qualitative research enables the researcher to capture the respondents' attitudes, behaviors, and experiences regarding the phenomenon under study, quantitative research aids in gathering large-scale data in a short time frame (Creswell & Creswell, 2018).

Pilot study

A pilot study is a small-scale preliminary study conducted to evaluate feasibility, time, risk, and adverse events, and to improve upon the study design before the performance of a full-scale research project (Thabane & Bond, 2016). The pilot study is necessary to determine whether the respondents found the items on the questionnaires to be concise and comprehensive enough, thus enhancing reliability (Hertzog, 2008). A pilot test was conducted using questionnaires on 19 respondents represent 10% of the determined sample size.

Data analysis and presentation

Quantitative data collected was analysed by the use of descriptive statistics which include percentages, means, standard deviations and frequencies. The information was displayed by use of tables, bar charts, graphs and pie charts. This study also conducted inferential statistics through correlation analysis and regression analysis. Pearson correlation analysis was used to test the strength and the direction of the relationship between the independent and the dependent variables. Multiple regression analysis was done to establish the influence of supplier relationship management on the performance of food and beverage companies in Nairobi County, Kenya. The research model that guided this study was:

$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Where:

Y= The performance of food and beverage companies in Nairobi, Kenya

β_0 = Constant

β_{1-4}= Beta coefficients

X_1= Supplier strategy development

X_2 = Supplier strategic collaboration

ε = Error term

DATA ANALYSIS AND FINDINGS

Descriptive statistics

Supplier Strategy Development and Organizational Performance

The second specific objective of the study was to establish the influence of supplier strategy development on the performance of food and beverage companies in Nairobi, Kenya. The respondents were requested to indicate their level of agreement on the statements relating to supplier strategy development and the performance of food and beverage companies in Nairobi, Kenya. The results were as shown in Table 2.

From the results, the respondents agreed that their suppliers invest in enhancing their operational capabilities to better meet their needs (M=3.936, SD= 0.708). In addition, the respondents agreed that their suppliers actively pursue training and development initiatives for their workforce (M=3.828, SD= 0.925). Further, the respondents agreed that their suppliers utilize effective management systems to monitor their performance (M=3.742, SD= 0.821).

From the results, the respondents also agreed that their suppliers have robust processes in place for tracking compliance with their requirements (M=3.738, SD= 0.809). In addition, the respondents agreed that their suppliers prioritize building long-term partnerships with them (M=3.610, SD= 0.981). The respondents also agreed that their suppliers engage in open communication to foster trust and collaboration (M=3.608, SD= 0.879).

Table 2: Supplier Strategy Development and Organizational Performance

	Mean	Std. Deviation
Our suppliers invest in enhancing their operational capabilities to better meet our needs.	3.936	0.708
Our suppliers actively pursue training and development initiatives for their workforce.	3.828	0.925
Our suppliers utilize effective management systems to monitor their performance.	3.742	0.821
Our suppliers have robust processes in place for tracking compliance with our requirements.	3.738	0.809
Our suppliers prioritize building long-term partnerships with us.	3.610	0.981
Our suppliers engage in open communication to foster trust and collaboration	3.608	0.879
Aggregate	**3.744**	**0.854**

Supplier Strategic Collaboration and Organizational Performance

The fourth specific objective of the study was to establish the influence of supplier strategic collaboration on the performance of food and beverage manufacturing companies in Nairobi, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to supplier strategic collaboration and the performance of food and beverage manufacturing companies in Nairobi, Kenya. The results were as presented in Table 3.

From the results, the respondents agreed that their suppliers maintain clear and open lines of communication with them (M=3.943, SD= 0.981). In addition, the respondents agreed that their suppliers promptly share relevant information regarding product updates and changes (M=3.866, SD= 0.850). Further, the respondents agreed that their suppliers encourage joint brainstorming sessions to generate innovative ideas (M=3.731, SD= 0.914).

The respondents also agreed that their suppliers are willing to invest in research and development to improve their offerings (M=3.696, SD= 0.947). In addition, the respondents agreed that their suppliers regularly assess and communicate risks that may impact their partnership (M=3.689, SD= 0.856). Further the respondents agreed that their suppliers collaborate with them to develop contingency plans for risk mitigation (M=3.671, SD=0.621).

Table 3: Supplier Strategic Collaboration and Organizational Performance

	Mean	Std. Deviation
Our suppliers maintain clear and open lines of communication with us.	3.943	0.981
Our suppliers promptly share relevant information regarding product updates and changes.	3.866	0.850
Our suppliers encourage joint brainstorming sessions to generate innovative ideas.	3.731	0.914
Our suppliers are willing to invest in research and development to improve their offerings.	3.696	0.947
Our suppliers regularly assess and communicate risks that may impact our partnership.	3.689	0.856
Our suppliers collaborate with us to develop contingency plans for risk mitigation.	3.671	0.621
Aggregate	**3.766**	**0.862**

Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (performance of food and beverage companies in Nairobi, Kenya) and independent variables (supplier strategy development and supplier strategic collaboration).

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (supplier strategy development and supplier strategic collaboration) and the dependent variable (performance of food and beverage companies in Nairobi, Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4: Correlation Coefficients

		Organizational Performance	Supplier Strategy Development	Supplier Strategic Collaboration
Organizational Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	110		
Supplier Strategy Development	Pearson Correlation	.842**	1	
	Sig. (2-tailed)	.002		
	N	110	110	
Supplier Strategic Collaboration	Pearson Correlation	.910**	.179	1
	Sig. (2-tailed)	.000	.081	
	N	110	110	110

From the results, the results revealed that there is a very strong relationship between supplier strategy development and performance of food and beverage companies in Nairobi, Kenya (r = 0.842, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings conform to the findings of Kumar and Rahman (2020) that there is a very strong relationship between supplier strategy development and organizational performance.

The results also revealed that there was a very strong relationship between supplier strategic collaboration and performance of food and beverage companies in Nairobi, Kenya (r = 0.910, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the results of Lee and Rha (2021) who revealed that there is a very strong relationship between supplier strategic collaboration and organizational performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (supplier strategy development and supplier strategic collaboration) and the dependent variable (performance of food and beverage companies in Nairobi, Kenya)

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.870	.757	.758	.10120

a. Predictors: (Constant), supplier strategy development and supplier strategic collaboration

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 0.757. This implied that 75.7% of the variation in the dependent variable (performance of food and beverage companies in Nairobi, Kenya) could be explained by independent variables (supplier strategy development and supplier strategic collaboration).

Table 6: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.035	2	4.017	65.53	.000[b]
	Residual	6.568	107	.0613		
	Total	14.603	109			

a. Dependent Variable: performance of food and beverage companies in Nairobi, Kenya

b. Predictors: (Constant), supplier strategy development and supplier strategic collaboration

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 65.53 while the F critical was 2.458. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 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 segmentation, supplier strategy development, supplier strategy execution and supplier strategic collaboration on performance of food and beverage companies in Nairobi, Kenya.

Table 7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	**(Constant)**	0.205	0.053		3.867	0.000

supplier strategy development	0.486	0.123	0.487	3.951	0.000
supplier strategic collaboration	0.430	0.113	0.431	3.805	0.001

a Dependent Variable: performance of food and beverage companies in Nairobi, Kenya

The regression model was as follows:

$$\mathbf{Y = 0.205 + 0.486X_1 + 0.430X_2 + \varepsilon}$$

The results also revealed that supplier strategy development has significant effect on performance of food and beverage companies in Nairobi, Kenya, β1=0.486, 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 conform to the findings of Kumar and Rahman (2020) that there is a very strong relationship between supplier strategy development and organizational performance.

In addition, the results revealed that supplier strategic collaboration has significant effect on performance of food and beverage companies in Nairobi, Kenya β1=0.430, 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 results of Lee and Rha (2021) who revealed that there is a very strong relationship between supplier strategic collaboration and organizational performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study concludes that supplier strategy development has a positive and significant effect on performance of food and beverage companies in Nairobi, Kenya. Findings revealed that capability development, supplier management systems and supplier relationship development influences performance of food and beverage manufacturing companies in Nairobi, Kenya.

The study also concludes that supplier strategic collaboration has a positive and significant effect on performance of food and beverage manufacturing companies in Nairobi, Kenya. Findings revealed that effective communication, supplier innovation and supplier risk management influence performance of food and beverage manufacturing companies in Nairobi, Kenya.

Recommendations

The study recommends that the management of food and beverage manufacturing companies in Kenya should establish long-term partnerships with local suppliers. This approach can enhance supply chain reliability, reduce costs associated with transportation and importation, and foster better communication and collaboration.

The study also recommends that the management of food and beverage manufacturing companies in Kenya should engage in joint innovation initiatives with key suppliers. This collaborative approach allows companies to leverage suppliers' expertise and insights in product development, process optimization, and sustainability practices.

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