SUPPLIER RELATIONSHIP MANAGEMENT AND PERFORMANCE OF MEDIA FIRMS IN KENYA

EVELYN WALUMBE

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DECLARATION

I declare that this research project is my original work and has never been submitted to any other University for assessment or award of a degree.

Signature……………………………………….. Date……………………………………

Evelyn Walumbe

D61/63754/2011

This research project has been submitted with my authority as the university supervisor.

Signature………………………………… Date………………………………………….

Dr. X.N. Iraki

Senior Lecturer Department of Management Science,

University of Nairobi, School of Business.

DEDICATION

This research project is dedicated to my loving family of Mr and Mrs Walumbe and my loving husband Moses Muteti.

ACKNOWLEDGEMENT

I thank the Almighty God for His guidance, spiritual support and provision which enabled me to undertake this project that was too involving in terms of time and resources.

I wish to express my sincere appreciation to my supervisor and entire family for their understanding and support as I pursue my research project.

ABSTRACT

Globalization of markets has led to divergence of customer needs, and intricacy of product components. Supply chain management efficiency has become a vital aspect in determining a firm's competitiveness. It is known that proper supply chain management can reduce risks and uncertainty and also enhance inventory levels as well as process cycle time in order to fulfil customer needs and realise profits. For a supply chain to operate successfully, a firm's procuring function should be appropriately measured. Notably, the importance of the procuring function rises because the procuring and outsourcing costs take a high percentage of all the aggregate costs of the production process. As a response to this outcome, firms have invested in supplier relationship management systems or SRM. This study's objective was to determine the relationship that exists between supplier relationship management and the corporate performance of media firms in Kenya. The study population comprised 128 management staff in the four selected media firms in Kenya. Stratified research sampling was employed in determining the study's sample size of 38. The study used primary data collected through self-administered questionnaires. The data was analyzed using descriptive statistics. The study applied regression analysis to assess the relationship between supplier relationship management versus the performance of media firms in Kenya. The study found out that supplier quality improvement enabled the companies to improve the company contract of commitment and supplier capabilities in the design, provides technical assistance to suppliers in order to improve quality of their services and integrate and improve activities. Trust-based relationships with suppliers enabled the media firms to preserve good relations, share information with suppliers, and ensure that products are delivered to the company on time. Supplier collaboration was found to have seen the media firms and the suppliers hold regular business plan meetings, operational business reviews, encourage information sharing and transparency.The usage of supplier relationship management by the media firms has resulted in reduced cycle time while ensuring that it increases company competitive positioning, improves efficiency of production operations, reduce inventory, increase market share, reduce costs, retention of customers, customer loyalty and improved customer satisfaction. The regression analysis revealed that the performance of media firms was influenced by supplier quality improvement, trust based relationships and supplier collaboration. The study recommends that the management of the media firms should adopt more supplier relationship management initiatives that would ensure that their sufficient collaboration between the two entities. Also, the media firms need to institute policies that lay emphasis on best SRM practices.

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ABBREVIATIONS AND ACRONYMS

TCE: Transaction Cost Economics

RDT: Resource Dependency Theory

SMS: Strategic Material Sourcing

SPSS: Statistical Package for Social Sciences

SRM: Supplier Relationship Management

KTN: Tailored Vendor Relationship

CHAPTER ONE

INTRODUCTION

1.1Study Background

Globalization has led to the divergence of customer needs in markets, and the complexity of product components, efficiency of the management of supply chains has become vital in determining a firm's competitiveness. " It is acknowledged that proper management of supply chain does not only reduce risks and uncertainty, but can also enhance the inventory level and process cycle time, so that enterprises are able to gratify customers' needs and make a good yield" Simchi-Levi et al., (2003). To ensure a successful supply chain management, any procuring entity should be appropriately measured. Notably, the importance of the procuring role increases when the procuring as well as the outsourcing costs account for a high share of the total costs of the production process. As a result, companies have put emphasis on supplier relationship management systems or SRM.

Supplier relationship management or SRM in short is vital for firms keen to ensure the sustained supply of consistent and regular deliveries in the modern world's dynamic and tough economic environment. To be effective and long-term, such a relationship has to be useful to both parties - the purchasing and the supplier firms. Supply chain. According to Stevens, (1989), is defined as "The connected series of activities which is concerned with planning, co-coordinating and controlling material, parts and finished goods from suppliers to the customer"

"Performance on the other hand is how efficient and effective supplier relationship management results help in achieving organizational objectives" Lawer, (2001). "Performance is conceptualized as buyer's purchasing cost, innovation and financial performance, supplier's operational and strategic performance and dynamic quality performance" (Costen & Felder, (2005). "Research in supply chain management has recognized a number of key success features to improve overall performance of the supply chain, supply chain alliances are one of them. In the past years, supply alliance activities have revealed improved growth. Of these, relationships are the foundation on which an effective supply chain can be built. A closer and stronger relationship allows the channel members to achieve quality improvements, cost reductions and revenue growth as well as provide capability to deal with demand and supply uncertainties." (Lee et al., 1997). And, according to Hsu et al, (2008) "In a supply chain, relationships are not only used for connecting the firm with a partner, but also used to connect the firm throughout the supply chain."

This study set out to try and fill the research gap by looking at the supplier relationship management and performance of media firms in Kenya.

1.1.1 Supplier Relationship Management

According to Cavinato (2012), "the term "Supplier Relationship Management (SRM) refers to the practice and process of interacting with suppliers." "Supply chain specialist view SRM as a structured approach to defining what they need and want from a supplier and creating and managing the company-to-company link to obtain these needs. Formal or not, academic and consulting company research shows that organized approaches to supply and suppliers produce positive sourcing results."

Supplier relationship management acts as an important point between the organization and the final consumers. Organizations that have difficulties with their supply chain networks can adopt

Supplier Relationship Management practice to improve their supply chain efficiency. According to Hughes (2010) “inefficient supply chains were the major cause of poor organizational performance” he insisted that organizations with integrated supply chains recorded high profits than those who paid little attention to supply chains.

Rogers, (2001). “From strategic alliances literature, a particular manifestation of a long-term, collaborative relationship, suggests that buyers tend to prefer closer relationships when they wish to control the dependability of supply or impact supplier quality and delivery schedules.” Finch (2004). “Suppliers may be similarly motivated when they seek to secure long-term, reliable markets, or to influence customer quality.” Most literature on supplier relationships focuses on the attributes that underlie relationships, or examine how these relationships affect a firm’s performance. Qualities such as commitment, trust, collaboration, coordination, communication, flexibility as well as reliance, are extensively considered to be vital to supporting any meaningful relationships.

1.1.2 Organizational Performance

Cascio (2006) “defines performance as the degree of achievement to which employees fulfill the organizational mission at workplace.” Several scholars have defined performance in their own ways. However, most of the scholars link performance to the measurement of how transactional efficiency and effectiveness contributes towards an organization’s goals. Stannack (2009) “identified different thought, attitudes and beliefs of performance as it helps in measurement of input and output efficiency measures that lead to transactional association. The ability of an organization to start seamless relationship with resources presents effective and efficient management of resources." According to Daft (2000) "in order to achieve goals and objectives of organization strategies have been designed based on organizational performance."

Anderson et al., (2008), "noted that performance can be measured in several ways: sales, profit, productivity, revenue, dividends, growth, stock price, capital, cash flow, return on assets, return on capital, return on equity, return on investment, earnings per share as well as other financial ratios." Studies have observed the connections between relationships and performance. Johnston et al., (2004) "demonstrated advantages like: financial, lead time performance, improved responsiveness, customer loyalty, innovation, quality products, and reduction in inventory and improvements in product/process design." "Supplier alliances literature also provides empirical evidence of their benefits in terms of cycle time and new product development, delivery performance, flexibility, product availability and customer satisfaction" (Stank et al., 2001).

According to Kaplan and Norton (1992). "Balance Score card has been used to evaluate performance management of employees based upon perfect association between goods and services. The strategy is based on rationality and design which helps in making culture more effective. The four casual relationships between performance management and culture have been well-defined. The learning growth, customers, internal business process and financial reward management system helps in improving and presenting causal relationship. The focus of an organization for cooperative tool helps in improving communication among business performance."

1.1.3 Media Industry in Kenya

"The Media and Entertainment industry in Kenya was valued at $1.8 billion in 2014, up 13.3 per cent from 2013, when it stood at $1.6 billion and the market is expected to surpass the $3 billion mark in 2019 to reach $3.3 billion." This is according to PwC's report new report (2015) titled *Entertainment and media outlook.* "The report also revealed internet is expected to be the major driver of growth, followed by television and radio. Television advertising will surpass radio in 2016, and Internet advertising will see the fastest growth rate at a CAGR of 16.8 per cent." Traditional modes such as television, radio, magazines and newspapers continue to be the preferred choice for most of the advertisers in Kenya in the foreseeable future. "The report presents annual historical data for 2010-2014 and provides annual forecasts for 2015-2019 in 11 entertainment and media segments for South Africa, Nigeria and Kenya: the Internet, television, filmed entertainment, video games, business-to-business publishing, recorded music, newspaper publishing, magazine publishing, book publishing, out-of-home advertising and radio."

The Kenyan Media industry comprises 90 FM stations, in excess of 15 TV stations as well as an unverified newspapers and magazine publications. Media Council of Kenya, a statutory body, regulates the industry. This independent national institution was established by the Media Act of 2007 to oversee the regulation of media and also the conduct and discipline of the journalists operating in the country. "It is required amongst others to register and accredit journalists, register media establishments, handle complaints from the public and create and publish yearly media audit on the Media Freedom in Kenya." Muganda, (2007).

The Media Industry has immensely grown in the last two decades in comparable with the growth in democratic space, which shows a close linkage between the media and democracy. Broadcast and print media were strictly controlled before the 1990s and the number of broadcast outlets and the quality and vibrancy of print media have risen steadily since then. This is due to the liberalization of the media industry in 2010. Kenya Broadcasting Corporation, founded in 1928, was the sole operator of television and radio stations up till 1989 when Kenya Television Network (KTN) was established; a development that was a pioneer to a flood of new broadcast stations. The print media has been dominated by The Nation Media Group and The Standard, with other publications evolving and disappearing at various times Saurombe, (2006).

1.2 Research Problem

Supplier Relationship Management or SRM) is a component of supply chain management. It is concerned with firms' need to understand their most important suppliers and how to then focus their time and energy on ways of creating and maintaining even more effective and strategic relationships with them. In 2007, Krause, Handfield and Tyler "studied the impact of various aspects of SRM on buying firm performance, precisely on cost, quality, delivery, and flexibility, by measuring respondents from the electronic and automotive industries within the United States and found out that supplier relationship had a positive value on buying firms competitiveness."

"The media and entertainment industry was valued at $1.8 billion in 2014, up 13.3 per cent from 2013, when it stood at $1.6 billion." PwC issued a new report of media in Africa titled *Entertainment and media outlook* that focused on the years 2015 - 2019 *(*and focused on African giants South Africa, Nigeria and Kenya*)*. According to the report, the region's media market is bound to surpass the massive $3 billion mark by 2019 to reach $3.3 billion." The major players in the media industry in Kenya include: Nation Media Group, Royal Media Services, Standard Media Group, Media Max Network and Radio Africa Group. Frequent contact exists between the media players and the firms that supply them with goods and service. A long term relationship is therefore necessary between the two parties. Benefits that will accrue to the media firms' supplier relationship management practices are enormous.

Several studies have been conducted as pertains to supplier relationship management hence a great need to put more emphasis on the same. Flynn et al., (2000) "studied on the relationship between quality management and quality performance in UK. The findings showed that there is a positive correlation between quality management and quality performance." In (2014) Abdallah "studied the impact of supplier relationship management on competitive performance of manufacturing firms in Jordan." It was revealed that twin practices of a firm's supplier relationship management – that is the supplier partnership – as well as supplier lead time reduction considerably – and positively affected buying firm's competitive performance.

Prajogo et al., (2011) "also carried a study on the relationship between supplier management and firm operational performance. It was revealed that different supplier relationship management practices have diverse effects on different performance measures. Supplier valuation has a positive relationship with quality performance. Strategic long-term relationship and logistics integration have positive relationships with delivery, flexibility, and cost performance." Through a hypothetical viewpoint, this study authenticates the proportional contributions made by different types of resources to different performance measures.

Locally Ondieki and Biraori (2015) “examined the effect of supplier relationship management on the effectiveness of supply chain management in the Kenya public sector,” Kasisi, Kibet et al (2015) “also studied the effects of supplier relationship management on the performance of organizations in selected sugar companies in western Kenya,” In (2015) Tangus “examined the effect of supplier relationship management practices on performance of manufacturing firms in Kisumu county, Kenya,” and Wachira (2013) “studied supplier relationship management and supply chain performance in alcoholic beverage industry in Kenya.” None of the above studies looked at the media industry in Kenya. This study thus seeks to fill the evident research gap. The study set out to address this yawning knowledge gap through an attempt to answer the question: “What is the effect of supplier relationship management on the performance of media firms in Kenya?”

1.3 Research Objectives

1.3.1 General Objective

This study set out to investigate the relationship that exists between supplier relationship management and the business performance of media firms operating in Kenya.

1.3.2 Specific Objectives

The study was guided by these specific objectives:

(i) To determine the typology of Supplier Relationships in media firms in Kenya.

(ii) To determine the relationship existing between Suppliers Relationships and the business performance of the various media firms in Kenya.

1.4 Value of the Study

This study's findings and recommendations will be useful to logistics service providers and companies by assisting them to formulate strategic plans that target their procurement and supply management services effectively.

Scholars of economics, management, research methods, and procurement and supply management studies will find this study useful as a reference point. Additionally, future scholars can formulate further studies on the basis of this study's recommendations.

Government and regulatory agencies are likely to find this study's findings and recommendations useful in formulating new procurement and supply management laws, regulations and policies which can help regulate and operationalize the logistics industry.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a comprehensive review of literature that is considered significant in this research. It highlights the theoretical reviews, variables under study, conceptual framework, an empirical review, and critiques on other research done.

2.2 Theoretical review

A theory is a set of the basic assumptions used as the basis of human knowledge .According to Camp, (2010) "it is composed of logically interrelated, empirically confirmable prepositions." (Marriam, 2001) "Stated that theoretical framework provides the research the lens to view the world clearly."

2.2.1 The Resource Dependency Theory

Resource dependency theory states that to obtain resources, firms must relate with those who control them. Existence of a firm can be partly explained by its distinctive ability to effectively ensure resource continuity. According to (Pfeffer&Salancik, 1978). "Firms pursue to avoid reliance and external control, and try to retain their autonomy for independent action." Krapfel et al. (2011) "argued that the value of a relationship varies according to the willingness and ability of current exchange partners to provide adequate demand for existing and anticipated outputs, in light of the availability and cost of locating, qualifying and establishing relationships with an alternative exchange partner." "Relational power defines the sharing of added value, thus it is also important to explore how the power and dependency forms the relationship types" Cox (2005).

According to (Christopher, 2010). "The resource dependency perspective relationship formation states that to acquire resources, firms must interact with those who control them." "This reflects the uncertainties and risks that stem from an organization's dependence on its environment for needed resources the theory is consistent with prescriptions theory, variances in resource dependence enable power differentials that may be exploited by exchange partners" (Duffy, 2009). In (2007) Tim "explained that the theory is largely concerned with behaviors and formal and informal governance structures that enable firms to access needed resources while minimizing uncertainty and risk." Dependence between two parties can provoke development of cooperation this why a buying firm adopts a supplier partnership programs with a particular supplier. Simchi (2009) "argued that relationship degree and supplier dependence has been regularly found as a critical analyst of collaborative behaviors between buying and supplying firms." Supplier dependency is usually considered as a control factor while investigating the effect of supplier relationship on performance. Johnston (2010)" refer to resource dependency perspective and argued that the value of relationship varies according to the readiness and ability of current exchange partners to provide sufficient demand for current and expected outputs." "Prior supplier partnership studies leverage this theory to suggest that supplier partnership represents an effective means to establish relational governance structures that can diminish the risks associated with resource dependence" (Spekman, 2011).

2.2.2 Transaction Cost Theory

Transaction cost economics or TCE tries to explain the reason why organizations exist. "The theory bases its arguments on economics and originates its thoughts from Coase (1937) who upheld that if transaction cost are negligible or do not exist, then the organization as an economic activity is irrelevant because the contracting is costless. Thus, when running a firm there are always some transaction costs involved." According to (Williamson, 1979, 1986) "Transaction costs are the costs that arise from contracting e.g. negotiating and writing, and *ex post*, e.g. executing the contract and settling disputes. Transaction cost economics suggests that a firm organize its cross organizational activities to reduce production costs within the firm and transaction costs within markets." "TCE reflects that system use can lessen transaction costs like monitoring costs by specific asset investments, which reduce opportunistic behaviors" (Son, 2005).

"Transaction costs affect the firm's organization of their activities whether to move towards vertical integration (hierarchy) or to prefer market exchange. Amid the market and hierarchy option is a hybrid governance form – cooperation. Cooperation is a resourceful solution if it creates extra value compared to the market and hierarchy options" (Blomqvist et al., 2002). "Dynamics boosting cooperation include mutual dependency, a high degree of the frequency of transaction, the likelihood of sharing risks as well as the possibility of sharing information." "TCE is suitable when reviewing relationships, because it provides insights into the circumstances that cause the development of a closer relationship between the buyers and suppliers" (Heide& John, 1990). "Transaction costs are optimized if the relationship management is optimized according to the relationship type" (Krapfel et al., 1991). Also, Cox (1996), "argues that all arguments on the relationship form between the firm and its external environment must include the theory of TCE, because it presents the factors that determine the internal and external boundaries of the firm."

In effect to SRM systems, Narasimhan (2005) stated that accepting TCE theory in today's integrated supply chains which require collaboration at many levels and from various functions, executives are increasingly looking for advanced ways to influence existing and new supplier relationships for their expansionary pursuit." SRM is one approach to connect the different interests within the organization with the expansive supply chain. SRM finds and involves the right stakeholders to help create ownership of the relationship then drive effective communication and as well, align strategic objectives. This leads to a foundation for continuous efficiency improvements, such as cost reductions, risk mitigation or improved go-to-market times just as well as improved potential for disruptive innovation.

2.3 Supplier Relationship Management

According to Lindgreen and Wynstra (2005). "Two supplier relationship management types have emerged from both practice as well as academic research on the issue of how to optimally manage suppliers. They differentiated between two basic purchasing strategies, tactical and strategic or in other words, adversarial and partnership."

2.3.1 Adversarial Relationships

Adversarial relationship was first suggested by Porter (1985) to capitalize on bargaining power while diminishing dependency on suppliers. “He argued that in order to retain bargaining power, the buyers should source from many suppliers, commit short term contracts with the suppliers; share no information with suppliers regarding sales, cost, product design; and make (or receive) no improvement suggestions to (or from) suppliers.” Saunders (2011), p. 255) “states several features that depict the adversarial nature of a relationship between the buyer and supplier in a supply chain transaction. The relationship is supported when parties operate at arm's length with communication done in an official manner rather than by individual contact. In such a relationship, gains by one partner are seen as being at the expense of the other.”

Leenders and Flynn (2000). “ emphasizes that, a traditional relationship with suppliers is one that uses short-term contracts based primarily on price and that firms switch between traditional suppliers more frequently in search of the best price and may have an arm’s length, adversarial relationship with them.” Shapiro (1994). “also agrees with adversarial view citing that transactional relationships are commonly used where supplier relationships basically serve to facilitate the exchange process and fulfill the contract requirements.” Kaufmann and Stern (1988) “noted that in economic theory, dependence is traditionally regarded as something negative, hindering market forces to act in the most efficient manner, companies should enhance and reserve bargaining power by being independent.”

2.3.2 Collaborative Relationships

Lambert (2001) “defines a partnership as "a tailored business relationship based on mutual trust, openness, shared risk and shared rewards that results in business performance greater than would be achieved by two firms working together in the absence of partnership.” Hill (1995) and Sheard (1996) “refers to as best plan for winning and retaining business is for buyers and suppliers to collaborate.” Lajara and Lillo (2004) posit that the practice comprises choosing the “best” suppliers, proceeding to work closely with them and building long term relationships – all based on mutual needs and trust.” Sheard (1996) “further remarked that the concept means using the resources of a supplier to the maximum benefit possible.” Weitz and Bradford (1999) “supports the partnership approach arguing that it looks at a supplier as an extension of the buying organization specifically an extension of the purchaser’s research capabilities, storage, potentials, financial backing and manufacturing and quality control needs.”

Hunt and Morgan (1995) also detected this development. They “noticed a tendency among customers to move from an arm’s length relationship towards closer collaborative arrangements.” Horvath (2001) “suggested that collaboration through intellectual e-business networks would provide the competitive edge to all the participants in a value chain to prevail and grow. It is noted that collaborative partnerships can be achieved through trust and electronically mediated interchange.” According to a Myhr and Spekman (2005) study, “supply-chain partners can develop partnerships under variable conditions (especially the transactional types). This is by creating trust-based social foundations as well as using automatically arbitrated exchange. “Findings also revealed that electronically mediated exchange more readily improves collaboration in exchange relationships involving standardized products, while trust plays a larger role when customized products are being exchanged.” However, Bensaou (2000) “suggested a hybrid of the competitive model and a partnership model as another supplier relationship strategy.”

2.4 Supplier Relationship Management Practices

Firms are eager to receive regular deliveries that have the motivation to grow their suppliers then proceed to create close, strong relationships with them. Effectively incorporating suppliers into a firm’s supply chain is a key factor for firms to maintain their unique competitiveness. The practices that impact performance includes;

2.4.1 Supplier Quality

Due to the effect of globalization on markets, supply chains must be agile in providing fast and consistent delivery of superior products and services at the lowest possible cost. This is a key cornerstone for any organization to grow a viable competitive advantage and sustain its lead at the forefront of excellence in an even playing market field. According to (Wong & Wong, 2008). “Responsiveness of a supply chain does not depend solely on the single organization’s performance but on the suppliers’ performance as well.” Handfield and Nichols (2009)” stated that without a basis of effective supply chain organizational relationships, any effort to manage the flow of information or materials across the supply chain is likely to be unsuccessful.” Buyers depend on quality management by its suppliers and process competence and will also assume that incoming materials will be blemish free.” Where trust exists, “buyers and suppliers can share real time product demand, develop collaborative demand forecasts, work toward optimal inventory positions and customer service levels share procurement and design issues to improve quality and efficiency reducing cost and response time to customer request." (Stuart et al., 2011).

De Toni and Nassimbeni (2010) "specified that the removal of inspections of incoming materials can be achieved by significantly improving the quality of suppliers." This can be achieved by supplier certification on quality and provision of technical assistance and this would result in quality improvement, reduced costs and enhanced parts designs. (Heikkila, 2011). "States that inducements like long range relationship, contracts and commitment are anticipated to encourage suppliers to improve the quality of their products as suppliers account for almost 30% of quality related problems." According to (Burton, 2008). "Suppliers are involved early stages of design and development process. Their contribution ranges from simple consultation on design ideas to making suppliers fully responsible for the design of services they will supply." (Melissa et al., 2004). "It is therefore apparently clear that those firms operating in highly competitive markets put more efforts in their supplier development programmes." (Hahn et al., 2010).

In today's markets, quality is a requirement and considered as an entry level to the market place For instance, many major European companies have during the last decades encouraged their suppliers to develop their quality management system, use lean manufacturing techniques, implement a continuous improvement thinking, eradicate non value adding activity, pursue cost down activities, and focus solely on their core competencies and product lines. Key ideas of this principle are products. The International Organization of standard released its ISO 9001:2000 standards with practical version that justify the inclusion in this section that ISO calls for a Quality management system. The ideologies are to be used as a framework to guide organizations towards performance improvement.

2.4.2 Trust based Relationships

Trust is vital in supporting a multifaceted business network as well as ultimately contributing to a firm's growth. "It enables retail buyers as well as sellers to focus on strategic benefits of the particular relationship, and eventually improve performance in a supply chain relationships, plus firm's unique competitiveness and reduction of costs of transaction" (Noordewier et al. 2010). According to Anderson and Weitz (2009) "they demonstrated that trust is key in sustaining continuity in modern channel relationships thus leading to both cooperative norms and distributor satisfaction with financial performance." However, Beach (2012) "insisted that trust is key to any successful supplier relationship management." Good relationships are built on trust between the two parties this a firm should be able to identify a trustworthy partner to supply them goods and services. A good relationship is built on trust between the organization and the supplier.

In (1997) MacDuffie and Helper "deliberated on three types of trust; Competence trust: where supplier believes that the buying firm is able to perform what promised to perform. Contractual trust: a belief that the buying firm will continue its contracts. And Goodwill trust: a belief that the buying firm will avoid taking unfair advantage, and will always act on mutual benefit basis." Additionally, Heikkila (2011) as well as Kumar et al (1995) "pointed to two types of trust that are very close to the above; Trust in partner's reliability: trust on a firm's reliability to carry out tasks as agreed. Trust in the partner's benevolence: a belief that the other firm is interested in the partner's firm benefit and will not take actions that may unfavorably influence it." "Trust improves cooperation, reduce conflicts and enhances satisfaction through information sharing." (Martine &Grbac, 2013). The building of trust should concern of both parties, Spekman (2006)" resolved that trust is also important and beneficial to the supplier firm. Although trust building is a costly, difficult, and time consuming procedure, it leads to strong, successful, and long-term buyer-seller relationships.”

2.4.3 Supplier Collaboration

According to Foster (2005)” he described true collaboration as the ability to share information, competencies, skills, intelligence, and risks, and to then make appropriate commitments in terms of actions and business decisions.” However Togar (2002) “stated that optimum collaboration is achieved when collective intelligence is at its best in fact it goes beyond the sum of individual contributions. This can be achieved when you allow instant collaboration anywhere and at any time with both internal and external personnel, and when all of the information that is required is available and is used.”.As a result to SRM approaches, Spekman (2006) “recognized that a successful buyer-supplier collaborative relationship is often characterized by a high level of trust, commitment, shared values, and communication, and adaptation, positive bases of power, cooperation, and relationship.”

Collaboration between the two parties reflects the prospects of working together to attain mutual and individual goals jointly. (Cannon &Perreault 1999). “The cooperative inter-business relationship hinges on personal trust existing between business parties. A majority of business people report that the highly reliable sources of information stem from close relationships built within and among the cooperating business organizations. Without a close relationship, suppliers or buyers may not be willing to share information and will be less inclined to cooperate.” In (2002) Togar “established that supplier collaboration should be considered as an end-to-end process where all the end-to-end activities involved in the order cycle are aligned to deliver state-of-the-art performance." Its implementation is a transformational journey fraught with social, structural as well as technological challenges. Integration thus supports the data-based information exchanges necessary for supply chain harmonization, visibility and monitoring. Comparatively, collaboration determines whether excellence is won or lost." "It is the ability to share information, and to understand the capabilities that exist on each side, and to share risks and benefits." Handfield, (2002).

Foster (2005) "specified that collaboration institutes a dynamic and collective intelligence. Additionally, new technologies, such as the various business collaboration platforms on the market, are the technology facilitators behind this collaboration." Shalle, Guyo and Amuhaya (2014) "resolved that buyer/supplier collaboration improves procurement performance hence creating a competitive advantage through sharing information making joint decision, inter-organizational relationship. This specifies that the level of supply chain collaboration has an important interaction effect on the relation between external resources and buying firm performance, where collaborative forms of buyer-supplier exchange facilitate greater access to external resources." The results point to the receptiveness, elasticity, commitment as well as a belief that the trading partners are prepared to devote great energy to sustaining the current relationship.

2.5 Supplier Relationship Management and Organizational Performance

Tracking performance for continuous improvement is necessary in measuring and following how well an organization is addressing challenges from all aspects of the business and their key performance indicators. Metrics is one of the key supplier performance management indicators.

Rizza, (2006). However, companies have encountered several challenges in establishing effective metrics. Some of the challenges included too many metrics, metrics definition, changing metrics, old data, and getting around the system Hofman, (2006). Improving information flow can help significantly in reducing operational cost as well as facilitating better overall decision making Infor, (2007). “Some cases have shown supplier negotiations yield lower pricing as procurement managers leverage market pricing and incremental volume with their supply base.” (Hochman& Moyer, 2009).

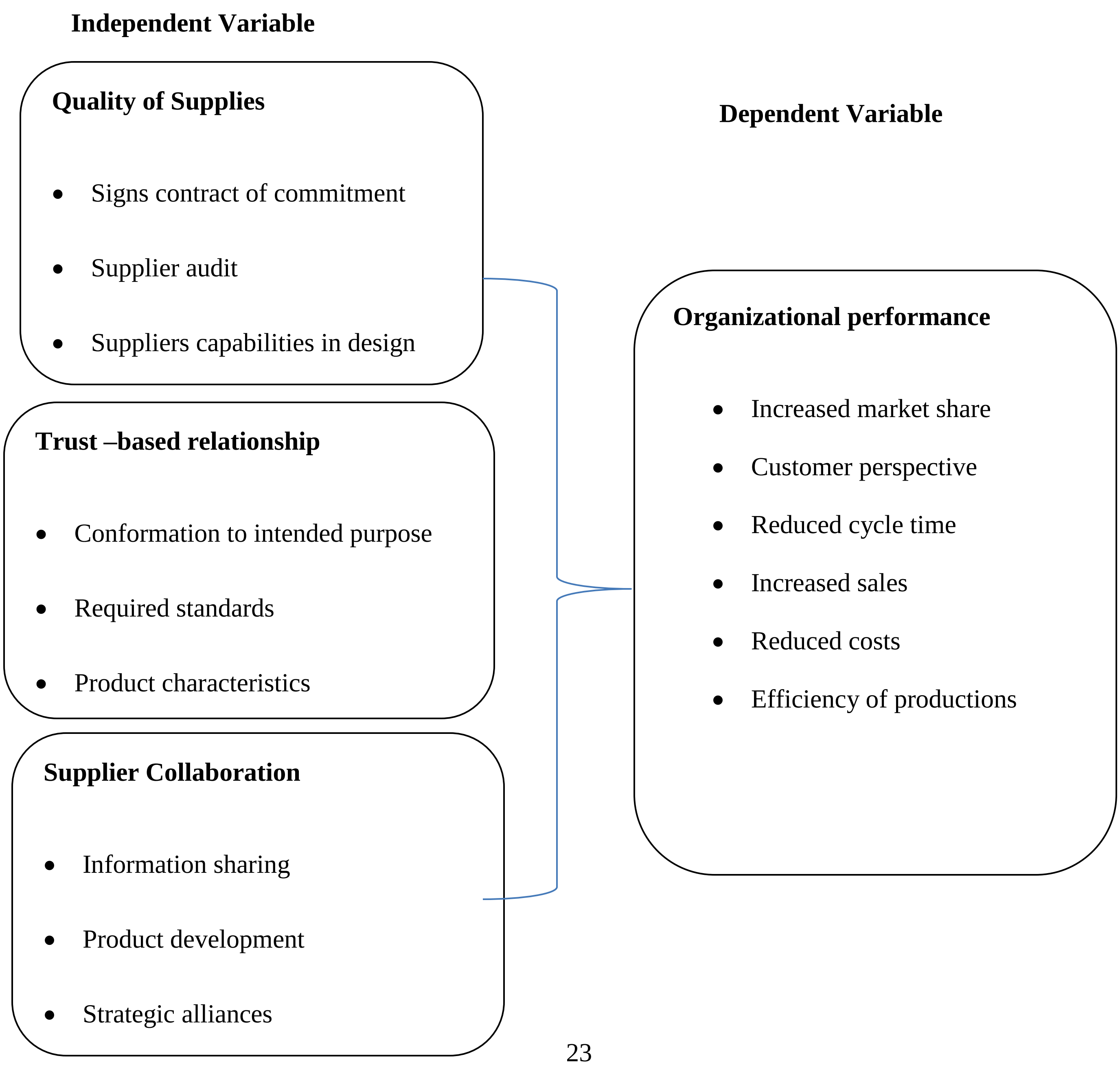
It is generally agreed that firms need to exhibit supply chain agility. However, no one has been able to agree on what it means or how to measure it. This is due to the various definitions of agility, which are often confusing and contradictory as well as having no tie to definitive measurements. “There are four dimensions when put together make up and define supply chain agility: speed, ease, predictability, and quality.” (Hofman&Cecere, 2005) “.In order for firms to maintain their competitiveness in modern markets, understanding their goals and the methods required in attaining those goals is quite critical to the organization’s success. Companies must be able to move rapidly and easily when there are changes in demands.” (Lambert, 2006)

Supply chain metrics usually comprise internal focused logistics measures that include fill rate, lead time, or on-time performance. The metrics that a firm uses and their relationship to its reward system drive its behavior. “Many excellent strategies, supported by finely tuned implementation plans, have failed because of inadequate or inappropriate measurement systems.” (Robeson &Copacino, 1994). These measures are usually financial, however, they do not offer understanding in how well key business procedures have been performed or how effective the supply chain has met customer needs. The metrics also fail to capture the overall performance of a firm’s supply chain and fails to identify opportunities to expand that would increase a firm’s competitiveness, discernible customer value, and the expected shareholder value for each of the organizations within the supply chain.

Lambert (2006) “identified factors that help in measuring of supply chain. These factors include: “a lack of clear measures to capture the performance recorded along the entire supply chain; the requirement to look beyond internal metrics and go on to adopt a supply chain perspective. Another key factor is the need to determine the existing interrelationship between a corporate’s and a supply chain’s performance. Also how complex a supply chain management is does matter? Another factor is the need for aligning activities and sharing joint performance measurement of information so as to implement the strategies that will help achieve set supply chain objectives. Also critical is the desire to ostensibly expand the "line of sight" throughout the supply chain. Another key factor is the requirement for firms to allocate the various benefits as well as burdens that arise from the functional shifts that emerge within the supply chain. Also, there is a need to deliberately differentiate the supply chain so as to obtain a clear competitive advantage. The other factor is goal of systematically encouraging cooperative behavior all across the range of corporate functions and across all the firms in the supply chain.” (p. 203). Moncka and Trent (1992), “launched a global procurement and supply chain management benchmarking initiative. The initiative was that companies participating in it would be able to compare their purchasing and supply chain processes, in order to exchange from and to learn from the best practices i.e. In -sourcing and outsourcings.”

2.6 Conceptual Framework

In a conceptual framework independent variables influences the dependent variable while a dependent variable is a criterion that can be predicted or explained. The dependent variable identified in this study is organizational performance with supplier relationship management set as the independent variable.



2.7 Empirical Studies

The aim of focusing on supplier relationship management is to allow firms to concentrate on the key competence of the firms, strategically move away from vertical integration to acquire a competitive edge strictly from a firm's supply side of its operations." (Leenders, Nollet&Ellram (1994). "Good suppliers may help firms in the course of developing new products and processes, offering long-term quality improvements as well as cost reductions. This can enhance delivery performance. Therefore, manufacturers face "the challenge of maximizing [supplier] performance better than competitors." (Monczka, Trent, & Callahan, (1993)

Supplier management, which is also known as supplier relationship management according to other research, is a critical issue for industrial firms. It was said it is useless for large firms to transform their production operations without the robust support of suppliers. (Burt, D.N., 1989) and, (Monczka, Trent, & Callahan, 1993) stated "we are starting to witness the positive and very strategic contribution that the buying and sourcing process may bring to a firm's overall performance'' Ikram (2002) "examined the relationship between power irregularity and suppliers "performance while ignoring supplier management practices." Ellitan (2003). "Only examined how competition intensity is linked with performance." Hoyt and Huq (2000) "studied the way supply chain relationships have advanced from transaction processes that were based on arms-length partner agreements to now collaborative processes that are founded on trust combined with information sharing." The scholars' findings revealed how important organizational context is and also how supplier management practices greatly influence supplier relationships.

PohLean, WaiPeng Wong, Ramayah&Jantan (2010) "analyzed the practices of supplier management's role on the impact of power irregularity and rivalry strength on the performances of suppliers. From the study high participation work practices in an organization are indeed important as it mediates the effect of competition strength on supplier quality and flexibility. The study also revealed that there is no single formula that can fit all situations. Firms need to understand their supplier management practices well so as to influence the organizational context of competition in the market and the power in managing performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter set a detailed outline of how research for this study was carried out. It presents the population of interest, the technique used in sampling, and measurements of the various variables employed in this study. The adopted data collection approach was outlined, in addition to enumerating the tools used in the data analysis.

3.2 Research Design

The study used a descriptive case study to justify the relationship between the independent and dependent variables. Cooper and Schindler (2000), say "a descriptive research design is concerned with finding out the; who, what, where, when and how much. Moreover, a structured research design has exploratory questions and part of formal studies." The chosen design was suitable because the key objective was to thoroughly explore the relationship and illustrates how the factors supported the matters under investigation.

3.3 Target Population

Target population denotes all members of a real or hypothetical set of people, proceedings or objects to which research results are generalized. Borg & Gall, (2003). It is also defined as a large population from which a small proportion of population is selected for observation and analysis. The populations of the study were managers of all the departments in the four media houses.

Table 3.1: Target Population

Category	**Number**
Nation Media Group	36
Standard Media Group	29
Royal Media Services	42
Media Max	21
Total	**128**

3.4 Sampling Procedures and Techniques

The stratified random of sampling method was applied to determine the sample size, because the population found in different media houses is considered heterogeneous. This implies that a simple random sample could not be considered representative. This, as Cooper and Schindler (2006) explain, ensures that each company department is properly represented. Next, a sample of 30% was picked from each layer through the process of simple random sampling. According to Kothari (2008), “a representative sample is one which is at least 30% of the population.” The sample selected was indicted in the Table 3.2.

Table 3. 2: Sample Population

Category of respondent	**Population frequency**	**Percentage**	**Sample size**
Nation Media Group	36	30%	11
Standard Media Group	29	30%	8
Royal Media Services	42	30%	13
Media Max	21	30%	6
Totals	**128**	30%	**38**

3.5 Data Collection

The procedure of data collection represents the actual information obtained for use in this research study; it includes raw facts like answered questionnaire's, recorded interviews and observed facts. The questionnaire was administered using the drop and pick method. It was delivered to and collected from the officers of the departments selected by the study. The researcher used a questionnaire as the study's primary data collection instrument. According to Sproul (1998), "a self-administered questionnaire is the only way to elicit self-report on people's opinion, attitudes, beliefs and values." The questionnaires were clearly divided into respective sections representing the different variables that were adopted for study. Every section of the study chosen includes closed-structured as well as open-ended questions which sought from the respondent their views, opinions and attitudes probably captured by the researcher. The questions were designed to collect both qualitative and quantitative data.

3.6 Data Analysis

Before the responses were processed, the researcher edited the completed questionnaires to ensure completeness and consistency. Using descriptive statistics, the collected quantitative data was analyzed to generate standard deviations, percentages, means and frequencies. This was by adding up all the responses then computing the percentages of variations in the responses as well as describing then interpreting the data according to the study's objectives and assumptions. As appropriate, tables and other graphical presentations were used for presenting the data collected. This was for the ease of understanding as well as analysis. Information generated was then interpreted and explained. The research used regression analysis to determine the relationship between supplier relationship management and performance.

The regression model to be used was:

$Y = \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + ẹ$

Where:

Y = Organizational performance

$\beta 0$ = Constant Term

β_1= Beta coefficients

X_1= Supplier Quality Improvement

X_2= Trust based relationship

X_3= Supplier Collaboration

ẹ= error term (This is a residual term that includes the overall effect of all other factors not included in the model and the measurement of errors in both the dependent and the independent variables as well).

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains the description of response rates, the verification of hypotheses. The findings were presented in mean and standard deviations, percentages and frequency distributions as well as tables. The study objectives were to establish the typology of supplier relationships in media firms and also to investigate what is the effect of supplier relationships management and the corporate performance of media firms operating in Kenya.

4.2 General information

A total of 38 questionnaires went out. They questionnaires then were checked for both their completeness and their consistency. Of the 38 questionnaires distributed, 29 were returned. This represented a reasonable response rate of 76.3%, considered enough in the comprehension of the objectives of a research as stated by Mugenda and Mugenda (2003), “stipulation that a response rate of 70% and over was adequate.”

The general information considered in this study included position in the media firm, number of employees and duration of media firm operation in Kenya.

Table 4.1: General information

Category	Item	Frequency	Percentage	Cumulative Percent
Position in Firm	Supply chain Logistics /Procurement Manager	9	31.1	30.3
	Supply Chain / Logistics /Procurement Officer	20	68.9	100.0
Number of employee	500 – 999	5	17.2	17.2
	1000 – 1499	9	31.1	48.3
	Above 1500	15	51.7	100.0
Duration of media firm in Kenya	11– 15 years	5	17.2	17.2
	Over 25 years	24	82.8	100.0

The results indicate that 68.9% of the respondents were supply chain / logistics /procurement Officer while 31.1% of the respondents were supply chain/ logistics /procurement Manager. The results indicate that majority of the respondent were supply chain / logistics /procurement officer and therefore they understand the supplier relationship management and performance.

The results show that 51.7% of the respondent indicated that the media firms have more than 1500 employees; 31.1% of all respondents showed the number of employees in the media firms to be between 1000 and 1499 while 17.2% of the respondents said that the employee figure in the media firms was 500 to 999. Employee numbers in the media firms vary and this is because of the size and operations of the media firms. From the data collected its evident that Nation Media

Group Royal Media Services and Standard Media Group and are big institutions with operations across broadcast and newspapers due to the high numbers of employees.

The results on the duration of the media firm's operations in Kenya indicate that 82.8% of the respondents said that the media firms have been in operation for over 25 years while 17.2% of the respondents said that the media firms have operated in the country continuously for a period of between 11 and 15 years. The results show that the media firms have been in operation for a long duration of time and therefore, they well understand the competitiveness of the market and the need to undertake supplier relationship management so as to have competitive advantage over its competitors. Since the liberalization of the media sector in 2004 through a law passed in the 2010 constitution in particular articles 33 and 34 led to the growth of the industry by 33% hence increase in competition in the industry.

4.3 Supplier Relationship Management

The respondents were requested to indicate the role supplier relationship management plays among the major media firms on a five-point Likert scale. The response ranged from 'strongly disagree (1)' all the way through to 'strongly agree (5). Scores of respondents' low level of practice usage represent a variable which had a below 3.0 mean score while the scores of above 3.0 represent respondents' agreement with the usage of marketing practice. A >1.0 standard deviation denotes quite a significant difference seen on the impact of the selected variable among respondents**.**

Table 4.2 : Supplier Relationship Management

Supplier Relationship Management	Mean	Std. Deviation
Foster business development and innovation by jointly identifying and implementing innovation and new market opportunities, sharing vision and strategy through joint planning early on to improve go-to-market time	4.181	.982
Enable continuous improvement of operations through long-term relationships with a firm’s suppliers, allowing for the creation of a more effective and efficient supply chain	4.060	.899
Drive supplier performance in a transparent and sustainable manner with strategic suppliers and collaboration partners	3.969	1.045
It assists in development of more responsive and competitive supply chains	3.818	.768
It allows procurement experts to gauge the evident success of the existing relationship and thereby, identify the areas that need improving.	3.697	1.103
SRM systems allow the users to conveniently store the agreements of the joint partnership’s activities in a central repository	3.454	.938
It gives users the flexibility to change agreements through mutual agreement, something that is useful in fast-changing and dynamic development projects	3.382	.768
SRM provides a concrete solution for a lack of formalization as well as control in the usually unclear process that is collaborative innovation	3.204	1.135

The results on the importance of supplier relationship management to the media firms was that it nurtures business growth and innovation by jointly identifying and implementing invention and new market opportunities, sharing vision and strategy through joint planning early on to improve lead time (M=4.182); assists in continuous improvement of operations through long-term relationships with suppliers and that it allows for the creation of a significantly effective and efficient supply chain (where M=4.061). In addition, the finding indicates that SRM drive supplier performance in a transparent and sustainable manner with strategic suppliers and collaboration partners (M=3.967) and that supplier relationship management assists in development of more responsive and competitive supply chains (M=3.818).

The respondent were also in agreement that supplier relationship management gives users the flexibility to change agreements through mutual agreement, something that is useful in fast-changing and dynamic development projects (M=3.182) and also that SRM offers a viable solution for a lack of formalization as well as control in the usually unclear process that is collaborative innovation(M=2.909).The findings were in agreement with Frohlich and Westbrook(2001) "who reported a consensus on the strategic importance of integrating suppliers, manufacturers and customers into value/Supply chains in order to benefit from complementary intellectual competence from partners to overcome threats and appreciate opportunities." In (2010)" Duffy on the other hand noted that supplier relationship management enables the firm to have a continuous enhancement of operations through long-term relationships with suppliers, allowing for the creation of a more effective and efficient supply chain; fostering business development and innovation by jointly identifying and implementing innovation and new market opportunities and sharing vision and strategy through joint planning early on to improve go-to market time."

4.4 Supplier Relationship Management in Kenya's Media Industry

Supplier relationship management enables the media firms to interact with their suppliers of various goods and services thus enhancing their supply chain efficiency.

4.4.1 Supplier Quality Improvement

The quality of suppliers that the media firms have contracted to provide various goods and services has an effect on the goods they supply thus the need to understand supplier quality improvement among the media firms. The results were presented in Table 4.3.

Supplier Quality Improvement	Mean	Std. Deviation
The company and suppliers signs contract of commitment	4.168	.979
The company considers supplier capabilities in the design	4.093	1.011
The company ensures their mutual benefits owing to any improvement efforts	4.067	.863
The company considerably improves the quality of its suppliers by vetting their respective services	3.943	1.071
The company provides technical assistance to suppliers in order to improve quality of their services	3.841	1.064
The company has long range relationship with suppliers	3.829	1.003
The company integrate and improve activities and processes	3.758	1.121
Exchange of information on issues affecting the business	3.124	.969

Table 4.3: Supplier Quality Improvement

The results indicate that in order to ensure that the media firms have a good supplier improvement, the firms and suppliers signs contract of commitment (M=4.168); considers supplier capabilities in the design (M=4.093); ensures there is mutual benefits owing to any improvement efforts (M=4.067) and that the companies considerably improve the quality of suppliers by vetting their services (M=3.943). The respondents further indicated that the companies provides technical assistance to suppliers in order to improve quality of their services (M=3.841); has long range relationship with suppliers (M=3.829); integrate and improve activities and processes (M=3.758) and that the companies exchange of information on issues affecting the business (M=3.124). The findings were in agreement with (Hahn et al., 2010). Who Stated that ''Looking for unique or competitive advantage from such supply chain practices as supplier relationship development owing to the competitive pressures such as a persistent demand for even better quality levels from customers, short product life cycles and innovations in technologies. Evidently then, firms that operate in a highly competitive markets should redouble the efforts they invest in programmes for developing their suppliers." The results of the study were also found to be consistent with De Toni and Nassimbeni (2010) "who revealed that the elimination of inspections of incoming materials can be only achieved by considerably improving the quality of suppliers." "Through supplier quality certification and provision of technical assistance these would result in improved quality, productivity, enhanced design on parts and cost reduction." (Lee & Ansari, 2005).On the other hand Williams (2006) "argued that delivering a high quality product and having a reliable customer base is crucial to gain a competitive edge in business."

4.4.2 Trust-Based Relationships with Suppliers

The trust between the media firms and the suppliers is important as it guarantees the media firm that the supplier is relied upon to supply goods and services to the organization on time.

Table 4.4 : Trust-Based Relationships with Suppliers

Trust-Based Relationships With Suppliers	Mean	Std. Deviation
The company is committed to preservation of good relationships with suppliers	4.272	.914
The company is willing to engage in future business opportunity with suppliers	4.154	.878
The company has put in place measures for effective information sharing with suppliers	4.068	1.175
The company considers how decisions affect all parties before implementation	4.026	1.143
At the company, procurement employees freely interact with suppliers	3.963	.883
The suppliers ensures that products are delivered to the company on time	3.818	.950
Our suppliers always inform us in advance when they expect disruptions in supplies	3.759	1.225

The finding indicate that the companies were committed to preservation of good relationships with suppliers (M=4.272); willing to engage in future business opportunity with suppliers (M=4.154) and that they have put in place measures for effective information sharing with suppliers and it considers how decisions affect all parties before implementation (M=4.068). The respondent further found out that the suppliers ensures that products are delivered to the company on time (M=3.818) and that suppliers always inform the companies in advance when they expect disruptions in supplies (M=3.759). The result indicated that trust-based relationships with suppliers has enabled the media firms to preserve good relations, share information with suppliers, ensure that products are delivered the company on time thus improving on supply chain efficiency that results in improved performance. The findings are similar to those of (Morgan & Hunt, 1994 as well as Doney & Cannon, 1997) "Trust between the buying firm and its suppliers would improve cooperation, enhance satisfaction, reduce conflicts, facilitate information exchange, and lead to long-term relationships." "Trust was considered a major factor for the superior performance of Japanese firms compared to British firms." (Sako, 1992).

4.3.3 Supplier Collaboration in New Product Development

Collaboration between the media firms and the supplier enables the firms to have commitment, shared values, communication and adaptation thus the need to understand the extent to which there is collaboration among the two institutions.

Table 4.5 Supplier Collaboration

Supplier Collaboration in New Product Development	Mean	Std. Deviation
The company is committed to building trust with suppliers	4.242	.791
There is a joint demand forecasting with suppliers	3.818	1.102
There are regular business plan meetings and operational business reviews	3.515	1.253
The company has established processes that encourage information sharing and transparency with suppliers	3.481	1.093
There are regular executive meetings between a firm and its suppliers	3.363	1.140
The company has official policies for suppliers development	3.221	1.672
There is a joint research and development with suppliers	2.878	1.053
The company regularly organizes for supplier summits	2.815	1.218
The company regularly organizes events to reward best performing suppliers	2.757	1.521

The result on supplier collaboration in new product development shows that media firm were committed to building trust with suppliers (M=4.242); have a joint demand forecasting with suppliers (M=3.818) and that the media firms have regular business plan meetings and operational business reviews (M=3.515). The respondents further said that the media firm establishes processes that encourage information sharing and transparency with suppliers (M=3.481); regular hold executive meetings between the company and the suppliers (M=3.363) and that the companies have official policies for suppliers development (M=3.221). The disagreed that there is a joint research and development with suppliers (M=2.878); companies regularly organizes for supplier summits (M=2.815) and that the companies regularly organizes events to reward best performing suppliers (M=2.7576). The findings were in agreement with those of Wachiuri & Waiganjo (2015) who stated that manufacturing firms ought to work closely with their suppliers, have long term collaborative relationships with them which in turn leads to a win- win and win more - win more situations.

4.5 Performance

Supplier relationship management is significant to the lasting feasibility of a company as it can help to create a competitive advantage over other organizations. “Performance improvement and competitive advantage can be achieved by collaborative relations with suppliers, which include: trust, supporting suppliers to improve their processes, information sharing, supplier involvement in new products development, and long-term relationships.” (Langfield-Smith & Greenwood, in their 1998 study).

4.5.1 Effect of Supplier Relationship Management on Performance Measures

The respondents were requested to indicate that whether supplier relationship management in media firms influences company performance.

Table 4.6: Effect of Supplier Relationship Management on Performance

Performance	Mean	Std. Deviation
Reduce cycle time	4.124	.801
It increases the company competitive positioning	3.997	.985
Improve efficiency of production operations	3.815	.784
It increases productivity of the company	3.743	.616
Reduce inventory	3.674	.711
Customer loyalty	3.666	.778
Improved customer satisfaction	3.391	1.015
Creation of value to customers	3.247	.829

The result indicated that supplier relationship management enables the media firms to reduce cycle time (M=4.124); increases company competitive positioning (M=3.997); improve efficiency of production operations (3.815) and that it increases productivity of the company (M=3.743). The respondents further noted that supplier relationship management ensures there is reduced inventory (M=3.674); customer loyalty (M=3.666); improved customer satisfaction (M=3.391) and that it results in creation of value to customers (M=3.247). The results show that supplier relationship management enables the media firms to reduce cycle time while ensuring that it increases company competitive positioning, improve efficiency of production operations, reduce inventory, customer loyalty and improved customer satisfaction. Revised literature reveals the benefits of practicing supplier development to be enormous to companies. “Although literature provides extensive support for the assertions that supplier development is an integrated means of achieving and sustaining competitive advantage through improved overall performance" (Hahn et a., 1990; Monczka et al., 1993; Hartley and Choi; 1996; Burt., 2003), "these studies have not identified specific efforts of supplier development that contribute to buyer performance." (Robinson& Malhortra, 2005). Moreover, no single study on supplier relationship management has been done on media firms in Kenya therefore, the contribution of this practice to performance of media firms in Kenya is not known.

4.5.1 Supplier relationship management and Performance

Supplier relationship management plays a major role on performance of the media companies and therefore the understanding of the effect of supplier relationship management on the increase or decrease on the performance measures. This would help the companies to know the extent of the percentage change against its competitors.

Table 4.7: Supplier relationship management and Performance

	Less than 33%	33% - 67%	More than 67%	Percentage
Change in market share	6.3	50.0	43.8	100.0
Change in sales volume	-	25.0	75.0	100.0
Profit increase from last year	12.5	50.0	37.5	100.0
Percentage of customer retained	6.3	31.3	62.5	100.0
Reduced Costs	34.5	48.3	17.2	100.0

The results indicates that 50% of the respondents said that the market share of the companies changes was between 33% and 67%; 43.8% of the respondents indicated the change in market share to be more than 67% while 6.3% of the respondents said that the change in market share of their companies was less than 33%. The results indicate that the adoption of supplier relationship management by the media companies has resulted in a higher increase in market share and therefore the companies ought to ensure that they maintain the same or change the strategies to ensure they remain competitive in the sector.

The findings on change in sales volume indicates that 75% of the respondents said that the change in sales volume was more than 67% while 25% of the respondents indicated that the sales volume change was between 33% and 67%. From the results, the companies' sales increased as a result of supplier relationship management and therefore they should continue using the relationship management practices that yields more return and maximizes on it.

The results on supplier relationship management's effect on profitability was that 50% of the respondents indicated increase in profits to be between 33% and 67%, 37.5% of the respondents noted that the increase was more than 67% while 12.5% of the respondents said that the increase in profits was less than 33%. From the results, conclusion is this: supplier relationship management hugely impacts media firms' profits.

The results on the percentage of customers retained, the results show that 62.5% of the respondents said that over 67% of the customers were retained as a result of supplier relationship management, 31.3% of the respondents rated the retention of customers to be between 33% and 67% while 6.3% of the customers indicated the retention rate to be less than 33%. The results show that the media firms have retained their customers as a result of supplier relationship management.

The results on the role of supplier relationship management on reduced costs, 48.3% of the respondents said that costs reduced by between 33% and 67%; 34.5% of the respondents indicated the cost reduction to be less than 33% while 17.2% of the respondents said that the media companies costs reduced by more than 67%. From the results, the adoption of supplier relationship management will see the media companies retain most of their initial market share and this means therefore that the market share gained, increase in sales volume, profits and reduced costs was as a result of supplier relationship management The findings were in agreement with those of (Williams, 2006). “Who asserted that supply chain management confers both long-term as well as short-tern objectives? Long-term objectives, however, include: creating value to a company’s customers, increasing profits, improving efficiency of production operations as well as increasing market share.” (According to Williams, 2006). “On the other hand, short-term objectives would generally include: improved productivity, reduce cycle time, and reduction of inventory.” (Wisner & Tan in a year 2000 study).

4.6 Relationship between Supplier Relationship Management and Performance

The relationship between supplier relationship management (as denoted by supplier quality improvement, cultivation of trust based relationship and enhanced supplier collaboration) and media firms’ performance was tested. This was done using the linear regression analysis approach, based on the regression model presented. Here is the model summary, ANOVA as well as the coefficients of regression.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691a	.478	.417	.90733

a. Predictors: (Constant), supplier quality improvement, trust-based relationship and supplier collaboration

From Table 4.8: the value of Adjusted R squared was 0.417 which indicates that the three independent variables, explain 41.7% of performance of media firms. This indicates that other factors that were not studied in this research generally contribute 58.3% of performance of Kenya-based media firms.

Table 4.9: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.562	3	6.521	7.921	.001[b]
	Residual	21.404	26	.823		
	Total	40.967	29			

From the ANOVA statistics, the study found out that the regression model's significance value was 0.001. This is less than 0.05. It therefore confirms that the model is statistically of significant importance in predicting supplier quality improvement, trust-based relationship as well as supplier collaboration. The F critical at 5% established level of significance was seen to be 3.23. Since F calculated is greater than the F critical (value = 7.921), it confirms that the overall model was quite significant.

Table 4.10: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.005	.717		2.796	.994
	Supplier quality improvement	.498	.174	.439	2.867	.008
	Trust based relationship	.401	.206	.324	1.945	.063
	Supplier collaboration	.133	.184	.121	.722	.077

a. Dependent Variable: Performance

From the data above, the generated regression was;

$Y = 2.005 + 0.498X_1 + 0.401X_2 + 0.133X_3$

4.7 Discussion of findings

From the above regression equation revealed that holding supplier quality improvement, trust-based relationship as well as supplier collaboration to a constant zero, the media firms' performance would stand at 2.005; a unit increase seen in supplier quality improvement would lead to an increase in a firm's performance. A unit increase registered in trust-based relationship would lead to an increase in a firm's performance and a unit increase in supplier collaboration would lead to increase in performance. At a 5% level of significance and also a 95% level of confidence, supplier quality improvement had a 0.008 level of significance; trust based relationship showed a 0.063 level of known significance, supplier collaboration had a 0.077 level of significance, and hence the most significant factor is trust based relationship. This means that supplier relationship management has an impact on media firm's performance and therefore should be considered by management of media firms.

Supplier relationship management or SRM is a vital exercise for the media firms. It enables them to ensure they consistently supply and make regular deliveries in the modern vibrant and highly competitive market environment. To be effective and long-term, such a relationship requires that supplier quality improvement is prioritized since it enables the firms to improve the company contract of commitment and supplier design capabilities, provides technical assistance to suppliers in order to improve quality of their services and integrate and improve activities

Trust-based relationship as one of the independent variable is very significant to the study as it improves trust between the purchasing firm and its suppliers. This would improve cooperation between the two parties, enhance customer satisfaction, reduce potential conflicts, facilitate rapid and seamless information exchange, and secure long-term relationships (according to Doney& Cannon, 2007). "Concluded that trust is also crucial and beneficial to the supplier firm, which has to make efforts to establish, extend, and retain the buying firm trust, especially when such trust can lead to more benefits for the supplier." This was found to be consistent with the results of this study which found that trust-based relationships with suppliers has enabled the media firms to preserve good relations, share information with suppliers, ensure that products are delivered to the company on time.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the key study's findings as well as the conclusions, limitations of the study, and its specific recommendations for further research.

5.2 Summary of the Findings

The objective of this research was to establish the existing relationship between supplier relationship management and performance of media firms operating within Kenya. The findings from this research can confirm that supplier relationship management and performance is important to media firm because it enables continuous improvement of operations through long-term relationships with suppliers which create more effective and efficient supply chain.The findings also revealed that supplier quality improvement enables media firm and supplier to sign a contract of commitment for better technical assistance to improve quality of their services and long range relationship. In addition, the trust-based relationships with suppliers in media firm are committed to preservation of good relationships and willing to engage in future business opportunity.

Trust between the media firms and their suppliers is important for smooth collaboration between the two entities and this was confirmed by the results of the study which found that trust-based relationships with suppliers has enabled the media firms to preserve good relations, share information with suppliers, ensure that products are delivered to the company on time.

Supplier Collaboration between the media firms and the suppliers enables an endwise process that aligns the activities involved in the ordering process so that they deliver advanced performance. The study revealed that supplier collaboration has seen the media firms and the suppliers hold regular business plan meetings, operational business reviews, encourage information sharing and transparency.

The study also reveals that supplier relationship management among the media firms was found to be important as it enables the firms to reduce cycle time while ensuring that it increases company competitive positioning, improves efficiency of production operations and reduce inventory. The study further found out that SRM was vital as it allows the firms to grow its market share, reduce costs, and enable the firms to retain its customers, through loyalty and satisfaction.

5.3 Conclusion

Firms cannot simply depend on their evident resources and capabilities to significantly improve performance. Supplier relationship is a key pillar in enhancing competitive performance. Firms are highly advised to appreciate SRM's significance in order to achieve improved performance. Based on the research findings as well as the theoretical discoveries of other scholars, the conclusion is that the supplier relationship management has effect on media firm performance. It can also be said supplier relationship management enables continuous improvement of operations through long-term relationships with suppliers which create effective and efficient supply chain.In addition, supplier quality improvement enables media firm and supplier to sign a contract of commitment for better technical assistance to improve quality of their services and long range relationship.

Therefore, supplier relationship management enables media firm's to improve on customer satisfaction, efficiency in production operations, and increases the competitive positioning. The study also concluded that supplier relationship management influences change in market share, sales volume and percentage of customer retained. The study found SRM to have a substantial and substantially positive effect on the performance of media firms operating within Kenya .They further showed that organizations that put in place appropriate SRM practices would boost their performance significantly.

5.4 Recommendation for Policy Implications

The study found out that supplier relationship management enabled the media firms to improve corporate performance. It recommends that the management of the media firms should adopt more supplier relationship management initiatives that would ensure that there is sufficient collaboration between the two entities. The study also recommends that supply chain relationships should be evaluated carefully with the results being fed back to the procuring system while considering costs and benefits. The organization should have adequate knowledge and should exhibit openness to new or innovative and effective methods during evaluation of tenders for supply chain performance. Employees should be equipped with requisite skills and competencies that they will need to not only design but also manage contracts (this includes the associated training as well as after-sales service). Firms should employ human resources boasting specific training and provide appropriate equipment necessary for performing functional and environmental tests. This would enable the firm to accept readily the end product and also to verify procurement performance.

The study also recommends that the media firms should craft policies that promote best SRM initiatives. This includes involving suppliers in conflict management, training suppliers in organizational needs, total supplier involvement in new product development stages, supplier development plans, network meetings with all the firm's suppliers, measurement of supplier performance and informing them the results as well as enhancing capabilities to improve corporate data and communication flow, over and above other related initiatives.

The media firms should create supporting structures of know-how with public authorities' help that have a review of research and development as core business. They should also introduce clear incentives and offer them to partner procuring private authorities (or the procuring entity) by stating that 1% of the total volume of procurements will be allocated to supplier relationship management. This way, supplier relationship management can emerge a strategic issue for the media firms in Kenya.

5.5 Limitations of the Study

This study's major weakness is that its scope was limited. This means that the findings are not overly detailed or comprehensive. This study was conducted with a strong presence of employees working at media firm. It is possible that this experience and working environment contributed significantly to their perceptions of the influence of compensation policy on employee commitment. There is need therefore to also get the views of populace in the county. Further, the study used a descriptive research design and there is need to employ various inferential techniques to validate further the results.

This study was carried out when the media industry was experiencing instability i.e., retrenchment due to closure of some business segment due to low profits. This may have caused subjectivity or biasedness' or dishonest responses or answers since they were all commenting on their respective employers. A bigger number of respondents would have contributed towards increasing the representation of respondents that participated in this study. This would have permitted better checking of the consistency of the information volunteered.

The limitation of the study was that the type of measurement scale used by this research probably did not capture all the practices that the media firms implemented. The study sample size represents yet another limitation. These limitations aside, the findings that this paper presents bear important policy implications.

5.6 Recommendation for Further Research

The research suggests that further investigation on supplier relationship management and performance of media firms in Kenya should be done. Similar studies ought to be done in other sectors and comparisons made regarding how supplier relationship management affects performance. In addition, other researchers can test other moderators on the supplier relationship management and performance and identify which of the variables have the most significance.

The study also recommends that Media Firms should review their supplier relationships in procurement function improve overall organizational performance. Media firms should also improve on supplier training and collaboration for more effective supplier relationships.

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APPENDICES

Appendix I: Research Questionnaire

Please give answers in the spaces provided on the effect of supplier relationship management on the performance of media firms in Kenya.

SECTION A: GENERAL INFORMATION

1. Which Media house do you work for?..

2. What is your position in this organization?

a) Supply chain Manager / Logistics Manager /Procurement Manager

b) Supply Chain officer/ Logistics Officer /Procurement Officer

c) Others (please specify) ____

3. How many employees are there in your company?

a) Less than 499( ) b) 500 – 999 ( )

c) 1000 – 1499 ( ) d) Above 1500 ( )

4. For how long has your company been in operation in Kenya?

a) Under 5 years ( ) b) 6 – 10 years ( )

c) 11 – 15 years ( ) d) 16 – 20 years ( )

e) Over 25 years ( )

SECTION B: Supplier Relationship Management

5. To what extent do you agree with the following statements on supplier's relationship management in your organization? The scale below will be applicable: 1= Very small extent2= Small extent 3= Moderate extent 4= Large extent 5=Very large extent.

Supplier Relationship Management	**1**	**2**	**3**	**4**	**5**
SRM systems allow users to store all of the agreements relating to joint partnership activities in a central repository					
they allow users the flexibility to alter agreements by mutual agreement, which is useful in fast changing dynamic development projects					
It allows procurement professionals to measure the success of the relationship and identify areas for improvement					
SRM offers a solution for a lack of formalization and control in an often unclear process of collaborative innovation					
It assists in development of more responsive and competitive supply chains					
Drive supplier performance in a transparent and sustainable manner with strategic suppliers and collaboration partners					
Enable continuous improvement of operations through long-term relationships with suppliers, allowing for the creation of a more effective and efficient supply chain					
Foster business development and innovation by jointly identifying and implementing innovation and new market opportunities, sharing vision and strategy through joint planning early on to improve go-to-market time					

SECTION C: Supplier Relationship Management in the Industry

6. To what extent do you agree with the following statements on the supplier relationship management practices in your company? Use 1 – Strongly disagree, 2 –Disagree, 3-Moderate extent, 3– Agree and 4-Strongly agree.

Supplier Quality Improvement	**1**	**2**	**3**	**4**	**5**
The company considerably improving the quality of suppliers by vetting their services					
The company provides technical assistance to suppliers in order to improve quality of their services					
The company has long range relationship with suppliers					
The company and suppliers signs contract of commitment					
Exchange of information on issues affecting the business					
The company ensures their mutual benefits as a result of any improvement efforts					
The company integrate and improve activities and processes					
The company considers supplier capabilities in the design					
Trust-Based Relationships With Suppliers	**1**	**2**	**3**	**4**	**5**
Our suppliers always inform us in advance when they expect disruptions in supplies					
The suppliers ensures that products are delivered to the company on time					
At the company, procurement employees freely interact with suppliers					
The company has put in place measures for effective information sharing with suppliers					
The company is committed to preservation of good relationships with suppliers					
The company is willing to engage in future business opportunity with suppliers					
The company considers how decisions affect all parties before implementation					
Supplier Collaboration in New Product Development	**1**	**2**	**3**	**4**	**5**
There is a joint research and development with suppliers					
There are regular business plan meetings and operational business reviews					
There are regular executive meetings between the company and the suppliers					
The company regularly organizes for supplier summits					
The company has established processes that encourage information sharing and transparency with suppliers					
The company is committed to building trust with suppliers					
There is a joint demand forecasting with suppliers					
The company regularly organizes events to reward best performing suppliers					
The company has officials policies for suppliers development					

SECTION D: Organization Performance

7. To what extent has supplier relationship management in your company influenced the following performance measures? Use 1 – Disagree, 2 – Moderate extent and 3 – Agree.

Performance	**Disagree**	**Moderate extent**	**Agree**
Improved customer satisfaction			
Customer Loyalty			
Creation of value to customers			
improve efficiency of production operations			
It increases productivity of the company			
It increases the company competitive positioning			
Reduce cycle time			
Reduce inventory			

8. To what extent has innovations in your company influenced the following performance measures? Use 1- less than 33%, 2-between 33% and 67%, 3- more than 67%.

Performance	**1**	**2**	**3**
Change in market share			
Change in sales volume			
Profit increase from last year			
Percentage of customer retained			
Reduced costs			

THANK YOU FOR YOUR PARTICIPATION IN THIS STUDY