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ABSTRACT

Supermarkets have faced a range of issues, including a depressed economy, higher operating costs and extraneous factors including enhanced risk management due to prevailing security threats, which have impacted on operations on many fronts, including cash flow. These factors have impacted negatively on their businesses and led to closure of some supermarkets. It is on this basis that the study will seek to analyze the role of supply relationship management on performance of major retail chain outlets in Kenya, Nairobi County. Specific objective of the study was to establish the influence of trust on the performance of retail chain outlets in Kenya. The study adopted a descriptive census survey research design. The target population was of employees from the four major supermarkets within Nairobi Central Business District. These four major supermarkets in Nairobi were Tuskys, Naivas, Uchumi, and Choppies. A structured questionnaire was the main method used to collect primary data. Data obtained was analyzed using descriptive statistics such as frequencies, percentages, means and standard deviation as well as inferential statistics such as correlation and regression analysis. The findings of the study indicated that independent variable namely trust has positive and significant influence on the dependent variable performance of major retail outlets in Kenya. This study therefore recommended to the management of retail outlets in Kenya to enhance the application of trust practice in their engagement with their suppliers in order to improve in their performance and market competitiveness. The study further recommended more research on these variables in other organization to test the generalizability of this findings and also to identify other factors that may have an influence on the performance of retail outlets in Kenya.

Key words: *Trust, Performance*

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INTRODUCTION

Rapidly changing competitive environments are forcing organizations to find and follow more creative and flexible means to meet the competition (Kannan & Tan, 2005). The modern environment has been gaining sweeping complexity and completion. Organizations from all market segments are facing continuous changes in their marketplace due to the entrance of new competitors and the growing access to market information (Wangeci , 2013). The understanding and practicing of supply chain management has become an essential prerequisite for staying competitive in the global race and enhancing profitably, (Gold , Seuring , & Beske, 2010). Most organizations have begun to realize that it is not only enough to improve efficiencies within an organization but rather making the supply chain management competitive among others will greatly improve their chances of survival. Intensified competition and globalization of markets over the last decade has contributed to challenges associated with ensuring that goods and services that meet customer requirements are provided in an efficient and effective way (Kosgei & Gitau, 2016).

Mentzer, DeWitt, Keeble & Zacharia (2012) defines supplier relationship management as a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it uses. Supplier Relationship Management aims at streamlining and making more effective the processes between an enterprise and its suppliers (Burnet, 2012). Management of buyer-supplier relationships is central to the success of supply chain management in firms. Strategic relationships with critical suppliers must be understood in order to maximize the value creation in the supply chain as it contributes to firm performance (Kosgei & Gitau, 2016). Supply chain management has become widely recognized as an important contributor to strategic success, helping firms meet the challenges of an increasingly competitive and dynamic environment (Msimangira & Venkatraman , 2014). However, the question of how firms manage supplier relationships, through the use of performance measurement systems and the development of social networks is an important one. Organizational performance comprises the actual output or results as measured against its intended outputs. Performance is achieved by valuable outcomes such as higher returns, level of competitiveness and brand presence and also by the levels of operational efficiency (Yang, Wang , & Su, 2006). According to Inayatullah (2012), overall organizational performance can be divided into financial performance, product performance, and operational performance.

Statement of the Problem

The retail trade sector is one of the key sectors for transformation of the Kenyan economy to a trade competitive economy through efficient outlet of goods from farms and industries in Kenya as well as imported goods (Kiptoo, 2017). It holds promise to agricultural and industrial sector development because as the country develops, efficient consumer outreach is through formal retail outlets. Republic of Kenya (2017) notes that a well-functioning retail sector will stimulate agricultural development as farmers are encouraged to produce targeting millions of consumers who pick their daily bread, milk, eggs, grains, pulses and other products in the retail stores.

The sector also holds a key to industrial development and innovations as Kenyan industries target to produce products for the emerging strong middle income group that has been behind the surge in Kenya’s import bill of consumables. The retail sector projected growth rate of 11.3% of 2007 has been elusive in the recent past as demonstrated by the performance of the sector in the last ten years with growth rate plummeting 4.8% in 2008 down from 11.3% in 2007 and a sustained downward spiral growth rate of 3.8% by 2016 with the effect of this deterioration manifested in a decline in the sector’s share of GDP from a high of

11.2% in 2012 to 5.0 in 2016 (Republic of Kenya, 2017).

Supermarkets in Kenya had grown from a tiny niche at the start of the 1990s to 20% of the urban food retail sector by 2003 with a growth rate 18% per year (Neven & Reardon, 2005). The sustained decline in the sector performance is a clear demonstration of underlying fundamentals that need to be addressed. Effectiveness and efficiency of service delivery is an important factor in the improvement of an organizational image and its performance.

If retail chains are to achieve efficiency and effectiveness, they need to adopt the most suitable supply relationship management strategies which are critical for both the outlet and the supply chain of the firm. According to O'Brien (2014), Supplier Relationship Management is an approach used for engaging with suppliers on a level that reflects the priorities of the customer organization and how best these needs can be achieved and hence should be considered as part of a much wider portfolio of procurement resources that collectively deliver the value and contribution and organizations function. Supplier relationship management acts as a focal point between the organization and the final consumers (Stewart & Gapp, 2014).

Organizations can adopt supplier relationship management practice to enhance their supply chain efficiency as according to Walumbe (2016), inefficient supply chains were found to be the major cause of poor organizational performance. According to Mwangi and Kitheka (2018) organizations with integrated supply chains record high profits than those who paid little attention to supply chains management. Much of the existing literatures have comprehensively looked at the impact of Purchaser-Seller relationship on the Supply Chain performance but with varied results and not on retail outlets; hence the consideration of taking up a study on effect of Trust on performance of major retail chain outlets in Kenya.

Objective of the Study

The objective of this study was to establish the effect of trust on the performance of retail chain outlets in Kenya. The study was guided by the following rresearch hypothesis;

- **H_0**. Trust has no significant influence with the performance of Retail chain outlets.

LITERATURE REVIEW

Transaction Cost Economics (TCE)

The emergency of transaction cost economics (TCE) in the early 1970s with Oliver Williamson's successful reconciliation of the so called neoclassical approach with Herbert Simon's organizational theory can be considered an important part of the first cognitive turn in economics (Burnes , 2010). TCE provides a systematic application of comparative statics, making equilibrium appear inevitable under conditions that assure the achievement of minimum transaction costs (Slater & Spenser, 2007).

A transaction occurs when a good or service is transferred across a technologically separable interface. One stage of activity terminates and another one begins. In transaction cost economics (TCE) the focus of the firm is to minimize the sum of transaction costs and production costs. Transaction costs affect the firm's decisions on how they organize their activities, whether to move towards vertical integration (hierarchy) or to prefer market exchange.

TCE defines the boundaries of the firm aims to explain the existence and boundaries of the firm (Williamson, 2008) TCE was originated by Coase (1937) who developed the theory from the works of Chester Barnard, and Herbert Simon (Williamson, 2005*b*) and further developed by a series of seminal works by Williamson (2009). Transaction Cost Economics theory offers an alternative approach to the traditional mainstream economics through a lens (Williamson, 2002). The Main drivers for transaction costs include asset specificity, uncertainty and transaction frequency (Williamson,

2005*b*). Asset specificity and environmental uncertainty positively affect an intention for a long term orientation between supply chain partners (Lui and Ngo, 2012).

The theory of TCE is founded on the assumptions of bounded rationality (Simon, 1957) and opportunistic behaviour (Williamson, 2008). In bounded rationality, humans are thought to have perfect rationality of their behaviours but according to neurophysiological and language limits individuals have constraint abilities to receive process and analyse information without any error (Grover & Malhotra, 2003) thereby leading bounded rationality, viewed as a source of transaction costs because all factors cannot be considered in the decision making process (Barros, 2010). Similarly, it is expected that suppliers may sometimes deliver inferior goods if they know that their clients cannot detect the difference (Wuyts and Geyskens, 2005; Morgan et al., 2007). This opportunistic behaviour leads to the cost of monitoring the outsourced production processes and the quality of delivered products (Vieira et al., 2011).

Although the firm have may not discover any opportunistic behaviour of its suppliers, quality checking may still be necessary as long as the expectation of opportunistic behaviour still exists (Lui and Ngo, 2012). According to TCE, the decision of whether to collaborate or not should be based on the efficiency of governance. High frequency of transaction costs, uncertainty and asset specificity guide firms towards hierarchy. Blomqvist, Kyläheiko and Virolainen (2002) have presented a view of a hybrid governance structure (partnership) between markets and vertical hierarchies based on the TCE. According to them, cooperation is an efficient solution only if it creates extra value compared to the market and hierarchy options. Factors that encourage cooperation are a high degree of transaction frequency, mutual dependency, the possibility to share risks, and the possibility to share information.

Heide and John (1990) indicated that transaction cost analysis is useful in studies of relationships, because it provides insights into the circumstances that cause the development of a closer relationship between the buyers and suppliers. Heide and John base their theoretical argument on Williamson's studies stating that the establishment of a closer relationship corresponds to a shift away from market-based exchange toward bilateral governance. Cox, Lonsdale, Sanderson, and Watson (2005) has argued that TCE does not take into account the potential benefits that can arise out of a collaborative relationship with suppliers or how the costs and gains are combined within the decision-making framework.

Grover and Malhotra argue that transaction costs can be studied in relation to efficiency and performance metrics within the supply chain. According to them, transaction costs can affect the buyer-supplier relationships and flexibility. Although being widely applied in SCM research, there are also critiques on the implication of the TCE approach (Gibbons, 2005; Cousins, 2002). Such critiques include the implication for Appropriable Rent (Quasi-rent) and post-contractual opportunistic behaviour (Klein et al., 1978).

This critique was deliberated with the case of the General Motors (GM)'s acquisition of Fisher Body (Williamson, 2002). Ghoshal and Moran (1996) challenged TCE by noting that organizations are not mere substitutes for structuring efficient transactions when markets fail; they possess unique advantages for governing certain kinds of economic activities through a logic that is very different from that of a market. Martinez and Dacin (1999) pointed out weaknesses of TCE of analyzing transactions at the individual level neglects social behavioral constraints; and an assumption of the relative universality of TCE's explanatory power, which leaves little room for integration with other organization theories.

Although with these sited weaknesses, TCE has been applied to SCM scenarios to explain the decision process of whether to implement in-house

operations or outsource the operations instead (Shelanski and Klein, 1995); applied to understand the behaviour in supply chain collaboration (Wilding and Humphries, 2006) and its impacts on supply chain relationships and performance (Cao and Zhang, 2011; Nyaga et al., 2010). TCE is therefore considered to fit with the nature of SCM research (Ketchen Jr and Hult, 2007). It has been shown that lower transaction costs favour outsourcing and higher transaction costs favour in-house operations (Williamson, 2008). TCE therefore was an important theory to this study as it explains collaborations and inter-firm relationship.

Resource-Based View (RBV)

Resource-based theory (RBT) has been one of the dominant theories in strategic management research since the 1990s (Acedo , Barroso, & Galan, 2006). RBT argues that differential firm performance is due to firm heterogeneity. A firm owns resources that are rare, valuable, non-substitutable, and difficult to imitate will achieve sustained competitive advantage (Peteraf, 1993) and that the resources generating competitive advantage can span firm boundaries and embedded in inter-firm relations.

Therefore, the sources of competitive advantages are not only from the internal resources owned by a firm itself but also from the external resources in the relational networks (Arya & Lin, 2007; Lavie, 2006). The resource-based view (RBV) of a firm states that companies in the same industry may select a completely different organizational structure but be equally successful (Barney, 1991). Competitive advantage comes from unique and valuable resources. The more these resources are the basis for success, the more the firm depends upon them. RBV is a theoretical framework for understanding how competitive advantage is achieved by focusing on the internal organization and is based on two main assumptions; resource diversity and resource immobility.

According to Jeng-Min (2011) resources diversity concerns whether different firms possess bundles of different resources and capabilities; while resource immobility refers to a resource that is difficult to obtain by competitors because it is inelastic in supply or costly. These two assumptions can be used to determine whether an organization is able to create a sustainable competitive advantage (SCA) by providing a framework for determining whether a process or technology provides a real advantage over the marketplace (Brown, 2007).

RBV tends to focus on the types of resources and the characteristics of these resources that make them strategically important, the dynamic capability perspective which focuses on how these resources need to change over time to maintain their market relevance (Powell,2007). Competitive advantages and disadvantages in resource are equivalent to strengths and weaknesses respectively, which stimulate cost and differentiation advantages or disadvantages in competitive product markets (Valentin, 2001).

An understanding of industry structure guides managers toward productive possibilities for strategic action, which may include positioning the company to better cope with the current competitive forces, anticipating and exploiting shifts in the forces, and shaping the balance of forces to create a new industry structure that is more favourable to the company (Porter, 2008). The competitive advantage gained by these key intangible assets and capabilities is then reflected in superior performance of the firm in in financial terms such as higher profits, increased sales or market share (Clulow *et al*, 2007).

The RBV of the firm is criticized as it is a contemporary theory that provides insights on both strategic and organizational issues. An often-recurring critique on the RBV is that its core logic contains circular reasoning in the specification of the relationship between rents and resources (Truijens, 2003). RBV has little attention on the important issues of how resources can develop and change over time. Likewise, the dynamic role played by individuals within organisations is often assumed

to be self-evident and therefore seldom addressed (Henry, 2008).

Another critique is that it is not sufficient clear in the RBV on how resources contribute to firm-level value creation and that operationalization is therefore difficult (Sheehan and Foss, 2007). Thompson et al (2010) point out that RBV uses a company's strengths and competitive capabilities to deliver value to customers in way that rivals find it difficult to match. The RBV emphasizes the internal capabilities of the organization in formulating strategy to achieve a sustainable competitive advantage (SCA) in its markets and industries (Henry, 2008). It holds that firms can earn sustainable abnormal returns if and only they have superior resources and those resources are protected by some form of isolating mechanism preventing their diffusion throughout industry (Value Based Management.net, 2011).

Resource Dependence Perspective (RDP)

Over thirty years have passed since Pfeffer and Salancik's seminal work on resource dependence was undertaken and has been applied broadly across the research domain to explain how organizations reduce environmental interdependence and uncertainty (Munyradadzi , Nirupa, & Callaghan, 2016). Resource dependence perspective (RDP) has become one of the dominant theoretical rationales explaining why firms engage in mergers and acquisition. Since its publication, resource dependence theory (RDT) has become one of the most influential theories in organizational theory and strategic management and characterizes the corporation as an open system, dependent on contingencies in the external environment (Amy , Michael, & Brian , 2009).

Pfeffer and Salancik (1978) noted that when an organisation appoints an individual to a board, it expects the individual to come to support the organisation, will concern himself with its problems, will invariably present it to others, and will try to aid the organisation. They suggested that Boards of organizations should be able to offer four primary benefits: advice and counsel, legitimacy, channels for communicating information between external organisations and the firm, and preferential access to commitments or support from important elements outside the firm.

A scarcity of resources leads to the appearance of power relations between the company and its external environment and, consequently creates a basis for control over a particular resource (Pfeffer & Salancik, 2003). Yin and Shanley (2008) have identified four sources of control over resources such as possession; access to a resource; the actual use of the resource and finally regulate. The resource dependency perspective (RDP) of relationship formation states that to acquire resources, organizations must interact with others who control these resources and that the survival of the organization can be partially explained by its ability to ensure the continuity of the needed resources (Salancik & Pfeffer, 1980). Power is determined by the definition of social reality created by the actors and their control over the resources.

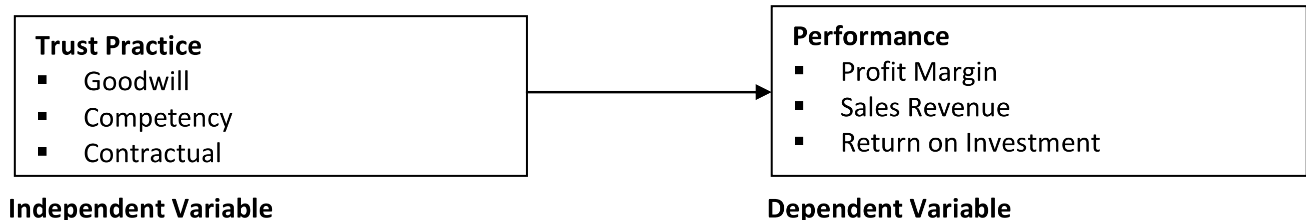
Organizations seek to avoid dependencies and external control and try retain their autonomy for independent action. According to Delke (2015) if a firm wants to attain competitive advantage through resources obtained from its supply chain, this firm need to obtain better supplier resource than competitors. Competition of suppliers' resources leads to supply base rivalry which, in turn, draws the attention of firms to supplier satisfaction. Buying firms with unsatisfied suppliers or whose suppliers are less satisfied with them compared to rival buyers are unlikely to win in the struggle for suppliers' resources.

It is important to note that the path between supplier satisfaction and preferred customer treatment might not be a direct one as Chicksand, Watson, Walker , and Radnor (2012) found it to be mediated by the suppliers' commitment. Drees and Heugens (2013) confirms that recently, resource dependence Perspective has been under scrutiny in several review and meta-analytical and that the theory is one of many theories of organizational

studies that characterize organizational behavior, it doesn't explains an organization's performance per se.

Casciaro and Piskorski (2005) studied mergers and acquisitions from RDP perspective and found that the value of a relationship differs according to the willingness and ability of current exchange partners to provide sufficient demand for current and expected outputs, in light of the availability and cost of locating, qualifying and establishing relationships with an alternative exchange partner. Cox, Lonsdale, Sanderson, and Watson (2005) states that relational power determines the sharing of added value, thus it is also relevant to explore how the power and dependency forms the relationship types.

When drawing together the three different theoretical views, the arguments for and against and matching them to the research of SRM, it can be said that all these views are applicable, pointing to the different focus areas of SRM research. In conclusion applying TCE underlies the aspects of efficiency and cost focus. Especially, it defines the boundaries of a firm. RBV refers to the firm's internal value creation through its resources and capabilities. Value can be created from supplier relationship management through learning mechanisms, routines and experience. RDP applies the aspects of external and internal social relations, power distribution and the level of dependency on external counterparts. It aims at the optimization of the continuity of the business and the autonomy of a firm. As a summary, it can be said that these theories support the purpose of supplier management.



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

Source: Author

METHODOLOGY

The Study adopted descriptive research design. The target population of the study was all the 100 employees of the four major supermarkets (Naivas, Tuskys, Choppies and Uchumi) working in the Procurement, Stores, and Logistics departments who were based at headquarter in Nairobi. The sample size was obtained from the list that was obtained from human resources management offices of the respective supermarkets. This study adopted a census sampling technique to select the employees targeted. The study used both structured and unstructured questionnaire as a tool for collection of data. The study collected both primary and secondary data. The study used both quantitative and qualitative methods of data analysis. Before data analysis the questionnaires were edited for completeness and consistency. Quantitative data was analyzed using descriptive statistics and inferential analysis via the Statistical Package for Social Sciences (SPSS). The descriptive statistics obtained were based on frequencies, percentages, means, standard deviation, and presented in tables. Pearson correlation and multiple linear regression analysis were done to establish the strength and coefficients of relationship between the independent and dependent variables (Gujarati & Porter, 2010). The following regression equation was set to be tested.

$Y = \beta_0+\beta_1X_1+E$

Where: -

Y = Retail Chain outlet performance (Dependent variable)

β_0 = Constant

β_1 = Coefficient

E=Unexplained variation i.e. error term, it represents all factors that affect the dependent variable but are not included in the model either because they are not known or difficult to measure.

X_1= Trust

β_1 = Regression Co-efficient; Define the amount by which Y is changed for every unit change of predictor variables.

FINDINGS AND DISCUSION

This study was designed as a census study targeting 100 respondents from the major retail outlets in Kenya. Out of the 100 targeted participants, 94 respondents filled and returned the questionnaires. These questionnaires were checked for completeness and found to be suitable for use in analysis. These questionnaires collected resulted in a response rate of 94% with only 6% of the questionnaires were not returned. The response rate of 94% was considered high and hence satisfactory according to Kothari (2014) and Babbie (1990) who believe that a response rate of above 70% is very good.

Descriptive Statistics

The aim of descriptive statistics is to enable a research study to meaningfully describe distribution of scores or measurements using indicators that can summarize the data (Mkansi & Acheampong, 2012). Commonly used measures of descriptive statistics include frequencies, percentages, mean and standard deviation (Namusonge, 2010). The following sections present descriptive statistics for this study.

Descriptive Findings for Trust in Supply Chain

There goodwill between organization and suppliers, 1% disagreed, 16% were neutral, while 83% agreed with a mean of 4.30 and standard deviation of 0.814. On the statement, 'Organization keeps promise of paying suppliers,' 1% disagreed, 7% were neutral, while 91%, agreed with a mean of 4.45 and standard deviation 0.728. On the statement, 'Suppliers have faith in management organization,' 5% disagreed, 14% were neutral, while 81% agreed with a mean of 4.24 and standard deviation of 0.958. On the statement 'Organization rarely takes advantage of supplier ignorance,' 10%) disagreed, 15% were neutral, while 75% agreed with a mean of 3.99 and standard deviation of 1.178. On average 17% of respondents disagreed with statements on trust in supply chain relational management while 83% agreed with a mean of 4.27 and standard deviation of 0.903. These results indicated that respondents included in the study agreed with the all statements used to measure trust in supply chain relational management in retail outlets in Kenya.

Inferential Statistics

Correlation Analysis

Table 1 showed the correlation results for the relationship.

Table 1: Correlation Analysis

		Trust	Performance
Trust in Supply Chain Relationship	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	94	
	Sig. (2-tailed)	.706	
	N	94	
Performance of Retail Outlets	Pearson Correlation	.298**	1
	Sig. (2-tailed)	.004	
	N	94	94

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The table showed that independent variable had a positive and significant relationship with the dependent variable. For example the relationship between performance and trust in supply chain relational management had r= 0.298, P=0.004. Accordingly therefore, the correlation findings provide evidence that the independent variable have positive relationship with the dependent variable meaning that an increase in the application of trust result in an improvement in the performance of supply chain outlets in Kenya.

The R squared is also used to explain total variation in the dependent variable explained by the independent variables. Similarly, through regression analysis a study is able to determine the F-statistic and the T-statistic which show the nature of relationship and which can be used to accept or reject the hypotheses set for analysis. The findings for regression analysis were presented on table 1. These findings related to the model summary, ANOVA Findings and coefficients related to the relationship between the variables.

Regression Analysis

Table 2: Regression Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.600[a]	.360	.331	.503

a. Predictors: (Constant), Trust in Supply

The results on the table showed the model summary has multiple coefficient of determination, R squared = .360. R squared measures the goodness of fit of the fitted sample regression line. It also gives the proportion of the total variation in the dependent variable, performance of retail outlets, explained by joint independent variable; trust. This R squared means that the independent variables jointly explain 36.0% of the total variance in performance of retail outlets in Kenya while 64.0% can be explained by other variables not included in this study.

Table 3: Regression ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.664	4	3.166	12.503	.000[b]
	Residual	22.537	89	.253		
	Total	35.201	93			

a. Dependent Variable: Performance of Retail Outlets

b. Predictors: (Constant), Trust in Supply Chain Relationship,

From the table of regression ANOVA results, it is shown that the independent variable have a significant influence on the dependent variable, with F (4, 89) = 12.503. The computed F value, 12.503 is far high than the critical F-value and is greater than 1 meaning that the total variance in the dependent variable, performance of retail outlets in Kenya, explained by the independent variables, trust; can be explained since the p-value for the F-value, 12.503 is P= 0.000, P<0.05, which is equivalent to zero. This is supported by the regression coefficients on table 4.

Table 4: Regression Coefficients Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.219	.486		2.507	.014
	Trust in Supply Chain Relationship	.193	.098	.180	1.971	.052

a. Dependent Variable: Performance of Retail Outlets

Table 4 showed the partial regression coefficients of the relationship between the dependent variable and the independent variables. The results on the table show that the relationship between performance of retail outlets with trust in supply chain relational management has B_1 =.193, P=.052. The findings show that all the partial coefficients of the independent variable have t-values which is significant and greater than the t-critical values. This is evidence to show that all the independent variable is significantly related to the dependent variable and account for a substantial variance in the dependent variable. The constant of the relationship, which represents the average value of the dependent variable when the independent variable is set to zero, is 1.219. This result therefore meant that at a multivariate level independent variable has positive and significant relationship with the dependent variable under the following partial regression equation:

Y = 1.219+ .193T; *Where Y (Performance of outlets) = .938(Constant + .193(Trust)*

This regression model implied that holding other variables constant, a unit increase in trust in supply chain relational management will lead to 0.193 units increase in the performance of retail outlets in Kenya; hence the hypothesis; **H_0**: Trust has no significant influence with the performance of Retail chain outlets.

CONCLUSION AND RECOMMENDATIONS

Based on the findings, performance of retail outlets is determined by a number of factors, among them supply relational management. Today, most organizations have begun to realize that in addition to improving efficiencies within an organization, it is also important to make the supply chain management competitive in order to improve chances of survival and success. Supplier relationship management aims at streamlining and making more effective the processes between an enterprise and its suppliers (Burnet, 2012). For success in performance of retail outlets, strategic relationships with critical suppliers must be understood in order to maximize value creation in the supply chain and contribute to the firm performance (Kosgei & Gitau, 2016).

The study sought to investigate the role of trust in supply relational management on the performance of major retail outlets in Kenya. Trust is a very important component with an economic value in a relationship as it allows parties to initiate and maintain cooperation without safeguards (Lorenzen, 1998).

The findings from inferential analysis showed that trust in supply relations had a positive relationship with performance of major retail outlets in Kenya based on the Pearson Correlation Coefficient. Likewise trust in supply relations explained substantial amount of total variations in performance of retail outlets in Kenya based on the coefficient of determination.

This study concluded that when a retail outlet builds trust with suppliers, develops a good buyer-suppliers communication strategy, initiates cooperation and has the power to determine how to relate with suppliers, such retail outlets will improve in their performance. According to this study inefficient supply chains relational management is the major cause of poor performance in most retail outlets. According to the study, the management of retail outlets in Kenya should ensure these relationship are developed through trust, communication, cooperation and build good power to be able perform well. The management should ensure a high level of trust with suppliers so as to generates motivation and increase the participation of the parties in the supply chain. Trust increase the probability of success, facilitate greater commitment, allow each party to believe that their needs will be fulfilled.

Proposed Areas for Further Research

Due to research constraints, this study could not exhaust all the factors that contribute to performance of retail outlets. This study therefore proposed other studies to identify these factors and study them intensively.

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