

**SUPPLIER PARTNERSHIPS AND CUSTOMER SATISFACTION. A
CASE STUDY OF THE SAROVA HOTELS**

MAGUTO ELIZABETH KWAMBOKA

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENT OF THE AWARD OF MASTERS OF BUSINESS
ADMINISTRATION IN SUPPLY CHAIN MANAGEMENT SCHOOL OF
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DEDICATION

I dedicate this project to GOD ALMIGHTY for the unconditional support, guidance and strength HE has given me in carrying out this study.

Secondly, I thank my family for being there for me at all times and giving me moral and emotional support at all times while carrying out the research.

Lastly, I thank my workmates, relatives and friends who stood by me and assisted me wherever I need assistance.

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ABSTRACT

The main purpose of this study is to assess the impact of supplier partnerships on customer satisfaction. Effective supplier partnership has become a potentially valuable way of satisfying customers and improving the customer delivery services in organizations today. In the past competition was mainly between organizations but now it is among supply chains. The study looks at the extent of supplier partnerships in Sarova Hotels and the effect of supplier partnerships on customer's satisfaction. The objective of the study was to establish the extent of supplier partnerships and determine the effect of supplier partnership on Sarova Hotel. The study used field data to derive findings. The research involved a descriptive research study design that was carried out, whose sample was of 28 participants were selected from a target population of 50 in Sarova Hotels. Simple random sampling was used to come up with the sample size since the population was drawn from different departments in the hotel. Questionnaires were used to gather data and also descriptive analysis was used to analyze the data which was used to analyze the data and was presented in terms of frequencies, mean, graphs, pie charts, tables, percentages and standard deviation.. The demographic information results indicated that most of the staff had worked for the firm for a period between 1 – 5 years with a percentage of 75% and 3.6% of staff that worked 16 years and above. This however was not the expectation of the researcher since the firm has been in existence for over 50 years and older staffs were expected to be working in the firm and provide in depth information to the researcher. The results provide evidence of a positive and significant of supplier partnership on customer satisfaction in Sarova Hotels. The study also shows that most of the participants agreed that supplier partnership has led to increased customer trust, improved service delivery and increased number of customers received having a level of agreement of 4.385 with 0.885 having deviated from the mean, on the other

hand, a mean of 3.923 with 0.755 having deviated from the mean which is the lowest mean compared to other mean indicating that the high number of response of neutrality in the improvement of sales after the hotel entered into partnerships with the supplier's.

The study also showed the response of the respondents basing on the extent they agreed or disagreed on the effect of supplier partnership on customer satisfaction. The results of the study showed that the highest mean is 4.385 with 0.885 having deviated from the mean which indicated that most of the participants agreed that after partnering with the suppliers Sarova Hotels marked increase on the number of customers it is receiving, whereas, the lowest mean is 3.923 with a standard deviation of 0.755 which indicated that most of the respondents strongly disagreed with the statement of Customers having become loyal to Sarova Hotels despite other upcoming competitors due to the partnership.

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CHAPTER ONE

INTRODUCTION

1.1 Background of The Study

According to Gold, Seuring and Beske (2010) gaining an understanding of supply chain management and putting it in practice by organizations has essential prerequisite for the survival of organizations in the competitive business environment today. In maintaining the business competitive edge in the market, organizations have to become aware of the importance of integrating suppliers, customers and manufacturers. Moreover, due to the advanced technology and rapid growth of the economy globally, organizations have been prompted to enter into partnerships for better results aimed at satisfying their customers, delivering high quality products and offering quality services that is beyond the customer's expectations.

Lambert et al., (1998) classified partners in supply chain into two different types: primary and supporting partners whereby primary partners are business units that are strategically placed to perform operational or managerial activities made to bring a particular product or service for certain customers or market such as manufacturers of Apple products, while the supporting partners are establishments that offer resources such as application software and assets which offer knowledge in managing supply chain. According to Hokey (2015), the supporting partners can be consulting firms, educational institutions and transportation carriers. It is also important to note that firms can become both partners in primary level and partners in the supportive level concurrently in the supply chain. This means that organization can be performing the primary

activities which are related to one process and supportive activities that are also related to another process.

1.1.1 Suppliers Partnerships

Today most organizations are partnering with others firms globally overlooking the geographical boundaries. Firms began to perceive that it is not all about improving the organizations effectiveness but is also by partnering with other similar minded organizations which will improve their effectiveness (Chonticho, 2011). When organizations partner with one another there are various advantages they gain since they have a common goal that is aligned to the success of the organizations. For instance, there is sharing of information resources, knowledge, risks and profits. In addition, organizations will be able to learn new things from one another as there will be new customer bases gained and accessed, also there is risk sharing. According to Hokey, (2015) the real-time communication causes a collaborative relationship between the organizations hence builds mutual trust among the supplying partners and also builds the technical platforms such as the enterprise resource planning and warehouse management systems for information transactions. The mutual trust between the firms solidifies the electronic links among supplier partnerships thus enabling the organization to improve on the downstream suppliers services in satisfying their customers.

1.1.2 Customer Satisfaction

According to Boone and Kurtz (2013), customer satisfaction is the rate at which the customers are satisfied with the services or products delivered to them. Most organizations identify customer satisfaction in terms of the on time deliveries of goods/ services (Lagat et al., 2016). For customer satisfaction organizations are required to meet the expectations of their customers.

This is only possible when organizations respond on time on the customer needs, ensure the products are available, and have vendor partnerships where there will be information sharing regarding the sales, sales forecast that will enable the organizations to work together with deeper understanding of how the goods and services in the organization are flowing hence meeting the customer needs on timely basis (Lee & Klemer, 2001). This will build trust in the customers towards the partnering organizations.

1.1.3 Sarova Hotels

According to Sarova hotels (2019), the Sarova Panafric hotel was founded in 1965 by the late Jomo Kenyatta who was the first president of Kenya. The first Sarova Hotel established was the Sarova Panafric Hotel which was adopted by the president since he had been a staunch supporter of Pan African Movement. The hotel was first established with one block that had 100 rooms. In 1969, the second block was established opening doors for other blocks that is other Sarova branches such as Sarova Stanley, Sarova Whitesands Beach Resort among others in the country. The Panafric Sarova Hotel is the headquarter of all other Sarova hotels. Main operations and activities are done there. The hotel has been in existence for over thirty decades and has partnered with various suppliers such as Safaricom Limited, Farmers choice, Shieffield Steel Systems Limited, City General Limited, Kilimani Green Grocers, Nairobi Bottlers, among many others. This is a strategic supplier partnership in supply chain management which plays a major and very important role (Wisner, 2003). The close relationship between the partners builds mutual trust, leads to sharing of risks and rewards and also leads to long-term relationship (Thatte, 2007). The ability of Sarova Hotels working together for a longer period of time with its partners enables them to have a smooth flow of communication between thus enabling them to

deliver appropriate products and service both locally and globally at the right time, place, quality, quantity and right price. In the long run, they will not only satisfy their customers but will also cause them to become loyal to them, as a result retain them too.

When suppliers partner, they usually experience a lot of information sharing between them. Chopra & Meindl (2004), states that information serves as a link between the different phases of a supply chain, allowing the supplier partners to put together their actions and increase inventory visibility. A successful integrated supply chain is embedded on the supplier's partnerships relationship since they share real-time information and synchronize it. Such transactions between the Sarova Panafric Hotels and their supplier partners greatly contribute to customer satisfaction.

1.2 Problem Statement

The impact of supplier partnership on customer satisfaction in organizations is an important academic area of interest and business in the world today. Various researches carried out around the world mainly major their investigations on how supplier partnerships benefit the organizations. A close examination on previous studies by (Vikram, 2011) was a study that the researcher carried out in India where he was investigating on how supplier partnerships influence information quality, supply chain flexibility, supply chain integration and the organization's performance. Another study carried by Aguset. al., (2010), investigating on how strategic supplier partnerships in supply chain management in enhancing product quality performance and business performance. Also, another study was carried out by Weiss and Rafal (2010), that investigated on building partnerships with suppliers as a new trend in management on the other hand, Kosgei & Gitau (2016), carried a study that investigated on the effect of supplier relationship management on organizational performance.

The studies above failed to show the link of how supplier partnerships have an impact on customer satisfaction. It should be noted that all organizations in the world exist due to the customers who purchase their services or products. This study seeks to bridge the gap by providing more knowledge on the impact of supplier partnerships on customer satisfaction in organization with specific reference to the Sarova Hotels. The study will therefore focus on the effect of Supplier partnerships in Sarova Hotels and the effect of supplier partnership on customer's satisfaction.

1.3 Research Objectives

1.3.1 General Objectives

The study seeks to investigate the impact of supplier partnerships on customer satisfaction in Sarova Hotels.

1.3.2 Specific Objectives

- i. To establish the extent of supplier partnerships in Sarova Hotels.
- ii. To determine the effect of supplier partnerships on customers satisfaction.

1.4 Value of the Study

This study will greatly assist the organizations since it reveals the importance of supplier partnerships across the globe. For instance, through supplier partnerships organizations enjoy discharging the services to their customers since there is a decrease in risk as the buyers are able to concentrate on managing risk effectively, have improved planning due to information sharing between the partners and also, there is reduced administration and sourcing due the transfer of technology between the organizations.

This study will assist the government through the increase of revenue that organizations will be making as a result of the partnerships. In this case, organizations would have gained new customer bases and access bringing in more income to the company which will cause the government to receive more taxes. In addition, the government will be able to make statistics of organizations that have partnered with other businesses, as a result sensitize and encourage other organizations to engage in partnerships for better customer service delivery.

Thirdly, the study will help the academicians and practitioners, as it will enable them to dig deeper on the topic and provide more information that will assist supplier partnerships. Moreover, the academicians will be able to find research gaps and conduct future research on them hence filling the gaps as result improve on supplier partnership and provide solutions in both the internal and external environment.

CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter consists of literature review that is concerned with the following subheadings namely theoretical literature review, supplier partnerships on organization, the impact of supplier partnerships on customers satisfaction and the conceptual framework.

2.2 Theoretical Literature Review

This study is mainly focused with the impact of supply chain partnerships on customer satisfaction. The following are theories providing more details related on the topic.

2.2.1 Supply Chain Partnership Theory

Croom et. al (2001), states that Supply Chain Partnerships theory is applied on companies that are involved in long term and frequent transactions which are usually given incentives not to engage in opportunistic behavior to build trust. Different companies use different approaches in managing their suppliers some establish partnerships while others alliances (Pyke and Johnson, 2003). To add on this, according to Flynn et. al.,(2010) due to increased pressure for better performance on factors such as product development and cost reduction a majority of the companies have entered into supplier integrations and supply chain partners. This theory is relevant to this study since its focusing on supplier partnerships in Sarova Hotels whereby there is high information and resource sharing, long-term interactions and access of new customer bases, will cause the organizations to give incentives to their employees in a way of curbing opportunistic behaviors. Vierra et. al., (2012), argues that organizations despite organizations giving their partners incentives to build trust there are other factors surrounding the business

transaction to loss trust in them in spite of being given incentives. Trust between the partners can be lost due to the partners unreliability, uncertainty of quality and timelessness.

2.2.2 Theory of commitment- Trust Model

Johnston et. al., (2004) describes trust as a very important factor in partnerships development among different supply chain agents and is differentiated between interfirm and interpersonal trust. Dyer and Chu (2003), states that the interfirm relationships leads to creation of trust and is related to country's cultural context. For example a meritorious study discovered as high level of trust in Korea, USA and Japan (Dyer &Chu, 2003). The theory of commitment- Trust model requires a high level of trust that leads to better interactions between Sarova Hotels and its supplier partners. Due to trust between the organizations commitment is also required to facilitate smooth and easy flow of operations in the organizations. This theory increases the interest of Sarova Hotels and its supplier partners since there is cooperation, understanding and communication between the organizations which reduces uncertainties (Weng and Huang, 2012). This theory leads to high increase of value benefits that are marked partners thus reducing partner's rate of leaving and causes supply chain cooperation efficiency. The theory is relevant to the study since supplier partnerships are mainly based on two main factors which are trust and commitment. For any supplier partnership to succeed the two factors mentioned need to be embraced. However, some of the supplier partners are not trust worthy and neither are they committed. Some of the supplier partners have conflict of interest where they rely heavily on their partnering suppliers and contribute sparingly towards the organizations goal. Despite the commitment- Trust theory model being very important, is not applicable to all supplier partnerships due to the selfish motives displayed.

2.2.3 Disconfirmation Theory Model

Mattila, and O'Neill (2005) states that disconfirmation theory states that satisfaction is related to the direction and size of the disconfirmation experiences that happens due to the service comparisons in performance against expectations. Satisfaction comes as a result of direct contact with the services or products as a result of, comparing perceptions against a standard. Mattila, and O'Neill (2005), further explain that the service delivery is more important than the service process outcome, and when the guest's perceptions do not meet their desired service outcome they experience dissatisfaction. Ekinici and Sirakaya (2006), assert that it is an individual's judgment towards a product or service or service features that offers a desirable level of usage that is related to fulfillment which is inclusive of the levels of under or over-fulfillment. Some supplier's partner with one another due to the performance the other organization has showed over the years. This prompts organizations such as Sarova Hotels to partner with its suppliers after seeing positive progression in terms of performance and profits hence want to achieve the same. However, this is usually not the case to some supplier partners whose expectations have not been met. Some organizations partner with high expectation of increase of sales and profit, but instead after partnering they become dissatisfied since they do not get the potential value they expected and also because the motivation of the staff and culture of workplace is interrupted due to the partnership process.

2.3 Supplier Partnerships

For organizations to come together and partner there must trust between the two organizations. Ganesan's (1994) defines trust as an expectation that brings about an exchange partner that is brought forth by the results of the partner's expertise, intentionality and reliability. Sarova Hotels

has to develop trust by keeping their promises as they enter into partnerships and should remain committed so that they establish long-term relationship which will maintain a valued partnership between the organizations. Successful partnering between Sarova Hotels and its supplier partners has direct impact on their customers since they transfer of technology between the two of them and share vast of information, as a result, the customers and the partnering organizations needs are met. Kosgei&Gitau (2016), state that through several relationship-building events, the business shows its commitment to its suppliers. In addition, the commitment and trust based on the relationship between Sarova Hotels and its partnering suppliers will result to cooperation between the partners thus achieving their goals which in turn will satisfy their customers due to improved customer service delivery.

Humphrey &Schimtz (2002), define partnerships as cooperation between companies of similar power and size. Overtime the internal supply chain relationships occur in various styles of relationship and change the suppliers among different styles depending on the performance as time goes by. Viera (2012) states that Supplier partnerships reduces the need for buyers and suppliers spending longer time and effort on negotiations, meetings and writing of bulky contracts for the purpose of protecting their investments relationships. Therefore due to this kind of relationship the Sarova Hotels customers were able to get their products or services easily and on time. This will meet their expectations and desires. There are therefore various forms of supplier partnerships used by organizations to not only improve their operations but also satisfy their customers namely; Partnerships, collaboration/alliances, Integration, Mergers/acquisitions. The paragraphs below have provided more information about each form of supplier partnership and explaining how they will satisfy the Sarova Hotels customers.

2.3.1 Collaborations

Vereecke&Muylle (2006) supplier partnerships can occur through collaborations and information sharing. To illustrate this, information sharing includes planning and delivery of information and also the exchange of forecasting while structural collaboration includes the collocation of plants and use of Kan Ban system in the period between 2000- 2002 where and empirical test was conducted on the effect of collaboration on performance improvement in assembling and engineering industries in 16 countries. It was concluded that supplier and customer collaboration results to maximum performance improvement (Luciana., et. al ,2012). This leads to customer satisfaction. The cooperation between the supply chain partnerswith SarovaPanafric Hotels usually brings together their activities and enables them to work jointly. This is imperative as it makes the best possible use on the products and process design in SarovaPanafric Hotels.

2.3.2 Integration

Integration in Supply chain is divided into two. According to Humphrey andSchimtz (2012), the two supply chain integration forms are quasi integration and vertical integration. Quasi integration refers to a buyer who has high control ability over the buyer while vertical integration favors direct control over the production process. To maintain the competitive edge most SarovaPanafric Hotels is integrating their supply chain to improve on their customer delivery service so that they can satisfy their customers.

2.3.3 Mergers/ Acquisitions

Mergers/acquisition are distinguished between domain extensions, domain in strengthening and domain exploration either when acquiring a new platform or a totally new business position (Grundy, 1995). Mergers/acquisition are divided into four namely; Horizontal Mergers; Boseman & Phatak (1989), defined horizontal mergers as firms that are similar business have a similar products or services and allows companies to increase utilization in production and marketing increases profit. Pike & Neale (2002), defined integration as companies from the same industry and at the same stage of production process merge. For instance, Sarova Hotels can merge with its competitor however, in most cases the authority usually disapprove this since such actions reduce competition in the market place. This kind of merging occurs when there is an upstream merging, that is backward integration to dispose its own outputs or produce its own inputs or downstream. Therefore when a firm acquires one or more of the links in Supply chain is said to be a rational merger (Wangui, 2007). Most organizations such as Sarova Hotels can consider merging with other organizations so that they can focus on their new customer bases and search for various ways jointly to improve their services with a common goal of satisfying their needs. Secondly, are the Concentric Mergers; Wangui (2007), defined concentric mergers as firms that involve common threads between them which can be technology, channels of distribution or distribution mostly practiced by marketing oriented companies in consumer products in strong brands. Through the different channel of distributions used by the concentric mergers, the organizations will be able to easily understand their customers' needs as they will be receiving feedback from the retailers, wholesalers and jobbers. This in turn, will enable the Sarova Panafric Hotels to know what exactly their customers need and will be able to meet their expectations. Thirdly, the Conglomerate Mergers; this particular kind of merging involves the

combination of unrelated businesses. Their main intention is to diversify the financial risk (Boseman&Phatak, 1989), as Sarova Hotels will be able to diversify the financial risks hence to focus on their customers and improve on their services.

2.4 Impact of Supplier Partnerships and Customer Satisfaction

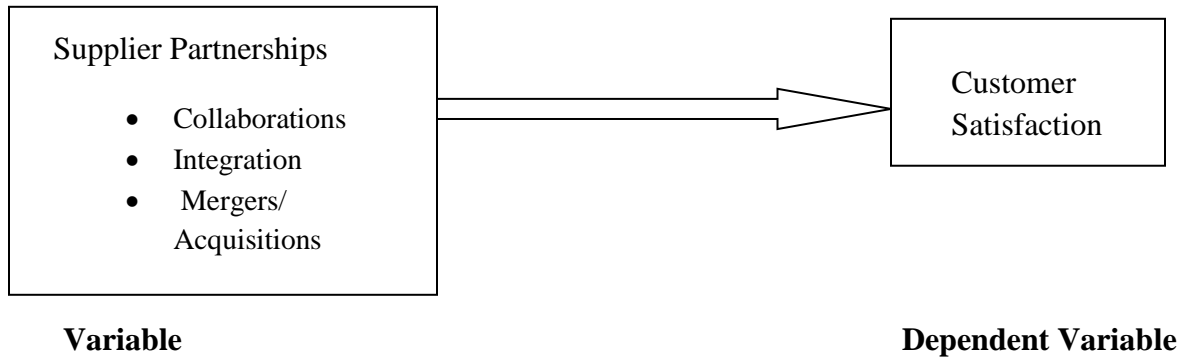
To achieve customer satisfaction in supply chain partnership, Sarova Hotels need to set a common goal and figure out the major driving forces behind satisfying customers. This only occurs when organizations have mutual trust. According to Moorman (1992), trust is an act of willingness by relying on relying on the exchange partner in which the organization has confidence in. When Sarova Hotels and its partners are committed and trust one another it will be easier for customers to develop trust with them. According to Zeithaml, Bitner and Gremier, (2006) if the customers are to remain loyal to the firm, the firm will have to ensure that they receive a high value of goods and services relative to what they expect from their competitors. Due to sharing on technical know how's, sharing of resources, gaining and accessing of new customer bases there will an improved customer delivery service as a result the organization will not only satisfy its customers but will be able gain their customers loyalty.

In addition, due to the transfer of technology between Sarova Hotels and their supplier partners will be fostering forward the research and development process in the whole of supply chain in the organization. This is possible as firms will pass their technical knowledge to their partners, thereby enhancing their overall organizational profitability that is geared by customer satisfaction and retention level.

How Sarova Hotels responds to the needs of its customers, largely contributes to the customer's satisfaction level. According to Hokey (2015), to achieve customer satisfaction supplier partners need to set a common goal and figure out the major driving forces behind satisfying its customers. This majorly depends on their response to customer needs which results to customer satisfaction. The following are factors that enable the supplier partnership be able to meet their customers' needs; The first factor is to ensure Products are available; In supply chain, there are random demand fluctuations. For instance, in meeting the real time needs of the customers it was been noted that the downstream suppliers mostly fail. Secondly, is the response time; this is another important factor to be considered by supplier partners in supply chain. Response time can be in terms of order processing time which is to the time when the order was placed till the customer receives the order. Also, on time delivery which refers to a percentage match between the promised product delivery date and actual product delivery date while transit time refers to the duration between time to transport and the time of respect.

2.5 Conceptual Framework

The proposed conceptual framework for the study is shown below;



Independent Variable

The conceptual framework above shows that supplier partnership is the independent variable while the dependent variable is customer satisfaction. In addition, supplier partnership has factors namely collaboration, integration and mergers/ acquisition that influence customer satisfaction.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter consists of the research design, target population, sample and sampling techniques procedures, data collection and data analysis.

3.1 Research Design

This case study adopted a descriptive research method. According to Kangethe (2007), the descriptive research is designed to bring out the required and pertinent information about the status whose phenomena was being investigated on and it draws its valid generalizations on facts observed. Therefore, the study was carried out on supplier partnerships and customer satisfaction in organizations was in reference to Sarova Hotels using the descriptive research method.

3.2 Target Population

The population of interest in this study was from the Sarova Hotels. The staffs were selected from different departments in the company and the sample size compromised of 28 respondents out of a total number of 50 staff in the Head quarters. The population was deemed fit for the study since Sarova Hotels has partnered with various suppliers in facilitating there services to their customers.

3.3 Sampling and Sampling Technique

Sampling was be done using the simple random sampling. According to Investopedia (2019), simple random sampling is a statistical subset of the population that has unbiased group representation. Out of 50 staff members in the Sarova Hotels the sample size drawn out for this study comprised of 28 respondents. The selection of the population was done randomly having respondents from different departments responding to the questionnaire.

3.4 Data Collection

The study was conducted using primary data, that is, the questionnaire had open ended and the closed questions. The study used the questionnaires because they provide immediate feedback, anonymity and confidentiality. The questions were framed in a simple and direct manner. The questionnaires were distributed to the Sarova Hotels staff, where each respondent is expected to give feedback.

3.5 Data Analysis

Maholtra (1996), defined data analysis as editing, coding, transcription and verification of data in a way of removing errors that took place during data collection process. The data from the questionnaires was quantified and collated for examination. In analyzing, interpreting and drawing of conclusion the data in the Section A - Demographics used frequency, mean and percentages, Section B and Section C – Supplier Partnerships used mean, and standard deviation.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.0 Introduction

This chapter presents the data analysis results as well as interpretation and discussion of findings. The study had two objectives which were to identify the extent of supplier partnerships and to find out the effect of supplier partnerships on customer's satisfaction in Sarova Hotels. Data analysis was done using frequencies, percentages, mean standard deviation and regression model. Results were presented in tables, pie charts, graphs and charts.

4.1 Response Rate

Table 4.1.1 Response Rate

Response Rate	Frequency	Percentage
Returned	28	56
Did not Return	22	44
Total	50	100

Source Research Data

From the study Table 4.1 shows the total number of the people who returned the questionnaires and those who did not return the questionnaires. The total number of questionnaires that were distributed to the field were 50 but 28 which represent 56% were returned fully answered while 4 questionnaires which represents 44% were not returned. From Table 4.1 and Figure 4.1 it can be inferred there was satisfactory response rate.

4.2 Response on The Length of Service

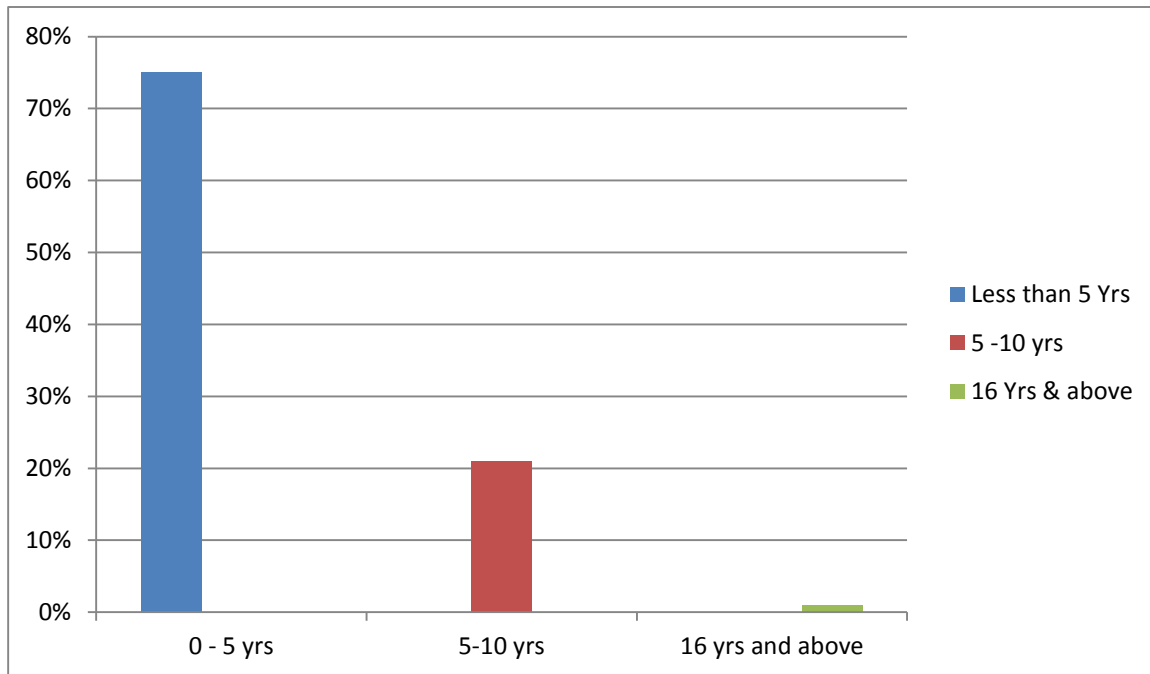
In the study the length of service of respondents varied from year 0 to 16 years and above. Table 4.2.1 shows the categories of length of service of the respondents.

Table 4.2.1 Length of Service Categorization

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 5 years	21	75.0	75.0	75.0
5 to 10 years	6	21.4	21.4	96.4
Valid 16 years and above	1	3.6	3.6	100.0
Total	28	100.0	100.0	

Table 4.2.1 shows the length of service bracket 0 -5 years has the highest percentage that is 75% indicating the company's largest number of employees have recently been employed whereas 21.4% have worked between 5 -10 years. It's also visible that only 3.6% of the staff have worked in Sarova Hotels for 16 years and above. In this research, it is noted that the company has high potential of being innovative in the dynamic world it exists in. However, this was unexpected statistics because most of the participants length of service was between 0-5 years despite the fact that Sarova Hotels has been in existence for over 30 years and spread all over the country. The expectation was that the majority of the respondent's length of service would vary between 11-15 years due to the number of years the company has been in existence.

Figure 4.2.1 Length of Service Category



4.3 Response rate of the Department of Service

The study consisted of respondents from different departments. Various respondents from different departments participated. Table 4.3.1 shows the various departments of service of the respondents.

Table 4.3.1 Department Of Service

	Frequency	Percent	Valid Percent	Cumulative Percent
Purchasing	11	42.9	39.3	39.3
Finance	13	46.4	46.4	89.3
Admin	1	3.6	3.6	92.9
Information Technology	2	7.1	7.1	100.0
Total	28	100.0	100.0	

Table 4.3.1 indicates that 46.4% of the respondents were from the finance department, followed by 42.9% respondents from Purchasing Department meaning these two departments have mostly been interacting with the supplier partners often, in order to satisfy the customer’s needs and desires. The remaining 7.1% and 3.6% are from ICT and Administration departments who have minimal interactions with the supplier partners.

4.4 Response On The Basis Of Length of Supplier Partnerships

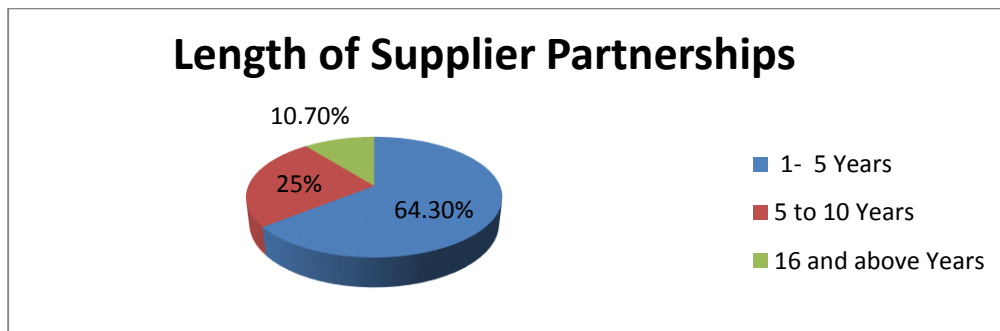
According to the study as shown below on Table 4.4.1 the longest supplier partnerships that the company has entered with ranged between 1 – 5 years representing 64.3%, while the shortest partnerships entered by the company ranges between 5 – 10 years representing 25%, with 10.7% having worked for over 16 years and above. It therefore can be concluded that the long term partnerships entered by the company and its supplier partners occurs mostly between 1- 5 years

depending on the services they offer to the organization in a way of satisfying their customers and meeting their organizational goals.

Table 4.4.1 Length Of Supplier Partnerships

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 to 5 years	18	64.3	64.3	64.3
5 to 10 years	7	25.0	25.0	89.3
16 years and above	3	10.7	10.7	100.0
Total	28	100.0	100.0	

Figure 4.4.1 Length of Supplier Partnership



4.5 Response On The Dissolution of Supplier Partnerships

This includes the different responses of participants in regards to the dissolution of supplier partnerships in the organization. Table 4.5.1 shows the response rate basing on the number and percentage of dissolved supplier partnerships as shown by the participants. The study shows that 60.7 % of the respondents agreed that they have dissolved some of their partnerships with their

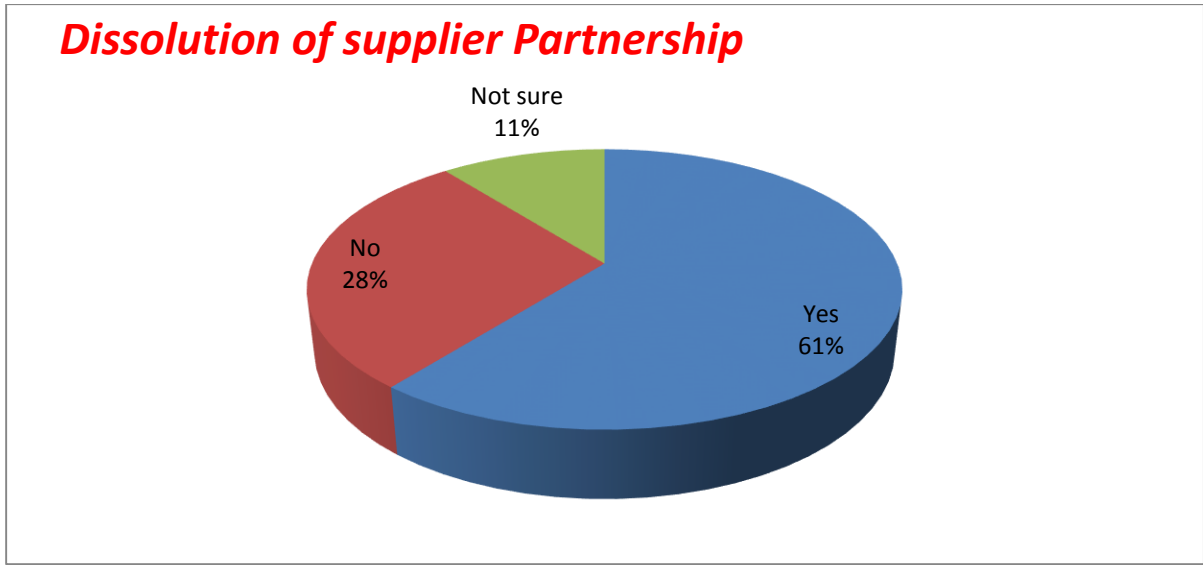
suppliers, 28.6% of the respondents disagreed that they have never dissolved any partnerships with their suppliers and 10.7% of the respondents are not sure if they have dissolved any partnerships with their suppliers. Basing on the study it can be noted that most of the participants agreed that the company do dissolve some partnerships with their suppliers this implies that the suppliers who do not satisfy their customers ‘needs are dismissed by dissolving the company’s partnerships with them.

Table 4.5.1 Dissolution Of Supplier Partnerships

Dissolution of Supplier Partnership

Response	Number	Percentage
Yes	17	60.7%
No	8	28.6%
Not sure	3	10.7%
Totals	28	100%

Figure 4.5.1 Dissolution of Supplier Partnership



4.6 Extent of Supplier Partnership

The analysis done on extent of supplier Partnership used the Likert scale to measure the customer's response using mean and standard deviation.

Statement	Mean	StdDev
The Partnership between Sarova Hotels and its partners has led to increased mutual trust.	4.385	0.885
The Passing of technology and innovative know how by supplier partners to Sarova Hotels has led to good performance.	4.308	0.861
After collaborating with the Suppliers there has been a high level of team work experienced.	4.269	0.849
Sarova Hotels and its partners have provided a platform for coordinating and integrating the needs of its internal and external customers.	4.231	0.838
The Partnership between Sarova Hotels and its partners has enabled it to have access to new customer bases.	4.231	0.838
There is high commitment and interaction between Sarova Hotels partnered with its suppliers.	4.231	0.838
The partnership between Sarova Hotels and its supplier partners has led to best possible use of the service design and service delivery.	4.231	0.838
There has been a lot of information sharing between Sarova Hotels and its Supplier Partners.	4.000	0.774
Sales have improved after Sarova hotels partnered with its suppliers.	3.923	0.755

Table 4.6.1 describes the responses given by respondents as to what extent they agree or disagree in benefiting from the supplier partners with their company. According to the study, the highest mean is 4.385 with 0.885 having deviated from the mean which indicates that the most of the participants agree that due to the supplier partnership there has been an increased mutual trust between the company and its suppliers, whereas, the lowest mean is 3.923 with 0.755 having deviated from the mean which indicates that most of the participants did not agree with the statement of having increased sales after partnering with the suppliers.. Therefore, Sarova Hotels should enter into partnership with potential suppliers who bring in positive change that not only improves their sales but also satisfies their customers.

4.7 Effect of Supplier Partnership on Customer Satisfaction

Statement	Mean	Std Dev
After partnering with the suppliers Sarova Hotels has marked an increase on the number of customers it is receiving.	4.385	0.885
The partnership has enabled the organization to achieve its set goal of satisfying its customers	4.385	0.885
After partnering with the suppliers customers prefer Sarova Hotels services more than they did in the past.	4.346	0.873
Customer Trust has developed overtime after Sarova Hotels partnered with its suppliers.	4.269	0.849
Sarova Hotels has marked an improvement on its customer delivery services after partnering with its suppliers.	4.192	0.827
The Sarova Hotels customer delivery services, greatly improved after entering into partnership with the suppliers	4.154	0.816
The supplier partners have enabled Sarova Hotels to retain most of its customers	4	0.774
Customers are more satisfied with Sarova Hotels services after the partnership.	4	0.774
Customers have become loyal to Sarova Hotels despite other upcoming competitors due to the partnership.	3.923	0.755

Table 4.7 describes the responses given by respondents as to what extent they agree or disagree on the effect of supplier partnership on customer satisfaction. According to the study, the highest mean is 4.385 with 0.885 having deviated from the mean which indicates that the majority of the respondents agree that after partnering with the suppliers Sarova Hotels marked increase on the number of customers it is receiving, whereas, the lowest mean is 3.923 with 0.755 deviated from the mean which indicates that most of the respondents strongly disagreed with the statement of Customers having become loyal to Sarova Hotels despite other upcoming competitors due to the partnership. The firm should therefore improve on their strategies so as to maintain customer loyalty and partner with organizations that have potential to maintain their customers and attract new customers at the same time.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summing up of findings in the entire research, conclusions being made and recommendations given based on the findings of the research. It looks at the implications of the findings to the existing knowledge and its application on the field of supplier partnerships on customer satisfaction. The findings are discussed, conclusions drawn and recommendations made.

5.2 Summary of the findings

The study aimed at providing the concept of supplier partnership on customer satisfaction. The research findings indicate that positive operational performance exists when there are effective supplier partnerships and the company. The objective of the study was to identify the extent of supplier partnerships and to find out the effect of supplier partnership on Sarova Hotels. The study used field data to derive findings. The demographic information results indicated that most of the staff had worked for the firm for a period between 1 – 5 years with a percentage of 75% and 3.6% of staff that worked 16 years and above. This however was not the expectation of the researcher since the firm has been in existence for over 50 years and older staffs were expected to be working in the firm and provide in depth information to the researcher. The findings also indicated that various respondents from different departments responded to the questionnaires which were good for the study research. The study also shows that the company longest partnership period varied between 1 to 5 years with a percentage of 64.3% and for longterm

period that is over 16 years and above had 10.7%, meaning that the company preferred short term partnerships.

The results provide evidence of a positive and significant of supplier partnership on customer satisfaction in Sarova Hotels. The study also shows that most of the participants agreed that supplier partnership has led to increased customer trust, improved service delivery and increased number of customers received having a level of agreement of 4.385 with 0.885 having deviated from the mean, on the other hand, a mean of 3.923 with 0.755 having deviated from the mean is the lowest mean which indicates a high number of response of neutrality in the improvement of sales after the hotel entered into partnerships with the supplier's.

In addition, the study also showed the response of the respondents basing on the extent they agreed or disagreed on the effect of supplier partnership on customer satisfaction. The results of the study showed that the highest mean is 4.385 with 0.885 having deviated from the mean thus indicating that the most of the participants agreed that after partnering with the suppliers Sarova Hotels marked increase on the number of customers it is receiving, whereas, the lowest mean is 3.923 with 0.755 having which indicated that most of the respondents strongly disagreed with the statement of Customers having become loyal to Sarova Hotels despite other upcoming competitors due to the partnership. The firm should therefore improve on their strategies so as to maintain customer loyalty and partner with organizations that have potential to maintain their customers and attract new customers at the same time.

5.3 Conclusion

The findings presented in the previous chapter conclude that entering into supplier partnership is very important as it leads to customer satisfaction. Among these findings is the realization that

Sarova Hotels understands the importance of supplier partnerships as an integral part of satisfying their customers this is evident as study shows that the respondents agreed that supplier partnership has led to increased customer trust, improved service delivery and increased number of customers they have received. It is also clear from the research findings that Sarova Hotels has recognized in partnering with the suppliers there that to achieve a competitive advantage as shown by the results that 55.6% of the variation of customers who have become loyal to the firm despite the competition. This is a result of the partnership between the firms which resulted to best possible use of service design and delivery to their customers and due to the increased mutual trust between the firm and its suppliers.

5.4 Recommendations

The research findings of this study was based on supplier partnerships on customer satisfaction. The researcher therefore recommends that Sarova Panafric Hotels should do a proper background check before entering on partnership with the suppliers. This is because a high number of employees were neutral to the fact that despite new partnerships being entered into by the company not much sales improvement is marked. In addition, respondents agreed that they have dissolved some of their partnerships with some suppliers. When an in depth background check is done cases of dissolving partnerships will be minimal.

5.5 Limitation of the Study

The first limitation of this study was that it was too narrow as it focused only on one company rather than various companies in the hospitality industry. This is because most the respondents in the company seemed hesitant to give information thus delaying the collection of data, unlike having collect data from various companies which would have broaden the study and give out

more feedback. This also explains why we were only able to receive back 56 % of the questionnaires issued. The research focused on one company. This could have left out vital information that is important for the study.

Secondly, since the study was conducted in Sarova Hotel the respondents may have felt obligated to give a positive response to the questionnaire since it was measuring the impact of supplier partnership on customer satisfaction in their hotel, therefore for them to build a positive impression about their firm so as to have a good public image the respondents might have filled the questionnaire in favour of their company thus limiting the study's findings.

5.6 Areas Suggested For Study

It is noted that this research is aimed at establishing the impact of supplier partnerships on customer's satisfaction whose case study was conducted in the Sarova Hotels. It would therefore be best for future researchers to conduct similar studies on several hotels to enrich their field of study and gather a lot of information which will bridge gaps in this particular field of study. In addition, this study was confined only in Sarova Hotels therefore in future longitudinal studies focusing on the same can be done in other hotels and restaurants in the Kenya to enrich and widen the scope of study.

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APPENDIX 1: QUESTIONNAIRE

SECTION A

This questionnaire has been designed in order to address the objectives of the study. Please fill all the blank spaces. The information obtained through the questionnaire will be treated as confidential.

DEMOGRAPHIC DATA

1. How long have you been working in the SarovaPanafric?

Less than 5 years 5 to 10 years 11 to 15 years 16 years and above

2. Which department of SarovaPanafric are you based in?

.....

3. For how long have you partnered with the suppliers?

1 to 5 years 5 to 10 years 10 to 15 years 15 years and above

4. List any two supplier partners that you are currently working with?

.....

5. Have you ever dissolved any Supplier partnership? If yes, what was the reason?

.....

.....

.....

.....

.....

.....

SECTION B

A. SUPPLIER PARTNERSHIPS

Please select (*by ticking*) the response that best represent your level of agreement with the following statements.

		Strongly Agree(5)	Agree(4)	Neutral(3)	Disagre(2)	Strongly Disagree(1)
i.	The partnerships between Sarova Hotels and its partners has led to increased mutual trust.					
ii.	There has been a lot of information sharing between Sarova Hotels and its supplier partners.					
iii.	After collaborating with the suppliers, there has been a high level of team work experienced.					
iv.	Sarova Hotels and its partners have provided a platform for coordinating and integrating the needs of its internal and external customers.					
v.	The partnership between Sarova Hotels and its partners has enabled it to have access to new customer bases.					
vi.	There is high commitment and interaction between Sarova Hotels and its partners					
vii.	Sales have improved after Sarova Hotels partnered with its suppliers.					
viii.	The passing of technology and innovative know how by supplier partners to Sarova Hotels has led to good performance..					
ix.	The partnership between Sarova Hotels and its supplier partners has led to best possible use of the service design and service delivery.					

SECTION C

B. IMPACT OF SUPPLIER PARTNERSHIPS ON CUSTOMERS SATISFACTION

Please select (*by ticking*) the response that best represent your level of agreement with the following statements

		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
i.	After partnering with the suppliers Sarova Hotels has marked an increase on the number of customers it is receiving.					
ii.	Customers are more satisfied with Sarova Hotels services after the partnership.					
iii.	Customer Trust has developed overtime after Sarova Hotels partnered with its suppliers.					
iv.	Customers have become loyal to Sarova Hotels despite other upcoming competitors due to the partnership.					
v.	The supplier partners have enabled Sarova Hotels to retain most of its customers.					
vi.	Sarova Hotels has marked an improvement on its customer delivery services after partnering with its suppliers.					
vii.	After partnering with the suppliers customers prefer Sarova Hotels services more than they did in the past.					
viii	After partnering with the suppliers, customers prefer Sarova Hotels services more than they did in the past.					
viii.	The Sarova Hotels customer delivery services, greatly improved after entering into partnership with the suppliers					
ix.	The partnership has enabled the organization to achieve its set goal of satisfying its customers.					

