BUYER SELLER RELATIONSHIP LEVEL, NEGOTIATION AND PERFORMANCE IN TRANSPORT LOGISTICS FIRMS IN MOMBASA COUNTY

BY

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DECLARATION

Declaration by the Student

This research proposal is my original work and has not been presented for a degree in any other university.

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DEDICATION

This study is dedicated to almighty God; the source of knowledge and wisdom. This study is also dedicated to my family for their support both directly and indirectly.

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My sincere acknowledgement goes directly to Allah for without whom I would not have come this far. My utmost gratitude is also extended to my family and friends for their continuous support and encouragement to aim higher even from miles away. My sincere appreciation goes to my lecturers whose support towards the achievement of this course cannot be overemphasized. I would like to thank my project supervisors Dr. Stanley Kavale and Dr Zuhura Mohamed for their patience, guidance, and constructive assistance throughout this study which was invaluable.

ABSTRACT

How firms manage buyer supplier relationship levels is increasingly critical to firms' operational efficiency, product development, profitability and long-term prosperity, and is becoming a key issue in organizational performance. In today's competitive world, businesses progressively see the supply chain activities as vital contributor to their firm performance. A dependable procurement system is one created to improve accuracy, efficiency, effectiveness and speed. The general objective of the study was to investigate the moderating effect of negotiation on the buyer seller relationship level and performance in transport logistics firms in Mombasa County. The specific objectives of the study were; to assess the effect of adversarial pairing relationship level, barometric relationship level, complementary relationship level and moderating effect of negotiation and performance in transport logistics firms in Mombasa County. This study employed the social exchange theory, negotiation theory, transaction cost theory and the buyer supplier optimization theory. The study used explanatory research design to explain the causal relationship between independent and dependent variables. The target population was 188 transport logistics firms in Mombasa County. Yamane sampling formula was used to generate a sample size of 127 transport logistics firms. Primary data was collected by using a structured questionnaire, due to its ability to be easily analyzed. Reliability was tested using Cronbach alpha test while validity was tested using the KMO and Bartlett's test. Data was analyzed by both descriptive and inferential statistics. Descriptive statistics included percentages, frequencies and means. Inferential statistics were the correlation analysis and moderated multiple regression analysis. The correlation results indicated that adversarial relationship level (r2 .285, p=.001), barometric relationship level (r2=.452, p=.000), complementary relationship level (r2=.439, p=.000) and negotiation (r2=.609, p=.000) had positive and significant correlation with performance. The moderated regression results indicated that adversarial relationship level (β=.564, p=.004), barometric relationship level (β=.285, p=.001), complementary relationship level (β=.159, p=.049) all had positive and significant relationship with performance. This study concluded that adversarial relationship level, barometric relationship level and complementary relationship level have positive and significant effect on performance of transport logistics firms. Further, this study found out that negotiation significantly moderated buyer seller relationship level and performance. This study concluded that adversarial relationship level, barometric relationship level, complementary relationship level have significant effect on firm performance while negotiation positively moderated the relationship. This study recommended that managers should improve on adversarial relationship level, barometric relationship level, complementary relationship level and negotiation to increase firm performance.

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ACRONYMS AND ABBREVIATIONS

ABSRL – Adversarial Buyer-Seller Relationship Level

BBSRL – Barometric Buyer-Seller Relationship Level

CBSRL – Complementary Buyer-Seller Relationship Level

CTB – Central Tender Board

CYA - Cover Your Assets

EAC – East African Community

EDI – Electronic data interchange

JIT - Just in time

NACOSTI – National commission for science technology information

STD – Supplies and Transport Department

VBP – Value based purchasing

VIF – Variance inflation factor

VMI - Vendor managed inventory

DEFINITION OF KEY TERMS

Adversarial buyer seller pairing relationship level - the buyer works to gain the winning hand by pressing the seller for every possible discount and deal advantage (Bai, Sheng & Li, 2016)

Barometric buyer seller relationship level - constantly monitoring one another's atmospheric pressure. Both participants gauge each other's attitude and position, driven by a lack of trust that has not yet been established (Lysons & Farrington, 2017)

Buyer seller relationship level it's the closer network of relationship by both buyer and supplier along a cooperation network strategy in order to be competitive (Wheeler, 2017).

Complementary buyer seller pairing relationship level - Each side understands the needs of their business partner and takes the necessary "posture and plans" to help their partner achieve both his or her goals and the needs of their own organization (Terpend, Tyler, Krause, & Handfied, 2016)

Moderating Variable that can strengthen, diminish, negate, or otherwise alter the association between independent and dependent variables (Creswell, 2014).

Negotiation Negotiating is the process that procurement professionals go through to create favorable terms as part of new supplier contracts. It is the process of planning, reviewing and analyzing used by a buyer and a seller to reach acceptable agreements or compromises (Rogers, & Fells, 2018).

Organizational Performance - Purchasing efficiency and purchasing effectiveness (Van Weele, 2017).

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter presented the background of the study, statement of the problem, research objectives, research hypotheses, significance of the study, and finally the scope of the study.

1.1 Background of the Study

Firm performance focuses on the effectiveness or success of a firm, employee performance, ability to create value for customers, productivity, flexibility and adaptability, the achievement of goals, and stakeholder satisfaction (Taouab & Issor, 2019). Firm performance is a set of financial and non-financial indicators that provide information on the accomplishment of objectives and results. Financial measures are usually lagging measures of performance, while non-financial measures are leading measures of performance that provide insight about future performance (Ahmad & Sabri, 2016). Non-financial or subjective performance measures include employee satisfaction (employee turnover, investments in employees development and training, and organizational climate), customer satisfaction (number of complaints, repurchase rate, customer retention), environmental performance (recycling, material usage, energy consumption, pollution, and waste), and social performance (employment of minorities, contribution to social causes) (Selvam, et al., 2016).

Moreover, Silvi, Bartolini, Raffoni, & Visani (2015) believe that performance measurement systems have several characteristics, namely a combination of long and short terms measurement, integration of financial and non-financial indicators including internal and external point of view, presence of forward-looking perspectives, and definitions of causal relationships in various sizes and perspectives. The firm

performance focuses on the company's ability to efficiently exploit available resources to achieve the goals set by the company. Firm performance is a broad concept that encompasses various operational dimensions, management, and the competitive advantage of a company and its activities (Tarigan et al., 2018).

Firm performance measured by using financial ratios of return on assets. It should be measured in terms of financial and operational aspects. Financial performance is measured by indicators such as sales growth, earnings per share, profitability, efficiencies and effectiveness which is reflected by return on investment, return on sales and return on equity (Silvi, et. al., 2015). However, operational (or nonfinancial) performance emphasizes indicating factors such as product quality and productivity, market share and marketing effectiveness. Performance is a set of financial and nonfinancial indicator that provide information on the level of achievement of goals and objectives of an organization. A measure of performance of a company that may not only depends on the efficiency of the company itself but also on the market where it operates. In the financial sector, it also known as financial stability or financial health. There are different financial measures that can be used in order to evaluate the performance of a company. Some of the common financial measures are: revenue, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, and stock prices, among others. Firm Performance is the potential and ability of a business to efficiently utilize the available resources to achieve targets in line with the set plans of the company, keeping in mind their relevance to the users (Tarigan et al., 2018).

How firms manage supplier relationships is increasingly critical to firms' operational efficiency, product development, profitability and long-term prosperity, and is becoming a strategic issue in procurement performance. When buyers treat their

suppliers as allies and share strategic information with them, they can achieve better lead times and quality, increase operating flexibility, and establish long-term cost reductions, all of which could help these firms enhance value for the ultimate customer. The benefits that result from collaborative relationships come in the form of a firm's ability to engage suppliers and other partners in mutually beneficial value exchanges. Indeed, relationships are considered to be resource and therefore form part of a buyer-supplier relationship firm's capital (Mohanty, & Gahan, 2015).

The degree of trust, commitment, frequency of communication, relationship duration, and the reputation of both buyers and suppliers helps in distinguishing between the relationships, and consequently affect the decision of buyers and suppliers regarding the type of relationship they are willing to engage in (Wagner et al. 2011). Companies compete in head-to-head battles for market share and position with other organizations in their competitive sets. In such competitive environments, suppliers are often treated in an adversarial manner by procurers, as the relationship between procurers and suppliers is viewed as a win–lose situation. However, many forward-looking companies have found it more effective to work collaboratively with their suppliers to serve the ultimate customer. Terms such as alliances, partnerships, collaborative relationships and boundary less organizations have been used to describe these new buyer–supplier relationships (Terpend, Tyler, Krause, & Handfield, 2016). Today, buyer–supplier relationships have become "strategic" and the process of relationship development is accelerated as firms strive to create relationships to achieve their goals. An important phenomenon related to buyer–supplier relationships is that many procurers are developing single source suppliers because of the pressure to increase quality, reduce inventory, develop just-in-time systems and decrease time to market. The ultimate goal in developing these capabilities is to reduce costs (Kumar & Rahman, 2016).

Chari (2016) noted that transactional types of relationships are important to enhance organizational competitiveness typically in refining supplier responsiveness, sustainability and decreasing of procurement costs in bread manufacturing companies. Transactional kind of relationships, which emphasize on price alone, provides competitive advantage to firms. The core of achieving a successful supply chain is through the effective management of buyer-supplier relationships. Therefore, in order for buyers and suppliers to reach a more sustainable and successful relationship, both have to realize the benefit they will gain from managing such relation (Ambrose et al. 2010). The need to be competitive, flexible and efficient has forced companies to enter into more closer relationships with their suppliers coupled with the realization that true competitive battles are fought along a network of cooperating companies (Ntayi & Eyaa, 2012). Traditional relationships no longer suffice, hence adversarial buyer-supplier relationships have since been promoted in a more positive frame encompassing collaboration, joint problem solving, and strategic supplier integration.

Collaborative relationships are best suited where customer faces high risk; the product supplied is technically complex leading to high switching costs; supply of new product/service and new supplier may be required; where supply market for the product is fast changing; in terms of technology and legislation or supply market is restricted, i.e. there are few competent and reliable supplier firms. A collaborative environment requires mutual trust and inter-firm dependency, both formal and informal communication, strong commitment towards same goals, inter-organizational capability and the management creating a network culture (Adhaya, 2013). The underlying objective of these long-term relationships is delivery of substantial benefits and advantages to the involved supply chain partners.

Dominant themes in negotiation are cooperation between the partners open lines of communication, and professional respect and concern for the other's profitability (McQuiston, 2001). A myriad of negotiations occur throughout any organization before any decisions are made and they then continue to occur as those decisions are implemented to achieve the organization's goals. This is certainly true of the supply chain process. Negotiations extend beyond the task of fixing the contract terms with an acknowledged role in establishing and maintaining buyer–seller relationships (Cummins, 2015). Negotiation can be viewed not as a discrete segment of the supply chain process but instead as embedded throughout it. Negotiation starts within the organization to determine what is required and who might supply it, continues through the contract phase in which the extent of actual negotiation can be quite varied and moves on to negotiations to ensure the proper ongoing implementation of what has been agreed in the contract. The approach to negotiation has largely been dominated by the two strategies, namely, the competitive, distributive bargaining strategy and the cooperative, integrative one that lead, respectively, to win-lose and win-win outcomes. However, the approach taken in supply chain negotiations is both strategic, depending upon the nature of the relationship sought (distributive for an arms-length one and integrative for partnerships), and historical in being strongly influenced by the nature of the parties' prior interactions. Zachariassen (2008) found that even in partnerships the buyer might continue to use competitive strategies, whereas Geiger (2017) specifically identified a range of essentially competitive tactics used in business-to-business (B2B) negotiations. Negotiations are rarely wholly collaborative and an element of competitiveness is integral, even in the cooperative process (Ott et al., 2016).

Negotiating with suppliers is a large part of any procurement role, and it can also be the most difficult part. Negotiating is the process that procurement professionals go through

to create favourable terms as part of new supplier contracts. It is the process of planning, reviewing and analysing used by a buyer and a seller to reach acceptable agreements or compromises.

These agreements and compromises include all aspects of the business transaction, not just price. This can involve negotiating different terms with an existing supplier when a contract is renewed, or discussing terms from scratch with a brand new vendor. Negotiations are typically used to determine the fairest price and payment terms, delivery and production time, quality standards and more. The negotiations need to consider the best option for both supplier and buyer, rather than just aiming to get the cheapest possible price, as this will help to build stronger relationships with long term suppliers. In this study, negotiation will be used as a moderating variable (Habib, Bastl, & Pilbeam, 2015).

This review of the negotiation research gives an indication of the challenges facing any procurement and/or sales manager seeking to negotiate a buyer–supplier contract in a commercial setting. The pressure will be on to secure the best deal, but there will also be an expectation that the relationship will be managed. Elements such as trust, information exchange and the medium of communication all impact not only on the negotiation of the contract itself but also on negotiations that inevitably arise during the implementation of that contract. If one party appears not to be fulfilling the terms of the contract, the other may prefer negotiation rather than a contractual, legal approach to achieve compliance (Fells, Rogers & Prowse, 2015).

A moderating variable is a variable that can strengthen, diminish, negate, or otherwise alter the association between independent and dependent variables. Moderating variables can also change the direction of this relationship. Moderating variables are

useful because they help explain the links between the independent and dependent variables. Moderating variables provide additional information regarding the association between two variables in research by explaining what features can make that association stronger, weaker, or even disappears. A moderator influences the level, direction, or presence of a relationship between variables. It shows you for whom, when, or under what circumstances a relationship will hold (Creswell, 2014). In this study, negotiation will be the moderating variable. It will moderate the association between independent and dependent variables.

Making that all-important customer connection is crucial in turning the initial buyer-seller relationship into a long-term partnership. In most literature, there are essentially three levels of buyer/seller relationships levels: Adversarial, Barometric and Complementary. The relationship encountered most often is the traditional Adversarial pairing. Here, the buyer works to gain the winning hand by pressing the seller for every possible discount and deal advantage. The cost of doing business with each other takes a back seat to the buyer coming out on top. In an adversarial model, procurers pit suppliers against each to achieve lower costs. The relationship is strictly transactional and governed by a "what's in it for me" posture. The second relationship level is the Barometric buyer/seller relationship. This pairing involves constantly monitoring one another's "atmospheric pressure." Both participants gauge each other's attitude and position, driven by a lack of trust that has not yet been established. Barometric relationships are often single-source connections that have a short-length contract. While there are growth and sales opportunities in a Barometric relationship, it can nosedive quickly. The mental surveillance and monitoring involved in this relationship fosters distrust. Both parties are constantly engaging in 'cover your assets' moves that breed ill will (Charterina, Basterretxea & Landeta, 2016).

The third level is the buyer seller Complementary relationship level. In this high-level buyer/seller relationship, real integral partnering can thrive. Only in a Complementary relationship can the "visions and values" of each side dovetail with the other. Here, goals and values are congruent and personalities are simpatico. Each side understands the needs of their business partner and takes the necessary "posture and plans" to help their partner achieve both his or her goals and the needs of their own organization. In a cooperative model, both parties achieve lower costs through working together to lower both procurers' and supplier's operating costs. This reduction is accomplished through better inventory management and elimination of unnecessary tasks and procedures (Lysons & Farrington, 2015).

1.1.1 Procurement Practice in Kenya

Procurement practice in Kenya has evolved under a lot of reforms since independence. As early as 1959, the Supplies and Transport departments (STD) conducted all government procurement under the Ministry of Works. As government procurement needs increased, the Market Research, Inspection of Materials and Central Tender Board (CTB) were established and were responsible for government procurement and tender awards. Later reforms involved the movement of the Central Tender Board within the government system. As at, and after independence, procurement was largely done by Crown agents due to lack of capacity in the local market. In 1978, the East African Community (EAC) developed procurement guidelines under the East African Supplies Manual. This document replaced the function of the Crown agents and it was used for all procurement in the Republic. In 1999, a major review of the countries procurement system was undertaken and the review established that there were no uniform procurement system for the public sector as a whole, there was lack of prohibitive penalties/sanctions against persons who breached the regulations, the

Supplies Manual did not cover procurement of works, dispute settlement mechanisms relating to the award procedures were weak and unreliable for ensuring fairness, transparency and accountability and records of procurement transactions in many cases were found to be inaccurate, incomplete or absent which led to suspicion of dishonest dealings at the Central Tender Board. As a consequence, the CTB was scrapped in 2001 (Government of Kenya, 2005). To cure the procurement monster in Kenya, The Public Procurement and Disposal Act (2005) and the Regulations of 2006 were drafted. This is the legal framework that governs procurement practice in Kenya today and it has to great extent addressed the issues that arose from the review of 1999 (Kilonzo, 2014).

1.1.2 Transport and Logistics Firms in Kenya

The relative cost of moving goods in Africa is one of the highest in the world, leading to up to 75% of a product cost's going to logistics (compared to 6% in the US). These costs seriously erode the competitiveness of goods exported by East African countries, thus reducing trade, economic growth, job creation, and poverty reduction. Poor truck turn-around has been attributed to poor cargo off-take and delivery infrastructure, delays by transporters to pick cargo after Port release, delays within transporters facilities, and high frequency of stoppages along the Northern Corridor by drivers. On average, Kenyan trucks are presently doing 60,000 - 96,000 KMs/truck/year driving transport costs to an estimated 30% of the value of traded goods. In the most efficient trade corridors, the average KMs/truck/year is between 120,000 to 150,000 translating into significantly affordable transport and logistics costs of up to an average 4% of the value of traded goods (KTA, 2021).

For example, The Kenya Transporters e-portal provides an online system for accessing and sharing of relevant documents and information which are crucial in the transport industry. The main focus is to improve professionalism in the road transport sector and

ease access to information for transporters - hence improving on the performance in the Northern Corridor. The portal also acts as single window for accessing relevant documents and information from other relevant bodies/stakeholders in the transport industry by providing direct access to the relevant site.

1.2 Statement of the Problem

In today's competitive world, businesses progressively see supply chain relationships as a vital contributor to their overall organizational performance. An effective supply chain system is one created to improve accuracy, efficiency, effectiveness speed and overall firm performance. Despite the steps taken to maximize benefits of supply chain relationships, firm performance still remains a big challenge to managers as firm failure is still evident (Tarigan et al., 2018). When buyers treat their suppliers as allies and share strategic information with them, they can achieve better lead times and quality, increase operating flexibility, and establish long-term cost reductions, all of which could help these firms enhance value for the ultimate customer. The benefits that result from collaborative relationships come in the form of a firm's ability to engage suppliers and other partners in mutually beneficial value exchanges. Indeed, relationships are considered to be resources and therefore form part of a buyer-supplier relationship firm's capital (Mohanty, & Gahan, 2015). Poor buyer seller relationships can jeopardize and limit the benefits derived from both parties. Maintaining good relations with a supplier should be as important to a contract administrator/end user as getting the best price. A good buyer-seller relationship is a partnership, a win-win situation over the long run. A supplier who is treated with courtesy, honesty, and fairness will deliver a quality product at the best price, will provide good service, and will be responsive to emergency situations and special requests. A supplier who is treated equitably and

professionally is likely to communicate his positive experiences the buyer (Dwyer, Schurr & Oh, 2007).

The relative cost of moving goods in Africa is one of the highest in the world, leading to up to 75% of a product cost's going to logistics (compared to 6% in the US). These costs seriously erode the competitiveness of goods exported by East African countries, thus reducing trade, economic growth, job creation and overall firm performance. On average, Kenyan trucks are presently doing 60,000 - 96,000 KMs/truck/year driving transport costs to an estimated 30% of the value of traded goods. In the most efficient trade corridors, the average KMs/truck/year is between 120,000 to 150,000 translating into significantly affordable transport and logistics costs of up to an average 4% of the value of traded goods (KTA, 2021). With poor buyer seller relationship, the costs can go further, denting the performance in the transport logistics firms in Kenya.

As it is currently, buyer-supplier relationships have become increasingly important in higher risk purchase situations, and indicate that building a relationship with a reliable supplier helps reduce the perceived uncertainty and risk (Lysons, & Farrington (2017). Waiganjo & (2015) found out that lead time, quality, cost and employee morale affects effective buyer supplier relationship on supply chain performance in Kenya. Munyimi & Chari (2018) discovered that strategic alliance types of relationships with strategic suppliers and transactional relationships with suppliers have a great role in achieving economic sustainability of private telecommunication companies in Zimbabwe. Morsy (2017), noted that there are common factors that influence both buyer-supplier relationship characteristics and power position attributes. Kamau (2013) found out that trust, communication, commitment, cooperation and mutual goals improved buyer supplier relationship. Loice, (2017) found out that commitment, communication, cooperation and trust has a positive and significant effect on procurement performance.

Serem, chepkony & Bor (2015) found out that information sharing element plays an important role in enhancing buyer-seller relationship. Ndunge & Mburu (2017) found out that supplier development, supplier selection, information management and supplier segmentation influences the procurement performance. Karungani & Odhiambo (2021) concluded that buyer-supplier relationship has a positive influence on firm performance. Amoako-Gyampah et al. (2019) noted that investments into relationships enhance competitive advantage for the firm. Makkonen, Nordberg, Davies & Olkkonen (2018) indicate that value co-creation in relationship adds to performance of all players. Wölfel & Grosse-Ruyken (2020) found out that most opportunistic partner benefits from relationships while Jääskeläinen (2021) noted that relational benefits of buyer-supplier relationship add to firm's performance.

Worth noting is that good-buyer seller relationship levels lead to better transactions for both parties. This in turn increases organizational performance. However, sustainable organizational performance has been lacking in most firms, sub industries and industries. In fact, transport logistics firms have not been spared by this. Although there is much research material on buyer-supplier relationship and firm performance, there is a compelling gap on the existing literature on the moderating effect of negotiation on buyer-supplier relationship level and the performance of transport and logistics firms particularly in the Kenya. This study therefore went out to seal the gap by investigating the moderating effect of negotiation on buyer-seller relationship level and firm performance in transport and logistics firms in Mombasa County.

1.3 Study Objectives

This study was guided by both the general objective and specific objectives.

1.3.1 General Objective

The general objective of this study was to establish the moderating effect of negotiation on the buyer seller relationship level and performance in transport logistics firms in Mombasa County.

1.3.2 Specific Objectives

The study will be guided by the following specific objectives;

i) To assess the effect of adversarial pairing relationship level on the performance in transport logistics firms in Mombasa County.
ii) To establish the effect of barometric relationship level on the performance in transport logistics firms in Mombasa County.
iii) To determine the effect of complementary relationship level on the performance in transport logistics firms in Mombasa County.
iv) To examine the moderating effect of negotiation on the buyer seller relationship level and performance in transport logistics firms in Mombasa County.

1.4 Research Hypotheses

The study was guided by the following research hypothesis;

H_{o1}: Adversarial pairing relationship level has no significant effect on the performance in transport logistics firms in Mombasa County.

H_{o2}: Barometric relationship level has no significant effect on the performance in transport logistics firms in Mombasa County.

H_{o3}: Complementary relationship level has no significant effect on the performance in transport logistics firms in Mombasa County.

H_{o4a}: Negotiation has no significant moderating effect on Adversarial pairing relationship level and t performance in transport logistics firms in Mombasa County.

H_{o4b}: Negotiation has no significant moderating effect on Barometric relationship level and performance in transport logistics firms in Mombasa County.

H_{o4c}: Negotiation has no significant moderating effect on Complementary relationship level and performance in transport logistics firms in Mombasa County.

1.5 Significance of the Study

Theoretically, the study will provide an insight on the effects of negotiation on buyer-supplier relationship level and performance among transport logistics firms in Kenya. Further, other non-logistics firms will also benefit from the findings of this study since it will shed more light on the effect of negotiation on buyer-supplier relationship level and firm performance. In empirical and literature terms, the study will help the organizations management to understand the effect of negotiation, buyer-seller relationship levels and firm performance. This will not only foster better negotiations, better buyer-supplier relationship level, but also improve on procurement performance. The findings of this study will also be significant to decision makers, researchers and policy makers in understanding the moderating effect of negotiation on buyer-seller relationship level and firm performance.

1.6 Scope of the Study

This study focused on the moderating effect of negotiation on buyer-seller relationship level and performance in transport logistics firms in Mombasa County. Mombasa County is home to a great number of transport logistics firms due to its strategic position along the Kenyan coast line and East Africa's gateway, the Port of Mombasa. Due to the high number of operations and transactions in the logistics firms, negotiation and

buyer-seller relationship level becomes a key pillar of firm performance. The scope was transport logistics firms with operations in Mombasa county and which have been in operation for five years and above as at December 2020. The transport logistics firms were the unit of analysis for this study while the procurement managers were the unit of observation. The study was carried out in the month of November, 2021.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter consists of literature review. It covers a review of the concepts, the theoretical framework, a review of the variables under study, empirical review, research gaps and summary and conceptual framework.

2.1 The Concept of Organizational Performance

Organizational performance is part of an organization's effectiveness which includes operational and financial results. The definition of company performance in the the 21st century focuses on how companies make efficient resources to consistently improve capabilities and abilities to achieve company goals (Taouab & Issor, 2019). Organizational effectiveness includes all aspects related to the functioning of an organization (Selvam, Gayathri, Vasanth, Lingaraja, & Marxiaoli, 2016). The special results from economic, marketing, and economic processes so that companies have characteristics so that they can compete effectively and efficiently with all stakeholders and internal components is a company's performance. Infact, an organization registers performance when it can maximize resources both effectively and efficiently. Apart from being generic, the concept of firms' performance is also dynamic. Its definition changes from decade to decade as a result of the focus of firms in these periods, thus, this make it hard for the concept to be clearly defined. In the 50's, firms' performance was considered as the equivalent of organizational efficiency. It was seen as the degree to which an organization achieved its goals with minimum efforts from its workers and also with limited resources (Amoako-Gyampah, Boakye, Adaku, & Famiyeh, 2019).

Nowadays, continuous performance is the objective of any firm. This is because it is only through performance that companies are able to experience development and make

progress. Consequently, assessing and measuring business performance is of significant importance, since companies are constantly seeking effective and efficient results. Selvam, Gayathri,

Vasanth, Lingaraja & Marxiaoli (2016) identified at least nine dimensions of performance: profitability performance, market value performance, growth performance, employee satisfaction, customer satisfaction, environmental performance, environmental audit performance, corporate governance performance and social performance. Multidimensionality implies indicators of different dimensions cannot be used interchangeably since they represent different aspects of firm performance. In this study, firm performance will be measured using profitability, return on assets (ROA) and return on investment (ROI).

2.2 The Concept of Buyer-Seller Relationship Level

The relationship between the buyer and seller can be either short term or long term, involving regular purchases based on established agreements. Buyers and sellers in mature industrial markets can turn single transactions into long-term beneficial relationships by a deeper understanding of the complex connection between the two. A "must-do" for the sellers, in particular, is to understand patterns of investment and reward, and effectively manage the process that defines the dynamics of buyer-seller evolution. There are three main buyer seller relationship levels; Adversarial Pairing Relationship Level, Barometric Relationship Level and Complementary Relationship Level.

2.2.1 The Concept of Adversarial Pairing Relationship Level

Adversarial Pairing Relationship Level is the traditional win-relinquish relationship where the buyer squeezes the supplier for the very last bit of a discount. The buyer is

determined to get the last drop. The buyer is not focused on the cost of doing business with one another, just what he believes to be the lowest cost. This is a transactional only relationship. In the traditional Adversarial pairing, the buyer works to gain the winning hand by pressing the seller for every possible discount and deal advantage. The cost of doing business with each other takes a back seat to the buyer coming out on top. The relationship is strictly transactional and governed by a "what's in it for me" posture. Today, buyer–supplier relationships have become "strategic" and the process of relationship development is accelerated as firms strive to create relationships to achieve their goals. An important phenomenon related to buyer–supplier relationships is that many procurers are developing single source suppliers because of the pressure to increase quality, reduce inventory, develop just-in-time systems and decrease time to market. The ultimate goal in developing these capabilities is to reduce costs (Kumar, & Rahman, 2016).

2.2.2 The Concept of Barometric Relationship Level

In a Barometric buyer-seller relationship level, the buyer is always checking the atmospheric pressure. This relationship is monitored and measured closely. Generally, the buyer and seller have not yet developed a high level of trust with one another. It could be a single source relationship, but with a short length contract. While this relationship can grow and flourish, it can also sour quickly. Few people thrive with others constantly peaking over their shoulder. In this type of relationship, each side must still engage in 'cover your assets'. This pairing involves constantly monitoring one another's "atmospheric pressure." Both participants gauge each other's attitude and position, driven by a lack of trust that has not yet been established. Barometric relationships are often single-source connections that have a shortlength contract. While there are growth and sales opportunities in a Barometric relationship, it can

nosedive quickly. The mental surveillance and monitoring involved in this relationship fosters distrust (Munyimi & Chari, 2018).

2.2.3 The Concept of Complementary Relationship Level

In a complementary Relationship Level, true integral partnering takes place. At this level the visions and values of each overlap with one another. There is a true alignment of values in place. Each understands the needs of their alliance partner and works hard to help their partner get what they need while likewise serving their own organization. Value-based purchasing, Sole-source relationships, Vendor Managed Inventorying (VMI), Just-in-time (JIT) shipments are made successful through trust and Electronic Data Interchange (EDI) are at the core of this relationship level. In this high-level buyer-seller relationship, real integral partnering can thrive. Only in a Complementary relationship can the "visions and values" of each side dovetail with the other. Here, goals and values are congruent and personalities are simpatico. Each side understands the needs of their business partner and takes the necessary "posture and plans" to help their partner achieve both his or her goals and the needs of their own organization (Terpend, Tyler, Krause, & Handfield, 2016).

2.2.4 The Concept of Negotiation

Negotiation it is a process by which compromise or agreement is reached buyer supplier relationship in procurement performance. Negotiation is a field of knowledge and endeavor that focuses on gaining the favor of people from whom we want things. It is a back-and-forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed (Fisher et al. 2012,). This definition grasps the fundamental idea behind the negotiation process by identifying the following key elements: two parties, needs/goals and the need for finding an agreement. These three ingredients are the determinants of negotiation. The

objective of negotiation is not needs, goals, interests or views as many may falsely assume. The real reason why people enter into negotiations is availability and more specifically the scarcity of resources.

2.3 Theoretical Framework

The study will be guided by social exchange theory, the negotiation theory, the transaction cost theory and the buyer seller optimization theory.

2.3.1 Social Exchange Theory – anchor theory

The Social Exchange Theory makes assumptions in two fields. Assumptions about the nature of the human behavior are that, human beings seek remunerations and awards and are simultaneously trying to avoid penalties (Nammir et al., 2012). According to Helm, Rolfes and Günter (2006), the basic assumption is that human beings strive for a positive outcome when considering rewards and costs of a relationship to optimize their satisfaction level. Within the Social Exchange Theory, transactions are bidirectional, meaning that there is mutual exchange of material things, where something has to be given in exchange of something else in a given environment (Cropanzano & Mitchell, 2005). Social Exchange Theory assumes that individuals take part in an exchange only when they expect their rewards from it to justify the cost of participation. It means buyer supplier relationship is mutual and there is equitable sharing of resources and benefits. However, in the Social Exchange Theory, there is no guarantee for reciprocal rewards after investing costs or money due to lack of contractual obligations. Hence, the purpose of an exchange is, to maximize benefits and simultaneously minimize costs in a given environment, which would lead to a positive outcome (Nammir et al., 2012).

The social exchange theory is applicable in supply chain management as a valuable instrument when analyzing buyer-supplier commitment (Nammir et al., 2012). It is specifically applicable in the selection of supplier strategies and for making decisions about how to deal with buyers and suppliers. A buyer, when engaging in an exchange, should make his agency interesting and should, next to the economic exchanges, focus on social norms like trust and commitment (Kraiselburd, Pibernik & Raman, 2011). Through a commitment exchange relationship, the chance for a continuation of this relationship is higher. A steady continuous and robust exchange relationship ensures reliable supply. Gaining the status of a preferred buyer, instead of simply being a regular buyer or even an exit buyer, is the central objective, as this leads to privileged treatment and an ensured supply, which identify and mitigate risks in the supply chain (Mohanty & Gahan, 2015). In accordance with Social Exchange Theory, behavioral aspect is important, as it leads to omitted and improved business relationships, which in turn lead to an increase in procurement performance.

2.3.2 Negotiation Theory -Menkel-Meadow (2009)

Negotiation is not about maximizing individual gain but about looking for "joint gain" (not the same thing as the overly optimistic "win–win," (Menkel-Meadow, 2009) for all of the parties. The key is to find solutions that "expand the pie" and increase what is available before anything has to be divided. Key factors in negotiation include; do not assume scarcity of resources or possible solutions as the process also matters. Collaborate, do not compete or engage in unnecessary and wasteful compromise either. The process used affects the outcomes achieved, whereas relationships matter, to distinguish one-off negotiations from those with ongoing relationships (personal, commercial, or diplomatic). Negotiation should no longer separate the people from the problem so easily but take the people and their problems seriously too. Moreover, in a

relationship, each party should get help when necessary, use third-party mediators and facilitators, interview clients and counterparts, and get information from many sources (Menkel-Meadow, 2009). Further, a negotiator needs to analyze and think before acting since negotiation and its related conflict resolution processes (mediation, consensus building, facilitation, and now deliberative democracy) requires conceptualization (thinking and analysis), as well as behavior and action. Decision rules and support systems matter and should be carefully chosen when trying to reach agreements, depending on the number of parties participating. Negotiation theory is essential in the buyer seller relationship since it sets up the pace for complementary buyer seller relationship. Furthermore, in most procurement transactions, negotiation carries a big deal of the final transaction price (Fells, Rogers, & Prowse, 2015).

2.3.3 Transaction Cost Theory

This theory suggests that conducting transactions is a costly endeavor, negotiating contracts, monitoring performance and resolving disputes and different modes of organizing transactions within a market or a firm entail different costs. Hence, according to this theory, a comparative examination of the relative transaction costs or their indicants of these alternative modes reveals how a particular transaction should be conducted. Transaction cost theory aims to answer the question of when activities would occur within the market and when they would occur within the firm. Whether activities would be internalized within a firm depended on their transaction costs (Rindfleisch, 2019). Transactions broadly as transfers of goods or services across interfaces, and that when transaction costs were high, internalizing the transaction within a hierarchy was the appropriate decision. Conversely, when transaction costs were low, buying the good or service on the market is a preferred option. Three dimensions are key to characterizing transactions: uncertainty, frequency, and asset

specificity, or the degree to which transaction-specific expenses are incurred. Transaction cost theory is built on assumptions of bounded rationality and opportunism, defined as self-interest with guile (Williamson, 2010). This theory is very important in this study as it ascertains the importance of price and cost saving which is a key factor in procurement performance.

2.3.4 Buyer Supplier Optimization Theory

The optimization theory states that in every relationship, every party strives to maximize or optimize his or her benefits. These benefits may be social, financial, material, political or otherwise. The core of achieving a successful supply chain is through the effective management of buyer-supplier relationships. Therefore, in order for buyers and suppliers to reach a more sustainable and successful relationship, both have to realize the benefit they will gain from managing such relations (Ambrose et al. 2010). Buyer-supplier relationships benefits should be quantified to make the relationship a mutual benefit relationship. Just like in strategic alliance agreements, partners easily pull out of mutual relationships. Since every party is out to maximize his or her wellbeing; goals, objectives and interests are key in mutual relationships. Even though it may look selfish, optimization theory is important in this study because partners put their interests, needs, goals and aspirations as a priority. It is the optimization of these interests, needs, goals and benefits that matter in procurement transactions (Daniel, 2012).

2.4 Empirical Review

This part covered the literature review on adversarial pairing relationship level, barometric relationship level, complementary relationship level, and negotiation.

2.4.1 Adversarial Buyer Seller Relationship and Procurement Performance

An adversarial relationship in purchasing and supply arises when identical or equivalent good or services are available from competing suppliers and buyers/sellers are trying to gain an advantage over each other. Low levels of trust are characteristic of adversarial relationships. Adversarial purchasing is a form of strategic management designed to take advantage of competition for a buyer's business in business-to-business relationships while simultaneously lowering the firm's dependence on a single supplier. Successful implementation of this strategy can lower the firm's prices and raise the service and attention gained from its suppliers (Bai, Sheng & Li, 2016).

In adversarial relationships, the buyer works to gain the winning hand by pressing the seller for every possible discount and deal advantage. The cost of doing business with each other takes a back seat to the buyer coming out on top. The relationship is strictly transactional and governed by a “what’s in it for me” posture. While supportive inter-firm relationships are based on a long-term view of the industry, adversarial relationships are structured to maximize short-term profits. Horizontal relationships dominated by self-interest rather than driven by common objectives often exhibit free-rider problems or invite corruption—as many failed cooperative development programs can attest. Vertical relationships are generally inequitable: In most industries, buyers are more powerful than suppliers and are therefore able to reap greater benefits from an adversarial relationship (Hellen & Fells, 2018). Various factors may facilitate such relationships. For example, where switching costs are low, buyers can exploit producers with impunity, knowing that there are other suppliers from whom they can purchase. Similarly, when there are only a few buyers (monopsony) the potential exists for collusion to maintain inequitable transaction terms and conditions.

Adversarial buyer-seller relationship approach to relationship is about maximizing bargaining power while minimizing reliance on providers. So as to keep up bartering power, the buyer ought to source from numerous providers, confer transient contracts with providers, impart no data to providers and make no change recommendations to (or from) suppliers. Antagonistic relationship is advanced when they work at a manageable distance with correspondence did in a formal way rather by individual contact. In the traditional purchasing approach, built on arm's length relationships, the focus of buying firms is primarily on enhancing the own performance by putting suppliers against each other in order to obtain the lowest price. This is done with little regard for the effects it has on suppliers, and for the end user the result is often an expensive product of poor quality (Wheeler, (2017). Increasingly however, companies have started to reconsider the traditional approach, which most often results in a zero-sum game where only one of the involved parties can be a winner.

In an adversarial relationship buyer and supplier are adversaries or segments. Each is endeavoring to acquire advantage at the other's cost. There is little trust, correspondence or co-operation, and there might be open clash or compulsion in the quest for influence. The potential for ongoing future transactions is not taken into account. Arm's Length Relationship is a distant impersonal relationship where the buyer does not need close, frequent or collaborative access to the supplier. Purchases are generally infrequent and of low volume and value, so investment in closer relationship is unjustifiable. Impersonal efficient multi sourcing methods are used. An arm's- length relationship is one between unrelated persons each acting in their own self-interest. It entails little speculation, scarcely any data sharing and constrained connection between organizations. Additionally on the low side are trust and responsibility. Connections at this stage are short term, contract based and ill-disposed, with a few providers

contending where the cost is the superseding element. At this level, organizations can without much of a stretch change accomplice and proficiently perform routine assignments (Christopher, 2005).

In a Transactional relationship, there is almost no trust in this relationship and could be a onetime exchange between the buyer and supplier. There are once in a while enormous investment funds made in this sort of relationship and it normally requires next to no investment and exertion by either gathering or proceeding with an assertion. At the point when connections like this are included it is generally a thing that is not inconvenient to the organization, and it is not as basic in the event that they come up short on the thing or the shipment is late (Wheeler, 2017).

2.4.2 Barometric Relationship Level and Procurement Performance

This pairing involves constantly monitoring one another's "atmospheric pressure." Both participants gauge each other's attitude and position, driven by a lack of trust that has not yet been established. Barometric relationships are often single-source connections that have a short-length contract. While there are growth and sales opportunities in a Barometric relationship, it can nosedive quickly. The mental surveillance and monitoring involved in this relationship fosters distrust. Both parties are constantly engaging in 'cover your assets' moves that breed ill will. In this buyer-seller relationship you are always checking the atmospheric pressure. This relationship is monitored and measured closely. Generally you have not yet developed a high level of trust with one another. It could be a single source relationship, but with a short length contract. While this relationship can grow and flourish, it can also sour quickly (Lysons & Farrington, 2017).

2.4.3 Complimentary Relationship Level and Procurement Performance

What most salespeople should aim for is the Complementary relationship. In this high-level buyer-seller relationship, real integral partnering can thrive. Only in a complementary relationship can the “visions and values” of each side dovetail with the other. Here, goals and values are congruent and personalities are simpatico. Each side understands the needs of their business partner and takes the necessary “posture and plans” to help their partner achieve both his or her goals and the needs of their own organization. The highest-level buyer/seller relationship is Complementary. This level is where true integral Partnering takes place. At this level the visions and values of each overlap with one another. There is a true alignment of values in place. Each understands the needs of their alliance partner and works hard to help their partner get what they need while likewise serving their own organization. Complementary relationship may cover Value-based purchasing, Sole-source relationships, Vendor Managed Inventorying (VMI), Just-in-time (JIT), and Electronic Data Interchange (EDI) (Cheng & Fong, 2013). Complementary relationships has created a cost focus in procurement teams that’s essentially cascaded down to suppliers, creating more adversarial relationships, it is a mandate for procurement people to reduce costs. A complementary interaction of a firm's practices and resources could create super-additive synergies. Hence, the inter-firm design variables and practices contribute maximally to the overall success of integration. Ranganathan, Teo & Dhaliwal (2011) suggest that complementary or interacting of capabilities and practices are the core motivations for supply chain relationships, as they help to create value that cannot be generated independently.

Information sharing actions can either build or erode trust, and the overall level of trust also determines the level of information sharing. Since trust and information sharing

are central concepts for collaborative buyer-supplier relationships, arguably actors should make efforts to build trust and share information more freely. Trust can be slowly built or destroyed by the specific actions of a firm's representative, which can in turn affect the perceived trust on an organizational level or even to the level of an entire. Information sharing is one of the foundational activities and crucial exchanges between buyers and sellers (Kristn & Sanne, 2015). Information is one of the key flows representing effective supply chain collaboration. Information sharing refers to the extent to which crucial and/or proprietary information are available to members of the supply chain. Shared information can be tactical (e.g. purchasing, operations scheduling, logistics) or strategic (e.g. long-term corporate objectives, marketing and customer information. With the continued interaction and iterative development of the buyer-supplier relationship, information sharing can help supply chain partners develop mutual understandings and align expectations of the exchange (Mugarura, 2010).

Commitment is considered as the soul of the relationship marketing and inter-organizational relations. The degree of commitment reflects the willingness of each organization to exert the necessary efforts and make the appropriate investments that would result in mutual benefit for both parties. Trust plays an important role in affecting the organizations' degree of commitment to the exchange. The higher the degree of trust created between organizations within the exchange, the higher the degree of commitment of each to it (Mohanty, & Gahan, 2015). The more successful and durable relational exchanges that generates positive outcomes, the higher the level of trust and commitment created as well. Commitment can be seen as the positive belief of the exchanging partner about the significance and continuation of the relationship that might warrant them the benefit from exerting effort in such a relation. Therefore, by considering trust as a main building block, commitment refers to the creation of a more

sustainable business organization and interdependent relationships between buyers and. Then supply chain performance will be greatly affected by the degree of commitment in buyer-supplier relationships as it would help in having common goals and efforts, while allowing long-term success for all the players (Lysons, & Farrington, 2017).

Trust can be defined as the willingness of relationship partners to exert effort, take risk, and sacrifice some power and control over the other partner for the success of the relationship. Trust is mainly created as a result of the reciprocation of benefit among the organizations of the relational exchange overtime. The more valuable the exchange benefits and the more frequent the communication are, the higher the degree of trust created among the buyersupplier relationship. Trust is directly and significantly related to the frequency of communication, shared values, degree of satisfaction, cooperation of organization within relationships, reducing opportunism and promoting long-term orientation and commitment within inter-organizational relationships (Holmlund, 2004).

Transparency is the ability to share data. It relies on upon trust, since data can be abused: used to the benefit of one gathering at the others cost. Straightforwardness underpins a relationship by empowering a shared comprehension of both sides' needs, concerns and potential commitments. Eggert & Helm (2013), consider relationship straightforwardness as the subjective view of feeling educated about the significant activities and properties of the other party in the communication. Relationship straightforwardness includes giving data about vital business attributes, for example, specialized capacities and relationship climate. Relationship straightforwardness can minimize the apparent need to always hunt down better options and add to fulfillment, relationship responsibility, suggestion and upper hand.

In, Collaboration buyers and Suppliers can work together to add value, to mutual benefit, in supply chains and networks of alliances. Although supply chain collaboration brings about many benefits such as higher visibility, flexibility and reduced lead times, it might not always be possible. Reducing the impact of any disruptions in the supply in the supply chain presents a clear business need and convergence of interests (goal congruence). Collaborative relationships can also result in multiple benefits, which can stem from improvements both on a financial and operational level, as well as on a strategic level. Regarding financial and operational performance, benefits such as lower costs, improved product quality, improved delivery performance, and increased flexibility have been demonstrated. Here, the most versatile benefit relates to cost reduction, which can stem from as diverse sources as savings from increased operational efficiencies to lower transaction costs (Mohanty, & Gahan, 2015).

The argument behind lower transaction costs is due to the trust, commitment, and mutual dependence that is inherent in good relationships. Collaborative relationships with suppliers can result in benefits such as lower purchasing prices, improved product quality, more reliable deliveries, and reduced cycle- times. Potential benefits for suppliers are improvements in product quality and productivity, lead times, and costs. Mutuality refers to as exchange or reciprocity. They express the idea that both parties gain some benefit from the relationship, and ideally share the benefits and risks of the relationship fairly between them. Trying to enhance collaborative efforts with suppliers can, if handled correctly, be a fruitful task that benefits both parties involved (Hemberger, & Hildebrandt, 2017).

2.4.4 Negotiation, Buyer Supplier Relationship and Procurement Performance

Negotiation is the process of finding a resolution to conflicts between people and groups and sharing resources in such a way that a win-win situation is achieved. Negotiation involves resolving conflicts of interest between two or more parties, this resolution is achieved through persistent communication. Negotiation is a tool that can be used to create a good relationship with others. Thus, negotiation is a life skill which helps to reach a compromise in situations where there are polarized interests (Stelzer, 2017). Negotiation is a process which results in a collective choice between two or more conflicting and independent parties. Negotiation is a tool for conflict resolution and indeed is geared towards reaching a compromise between parties who have conflicting interests (Rogers, & Fells, 2018).

Dominant themes are cooperation between the partners (some of the key characteristics of which are shared goals and objectives), open lines of communication, and professional respect and concern for the other's profitability (McQuiston, 2001). A myriad of negotiations occur throughout any organization before any decisions are made and they then continue to occur as those decisions are implemented to achieve the organization's goals. This is certainly true of the supply chain process. Negotiations extend beyond the task of fixing the contract terms with an acknowledged role in establishing and maintaining buyer–seller relationships (Cummins, 2015). Detailed negotiations are required within the purchasing organization to establish the contract scope and, almost inevitably, the corresponding financial parameters. However, if the 'power play' between the parties is approximately equal, that is, neither the buyer nor the supplier is in a dominant market position, negotiations will indeed occur and if conducted well may yield benefits to both parties (Jagodzinska, 2016).

These negotiations are most obvious when difficulties arise but also, more constructively, they can help maintain the relationship in anticipation of future negotiations taking place. Atkin & Rinehart (2006) noted that negotiators with a cooperative orientation (such as might occur in organizations that emphasize a partnership approach) are more comfortable with a formalized agreement. Moreover, trust and cooperation are engendered through more formal contracts. Inevitably, however, issues arise during the implementation of a contract hence the need of developing and maintaining a constructive relationship to reduce the ongoing costs of managing contract issues (Fells, Rogers, & Prowse, 2015).

Negotiations can be viewed not as a discrete segment of the supply chain process but instead as embedded throughout it. Negotiation starts within the organization to determine what is required and who might supply it, continues through the contract phase in which the extent of actual negotiation can be quite varied and moves on to negotiations to ensure the proper ongoing implementation of what has been agreed in the contract. Negotiation has largely been dominated by the two strategies namely; the competitive, distributive bargaining strategy and the cooperative, integrative one that lead, respectively, to win-lose and win-win outcomes. Similarly, relationship management with regard to the supply contract is an important factor in success (Handfield et al., 2015). Despite its importance, clarity on what actually happens during business negotiations, especially those involving B2B transactions, remains scarce (Geiger, 2017). This review of the negotiation research gives an indication of the challenges facing any procurement and/or sales manager seeking to negotiate a buyer–supplier contract in a commercial setting. The pressure will be on to secure the best deal, but there will also be an expectation that the relationship will be managed – how can cooperation be developed in this situation? Elements such as trust, information

exchange and the medium of communication all impact not only on the negotiation of the contract itself but also on negotiations that inevitably arise during the implementation of that contract. If one party appears not to be fulfilling the terms of the contract, the other may prefer negotiation rather than a contractual, legal approach to achieve compliance (Jagodsinska, 2016).

2.5 Summary and Gaps

The literature review confirms that a lot has been done on buyer-supplier relationships but little on the effect of negotiation, buyer-seller relationship levels and procurement performance. There is even more limited research carried out on the same within the transport logistics firms. This study therefore seeks to bridge this knowledge gap by studying the moderating effect of negotiation on buyer-supplier relationship level and procurement performance in transport logistics firms in Kenya. The table below shows a summary of the various studies discussed in the literature, the findings and knowledge gaps identified. This chapter covered the literature review. The concepts, the theoretical framework; social exchange theory, negotiation theory, transaction cost theory and buyer supplier optimization theory, a review of the study variables; adversarial relationship, barometric relationship, complimentary relationship, negotiation, summary and gaps to be filled by the study and the conceptual frame work.

Table 2.1: Research Gap

Scholar	Study	Major Findings	Limitations and Gaps
Mugarura, (2010)	Buyer- supplier collaboration and relationship continuity of private manufacturing firms in Kampala.	good buyer-supplier relationship has positive impact on relationship continuity	Buyer-seller relation levels and procurement performance not mentioned. Negotiation missing.
Rakesh & Amar, (2012).	Role of buyer-supplier relationship and trust in organizational performance	Good Buyer-supplier relationship leads to high levels of trust leading to Suppliers organizational performance	Failed to mention the buyer-seller relation levels and procurement performance. Negotiation missing
Kamau, (2013)	Buyer-supplier relationship and firms performance among large manufacturing firms in Nairobi-Kenya	positive impact of these relationships on organizational performance	Failed to mention the Buyer-seller relation levels and procurement performance. Negotiation missing.
Kemunto & Ngugi, (2014)	Influence of strategic buyer-supplier alliance on procurement performance a case of Glaxo Smithkline (Gsk)	buyer-supplier alliance has positive impact on procurement performance at gsk	Buyer-seller relation levels missing. Negotiation missing
Hassan, Habib, & Khalid, (2014)	Role of buyer-supplier relationship on buying firm's performance in chemical sector of Pakistan	Good buyer-supplier relationship led to better organizational performance	Failed to mention the Buyer-seller relation levels and procurement performance. Negotiation not included
Mutio, (2015)	Buyer-supplier relationships and organizational performance of pharmaceutical manufacturing firms in Kenya	there is a significant relationship between buyer–supplier relationships and organizational performance	Failed to mention the effect of buyer-seller relationship levels. Negotiation missing
Waithaka, & Waiganjo, (2015).	Role of buyer supplier relationship on supply chain performance in Kenya's state corporations: a case study of Kenya tea development agency	Lead time, cost, quality employee morale affected buyer supplier relationship on supply chain performance	Failed to mention the buyer-seller relation levels and procurement performance. Negotiation missing
Korir, (2015)	Effect of buyer-supplier relationships on procurement performance: evidence from Kenyan supermarket	Commitment, communication, cooperation and trust has a positive and significant effect on procurement Performance.	Captured procurement performance but failed to mention the buyer-seller relation levels. Negotiation missing.
Serem, Chepkwony & Bor, (2015)	Buyer-supplier relationship and firm's procurement performance: evidence from kenya medium and large scale enterprises	There is a positive and significant effect of information sharing and idiosyncratic partner investment on buying firm competitiveness.	Captured procurement performance but failed to cover the Buyer-seller relationship levels. Negotiation missing

Morsy, (2017)	Buyer-supplier relationships and power position: interchanging	collaborative relationship with its buyers and suppliers, depends on the degree of trusts, commitment, frequency of communication, and relationship duration	Failed to mention the Buyer-seller relation levels and procurement performance. Negotiation missing.
Mokua & Omboto, (2017)	Effects of public procurement practices on procurement performance of constituency development fund projects in Kwale county government of Kenya	Procurement staff competencies was believed to be a vital catalyst for the ethical conduct of the entire procurement staff in the counties.	Captured procurement performance but failed to mention the Buyer-seller relationship levels. negotiation missing
Ndunge & Mburu, (2017)	Role of buyer-supplier relationship on procurement performance in the public sector in Kenya: a case of ministry of east African affairs, commerce and tourism	supplier development, supplier selection, information management and supplier segmentation influences procurement performance	Captured procurement performance but failed to mention the Buyer-seller relationship levels. negotiation missing
Paiva, Phonlor & D'avila, (2018)	Buyer-supplier relationship and service performance: an operations perspective analysis	the traditional performance criteria like delivery, dependability and cost clearly are influenced by the aspects related to the management of the relationship	Failed to mention the Buyer-seller relationship levels. Negotiation missing. Procurement performance missing.
Munyimi & Chari, (2018)	The role of buyer–supplier relationships in achieving economic sustainability in the private telecommunication sector in Zimbabwe	strategic alliance types of relationships with strategic suppliers and transactional relationships with suppliers of routine materials have a great role in achieving economic sustainability	Failed to mention the Buyer-seller relationship levels. Negotiation missing. Procurement performance missing.

2.6 Conceptual Framework

The conceptual framework was derived from theoretical framework of this study; the Social exchange theory, negotiation theory, transaction cost theory and the buyer supplier optimization theory. The depended variable was firm performance, the independent variable was buyer seller relationship level while the moderating variable was negotiation.

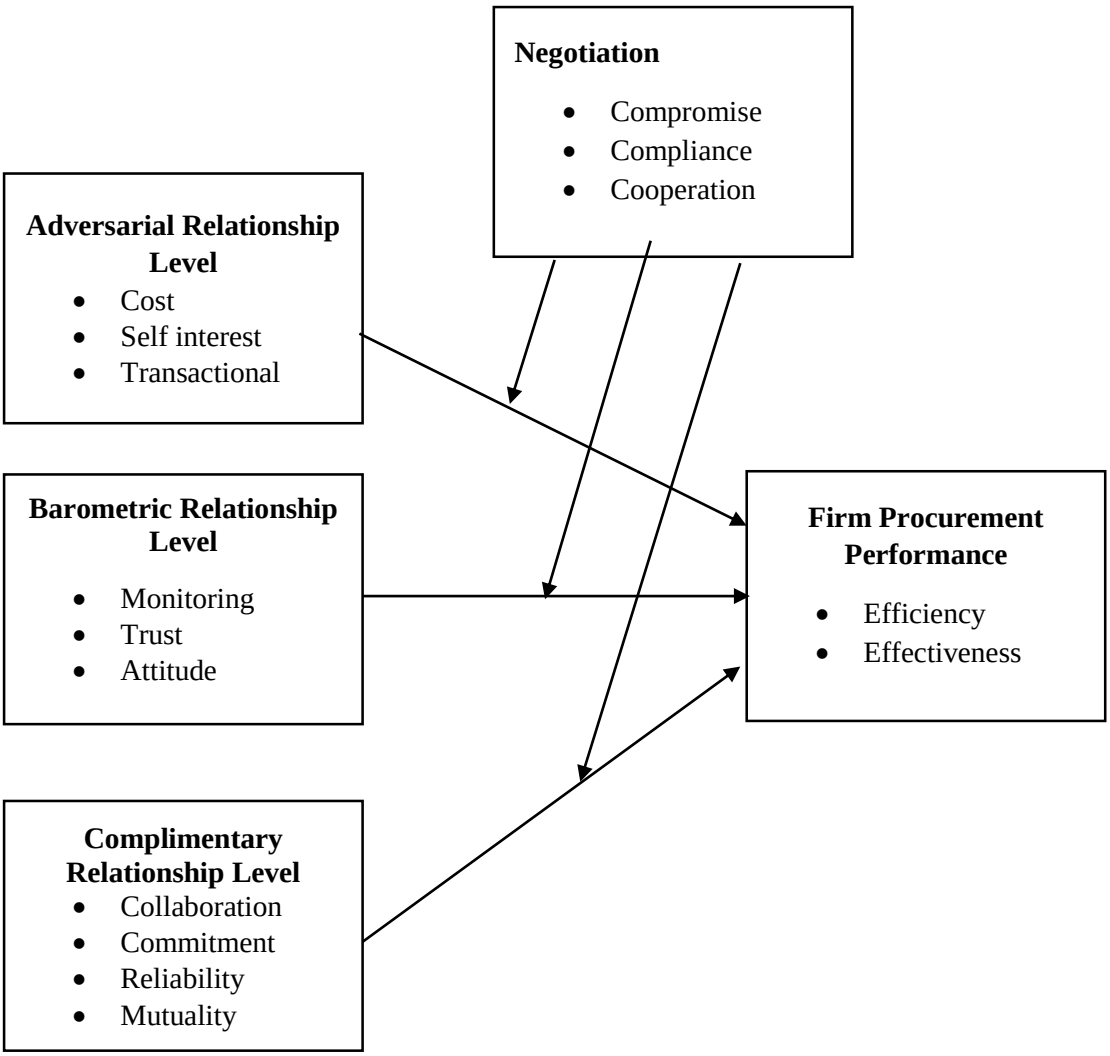


Fig 2.1 Conceptual Frame Work

Source: Researcher, 2021

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter covered the research design, study area, target population, sampling design and sample size, data collection methods, validity and reliability of research instruments, data collection procedures and data analysis techniques.

3.1 Research Philosophy

Research philosophy refers to the assumptions and beliefs that govern the way we view the world. It is a guideline of how data can be gathered, processed and presented to answer research questions (Saunders et al., 2015). Two main research philosophical views are positivism and phenomenological perspective. Positivism has to do with the situation where knowledge or the world is thought to exist independent of people's perceptions of it and that science uses objective techniques to discover what exist in the world (Sullivan, 2001). Positivism uses logical, quantitative, more objective scientific methods to test hypothetically deductive generalizations. This study used positivism research philosophy. Positivism was used to help the researcher operationalize the concepts, formulate hypotheses which was tested and provided the empirical explanations to the causes and effects relationship between variables (Saunders et al., 2017). This study emphasized on positivism while investigating the hypothesized causal explanation because the study was based on objectivity.

3.2 Study Area

This study was carried out to study the moderating effect of negotiation on the buyer-seller relationship level and procurement performance in transport and logistics in Mombasa County, Kenya.

3.3 Research Design

Research design can be described as a logical model of proof that allows the researcher to interpret and draw inferences concerning causal relationships of the variables under investigation (Creswell et al., 2014). This study used explanatory research design to test moderating effect of negotiation on adversarial buyer seller relationship, barometric buyer seller relationship level and complementary buyer seller relationship level and procurement performance of transport logistics firms in Mombasa County. Saunders et al., (2017), notes that explanatory research design is an appropriate design for studies that tests causal effect between study variables. Explanatory research helps to find out the reasons behind the occurrence of a particular phenomenon. It explains a situation or problem usually in the form of casual effect and therefore was able to answer the 'why' in this study. An explanatory research design is a study that seeks to establish a relationship that exists between variables. Its purpose is to identify how one variable affects the other; it seeks to provide an explanation of the causes and effects of one or more variables (Saunders et al., 2015).

3.4 Target Population

The target population is a complete collection of individuals or objects with homogeneous characteristics under investigation by the researcher from which the research findings can be generalized (Kothari, 2016). The target population of this study comprise of 188 transport logistic firms in Mombasa County as shown in appendix IV. The logistics firms were appropriate target population for this study because of their extensive procurement practices, which is a key contributor of firm performance, which was at the center of this study.

3.5 Sampling Design and Procedures

Sampling technique is the process of selecting a suitable sample for the purpose of determining the parameters which the researcher uses to select representative respondents from the target population. Sampling is a process through which a subset of the population can be selected (Saunders et al., 2015). Sampling process should ensure that a true representative of the target population is selected (Cooper & Schindler, 2014). This study used random sampling method so that each item had an equal chance of being picked for the study.

3.5.1 Sample Size

Sample size is a function of change in the population parameters under study and the estimation of the quality that is needed by the study. From the target population of 188 transport logistics firms, the Yamane, (1973) sample size calculation formula was used to arrive at a sample size of 127 transport logistics firms as follows;

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample size, N = Population size, e = the error of Sampling

This study allowed the error of sampling on 0.05. Thus, sample size was as follows:

$$n = \frac{188}{1 + 188(0.05)^2} = 127\ Logistic\ firms$$

Thereafter, simple random sampling was used to select 127 logistics firms out of 188 available. In each firm, the procurement manager was targeted for this study.

3.5.2 The Unit of Analysis and Unit of Observation

The unit of analysis refers to the type of unit a researcher uses when measuring the study variables (Neuman, 2006). In this study, the unit of analysis was the transport logistics firms in Mombasa County as provided for in appendix IV while the unit of observation was the procurement managers because of their intensive expert knowledge on procurement and performance of the transport logistics firms.

3.6 Data Types, Collection and Procedures

3.6.1 Types of data

Primary data is the collection of original first time data or first-hand information for a specific purpose by a researcher. Creswell, (2014), notes that the ultimate objective of conducting primary research is to learn about something new that can be confirmed by others and to eliminate own biases in the process. This study used primary data to test the moderating effect of negotiation on adversarial relationship level, barometric relationship level, and complementary relationship level and procurement performance of transport logistics firms in Mombasa County.

3.6.2 Data Collection Instrument

Data collection instruments refer to the tools employed in collecting data in a study (Oso & Onen, 2008). This study employed structured questionnaires to collect information on adversarial relationship level, barometric relationship level, complementary relationship level, negotiation and procurement performance of transport logistics firms in Mombasa County. Structured questionnaire is a preferred and efficient method of collecting first-hand information thus was ideal for this study because of its suitability to collect information that is not directly observable such as opinions or individual experience. Closed ended questions were crafted using Likert-type scales in a five point response categories to measure attitude and opinions. The

five point Likert scale (1 = strongly disagree to 5 = strongly agree) will be developed for rating responses of independent, dependent and moderating variable. The justification for using the questionnaire as a data collection instrument is hinged on the fact that questionnaires are cheap and quick to administer, are highly convenient for the respondents as they can fill them during free time and is convenient for assessing perceptual studies (Hair et. al., 2013).

3.6.3 Data Collection Procedures

The actual process of collecting data started by getting introduction letter from Moi University and a permit from NACOSTI. The researcher issued the questionnaires to the target respondents with both introduction letter and the permit attached. The respondents were given time to fill in the questionnaires by way of ticking respective responses that was reflective of their opinion about the various statements in the questionnaire. The filled questionnaires were collected back by the researcher ready to be processed and analyzed. Where the respondents were not in a position to fill the questionnaire on the spot, they were allowed time to fill it at their own convenient time within the span of one week. Follow ups were in the form of phone calls and physical repeat visits to ensure increased response rate.

3.7 Pilot Study

Before the questionnaires were finally administered to participants, pre-testing was carried out to ascertain the relevance, clarity and accuracy of the question items. Essentially, endeavors to determine the reliability of research tools in terms of wording, structure and sequence of the items. In this study, the questionnaire were tested on 10% of the target population which was 13 questionnaires in transport and logistics firms in Nairobi County. By carrying out a pilot study, the researcher projected to save tremendous amount of time and money in the actual study (Saunders et al., 2015). This

is simply because any discrepancies and errors in the questionnaire were fixed in time. The instruments reliability and validity were tested consequently.

3.7.1 Reliability of the Research Instrument

Reliability in research refers to the extent to which a measurement instrument is able to yield consistent results each time it is applied under similar conditions. It is the constituent of a measurement device that causes it to yield similar outcome or results for similar inputs. Research reliability is defined as the percentage of the inconsistency in the responses to the survey that is the result of differences in the respondents (William, 2013). Reliability was conducted through pre-testing of the research instruments. The Cronbach's alpha score was used to assess the reliability of the research instruments. Most studies in social sciences adopt a reliability score of 0.70 and above as acceptable (Cooper & Schindler, 2015). This study adopted 0.70 Cronbach alpha score as the threshold. All the four constructs had had scores greater than 0.7 hence were deemed reliable.

3.7.2 Validity of the Research Instrument

Validity in research refers to the degree to which a statistical instrument measures what it is intended to measure. There are two types of validity, namely: internal or external. External validity refers to the extent to which the findings and results of a study could be generalized to other particular research settings and other sample. In this work, to ensure external validity, the findings and results will be generalized to the Kenyan settings and specifically to the logistics industry. To ensure content validity of research instruments the questionnaires were given to the two supervisors for review and correction (Saunders et al., 2015). Further, KMO and Bartlett's test was conducted and results indicated a Chi-square of (1800.440, p=.000).

3.8 Data Processing, Analysis and Presentations

3.8.1 Data Processing

The primary data to be collected from the field was coded, cleaned, and entered into the computer for analysis using SPSS. The data was summarized and tabulated in order to see emerging trends and issues around specific themes, which are dependent on the variables and objectives.

3.8.2 Data Analysis and Presentation

Descriptive statistical procedures included frequency distributions to derive the relationship between adversarial relationship level, barometric relationship level, complementary relationship level, negotiation and procurement performance. Descriptive analysis was used to describe the demographic profile of the target respondents inform of frequencies, percentages, tables, central tendencies e.g. mean and standard deviation. The demographic profiles consisted of the age of the transport logistics firms, experience, and education level.

3.8.3 Correlation Analysis

Correlation analysis for this study was done to establish the association between variables of interest. The values of the correlation coefficients vary from a value of +1.00 to a value of 1.00 which represents extremely perfect relationships. When independent variables are highly correlated, it becomes difficult to establish the effect of each independent variable on the dependent variable (Hair et al., 2013). This study employed Pearson Product Moment correlation to test the association between the independent variables and the dependent variable.

3.8.4 Regression Analysis

Moderated multiple regression analysis was used to show the amount of variations explained by the independent variables by a third variable on the dependent variable. A moderator analysis is used to determine whether the relationship between two variables depends on (is moderated by) the value of a third variable. A moderator analysis is really just a multiple regression equation with an interaction term. What makes it a moderator analysis is the theory and subsequent hypotheses that surround this statistical test (Jose, 2013).

Most statistical tests rely upon certain assumptions about the variables used in the analysis. Knowledge and understanding of the situations when violations of assumptions lead to serious biases, and when they are of little consequence, are essential to meaningful data analysis. The model without moderation was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \quad \text{.....(eq. 3.1)}$$

Y= Procurement Performance of transport logistics companies in Mombasa county.

X_1= Adversarial Pairing Relationship Level.

X_2 = Barometric Relationship Level.

X_3 = Complementary Relationship Level.

Ɛ: Error term.

β_0: Intercept.

β_i: coefficient of the independent variable i which measures the responsiveness of Y to changes in *i*.

In testing for moderating effect of negotiation, Baron & Kenny (1986) procedures was used.

Each of the independent variables was interacted with negotiation as shown in model 3.2.

$Y = \beta_0 + \beta_1 X_1 * N + \beta_2 X_2 * N + \beta_3 X_3 * N + \varepsilon$ ……..(eq. 3.2)

Where;

Y= Procurement Performance of transport logistics companies in Mombasa county.

X_1= Adversarial Pairing Relationship Level.

X_2 = Barometric Relationship Level.

X_3 = Complementary Relationship Level.

N = Negotiation

Ɛ: Error term.

β_0: Intercept.

β_i: coefficient of the independent variable $_i$ which measures the responsiveness of Y to changes in $_i$.

3.8.5 Testing the Assumptions of Multiple Regression Model

The assumptions of the multiple regression model tested were; normality, linearity, homoscedasticity and autocorrelation.

Normality test is used to determine whether the data sets are normally distributed. Normality holds that the distribution of the test is bell-shaped with 0 (zero) mean, with 1 (one) standard deviation and a symmetric bell shaped curve (Saunders et al., 2015). Normality test was done using Kolmogorov-Smirnov test. If the results of the test are significant that is $p<0.05$ then rejecting the null hypothesis means rejecting the assumption of normality for the distribution (Field, 2009). The data was found to be normally distributed.

Linearity was tested by creating a scatter plot using SPSS Statistics where the researcher did plot the dependent variable against the independent variable and then visually inspected the scatter plot to check for linearity. From the scatter diagram, the residuals distributed evenly around the zero line (the regression line). The conclusion is that the data was linearly distributed.

Multicollinearity was tested by establishing the inter-correlations between the independent variables. Multicollinearity problem occurs when the independent variables are highly correlated to each other (Hair et al., 2013). Multicollinearity was tested statistically by use of the VIF (Variance Inflation Factor). Multicollinearity was tested by an examination of tolerance and Variance Inflation Factor (VIF) with the thresholds of more than 0.1 and VIF of 10 (Hairr et al., 2013). All constructs had a VIF factor of greater than 0.1 and less than 10. Multicollinearity was not a problem.

Table 3.1 Hypothesis Testing

Objective	Null Hypothesis	Type of Analysis	Interpretation
To assess the effects of adversarial buyer-seller relationship level on the procurement performance of transport logistic firms in the Mombasa county.	**$H0_1$**: adversarial buyer-seller relationship level has no significant effect on the procurement performance of transport logistic firms in the Mombasa county.	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.
To establish the effects of barometric buyer-seller relationship level on the procurement performance of transport logistic firms in Mombasa county.	**$H0_2$**: Barometric buyer-seller relationship level has no significant effect on the procurement performance of transport logistic firms in Mombasa county	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.
To examine the effects of complementary buyer-seller relationship level on the procurement performance of transport logistic firms in Mombasa county.	**$H0_3$**: Complementary buyer-seller relationship level has no significant effect on the procurement performance of transport logistic firms in Mombasa county.	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.
To determine the moderating effect of negotiation on buyerseller relationship level and procurement performance of transport logistic firms in Mombasa county.	**$H0_4$**: The moderating effect of negotiation on buyer-seller relationship level has no significant effect on procurement performance of transport logistic firms in Mombasa county	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.

Table 3.2 Variable Measurement

Variable	Operationalization	Measurement
Adversarial buyer-seller relationship level	• Cost • Self interest • Transaction	Five-Likert Scale
Barometric buyer seller relationship level	• Monitoring • Trust • Attitude	Five-Likert Scale
Complementary buyer seller relationship level	• Collaboration • Commitment • Reliability • Mutuality	Five-Likert Scale
Negotiation	• Compromise • Compliance • Cooperation	Five-Likert Scale
Procurement Performance	• Efficiency • Effectiveness	Five-Likert Scale

3.9 Ethical Considerations

The ethical issues which were considered while undertaking this research included seeking approvals, enabling voluntary participation, ensuring safety of participants, guaranteeing of anonymity, confidentiality, analyzing and reporting of the findings. To obtain access to the chosen institutions, a letter seeking permission to conduct the study from Moi University and the National Commission for Science, Technology and Innovation (NACOSTI) was acquired. Data was for academic purposes only and this was properly communicated, also the details of the participants were kept secret.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND REPORTING

4.1 Introduction

In this chapter is an overview of the data analysis method is presented and the research findings are discussed. The focus of the study was to investigate moderating effect of negotiation on the relation between Buyer-seller relation and performance of logistic firms in Kenya. The mean and standard deviation were used in the descriptive section. Correlation, multiple regression, moderated multiple regression results were used to study the relationship between the variables.

4.2 Response Rate

A total of 127 questionnaires were used to collect data from managers of logistic firms. Out of this number, a total of 97 were returned and used for analysis. The response rate of the study is therefore 76.4%. This rate means that the final sample was adequately representative of the intended original sample.

4.3 Validity and Reliability Test

4.3.1 Validity Tests

A Factor Analysis with a Varimax rotation of 20 Likert scale questions from a survey questionnaire was conducted on data gathered from 97 participants. Varimax rotation ensured that the factors are independent ensuring no multidisciplinary. An examination of the Kaiser-Meyer Olkin measure of sampling adequacy (KMO=.869) and the Barnett's test is Chisquare=1813.440, $p<0.001$) collectively suggested that the sample data is suitable for factor analysis as shown in table 4.2. The extracted factor explain 76.304 % of variance in the original data set (Table 4.3).

Table 4.1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.869
Bartlett's Test of Sphericity	Approx. Chi-Square	1813.440
	Df	190
	Sig.	.000

Source: Research Data (2021)

Table 4.2 Obliquely rotated component lodgings for 20 items*

		1	2	3	4	5
Adversarial	Our firm is at the early/initial stages of developing client relationship		.857			
	We are at stage of our relation with clients where Self-interest is most important		.888			
	We attempt to squeeze every discount coin from our clients		.893			
	We are determined to get the last drop from our client.		.867			
Barometric	We are at stage of our relation with clients where we are keenly studying our clients	.828				
	We have not yet developed a high level of trust with our clients	.867				
	We are at the trust building stage with our major clients	.893				
	Our relation with our clients is generally at closely monitoring stage.	.801				
Complementary	We are at that stage where we have developed a strong partnership with clients			.871		
	We have a commitment to honor our relation with our clients			.772		
	The relation is reliable			.806		
Negotiation	We understand the needs of our clients and works hard to help them get what they need			.838		
	Our negotiation has been the able to solve conflicts and address differences					.780
	We have an effective negotiation relation with our clients					.736
	We have an effective negotiation culture					.685
	We gain significant advantage based on our negotiation experience and skills					.672
Performance	Increased Profitability				.801	
	Probability of				.756	
	Increased number of employees				.859	
	Increased Productivity				.590	
	Variance explained	17.101	16.974	15.570	14.109	12.550
	Cronbach's alpha	.921	.925	.903	.849	.805

Source: Research Data (2021)

Table 4.3: Total Variance Explained

	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.894	39.470	39.470	3.420	17.101	17.101
2	2.566	12.828	52.298	3.395	16.974	34.076
3	1.907	9.536	61.834	3.114	15.570	49.645
4	1.790	8.950	70.784	2.822	14.109	63.754
5	1.104	5.520	76.304	2.510	12.550	76.304
6	.727	3.637	79.941			
7	.613	3.067	83.008			
8	.506	2.530	85.538			
9	.399	1.995	87.533			
10	.390	1.950	89.484			
11	.331	1.656	91.140			
12	.300	1.501	92.641			
13	.274	1.372	94.013			
14	.243	1.213	95.226			
15	.221	1.103	96.329			
16	.188	.942	97.271			
17	.178	.892	98.163			
18	.147	.736	98.899			
19	.135	.677	99.575			
20	.085	.425	100.000			

Source: Research Data (2021)

4.3.2 Reliability Test

Factor analysis results are also used to assess reliability of the constructs extracted. The Cronbach's alpha test is one of the tests of internal consistency (reliability) of a survey instrument. The Cronbach test was run on each construct and the results are shown in Table 4.5 below. The results in Table 4.5 show Cronbach's alpha coefficients for adversarial relationship, barometric relationship, complementary relationship, negotiation and performance were above 0.7, indicating that they are reliable. Taber (2018) suggests that Cronbach's alpha values of items included in the study should not

be lower than 0.7. According to Golafshani (2003), Cronbach alpha should not be lower than 0.7, while Gliem and Gliem (2003) recommend a Cronbach alpha should exceed 0.7. Hence, the variables of the study are considered reliable.

Table 4.4 Cronbach Alpha Test

Scale	Number of items	Alpha	Consistency
Adversarial BSR	4	.761	Reliable
Barometric BSR	4	.732	Reliable
Complemetary BSR	4	.821	Reliable
Negotiation	4	.799	Reliable
Performance	4	.823	Reliable

Source: Research Data (2023)

4.4 Descriptive Results

The mean and standard deviation results of the five variables (adversarial, barometric, complementary, negotiation and performance) measured on a five scale of No Extent(1), Small Extent(2), Moderate Extent (3), Great Extent (4) and Greatest Extent (5) were computed and presented in tables as below.

4.4.1 Adversarial Buyer Seller Relationship Level

The primary aim of the analysis was to assess the effect of adversarial buyer seller relationship level on the performance of transport logistics firms in Kenya.

Table 4.5: Adversarial Buyer-Seller Relationship Level

	Mean	Std. Dev
Our firm is at the initial stages of developing client relationship	2.48	.980
In our relation with clients, self-interest is most important	2.42	1.016
We attempt to squeeze every discount coin from our clients	2.25	.869
We are determined to get the last drop from our client.	2.35	.919
Overall	2.3750	.85631

Source: Research Data (2021)

The study found out that developing client relationship (Mean 2.48, STD 0.980) and selfinterest in a relationship (Mean 2.42, STD 1.016) contributed highly to transport

logistic firm performance. On the other side, squeezing coins from clients (Mean 2.25, STD 0.869) contributed least to transport logistic firm performance. On average, the respondents agreed to a small extent (Grand mean 2.3750 rounded off to 2) that adversarial buyer seller relationship level affects the performance of transport logistic firms in Mombasa County. This informs that the high cost of acquiring new client discourages adversarial relationship (Kumar, & Rahman, 2016).

4.4.2 Barometric Buyer Seller Relationship Level

The primary aim of the analysis was to establish the effect of barometric buyer seller relationship level on the performance of transport logistics firms in Kenya.

Table 4.6: Barometric Buyer Seller Relationship Level

	Mean	Std Dev
We are keenly studying our clients	3.98	.724
We have not yet developed a high level of trust with our clients	4.00	.713
We are at the trust building stage with our major clients	4.04	.706
Our relation with our clients is generally at closely monitoring stage.	4.11	.715
Barometric relation, Overall Mean.	4.0335	

Source: Research Data (2021)

The study found out that closely monitoring client relationship (Mean 4.11, STD 0.715) and trust in a relationship (Mean 4.04, STD .713) contributed highly to transport logistic firm performance. On the other side, keenly studying clients (Mean 3.98, STD 0.724) contributed least to transport logistic firm performance. On average, the respondents agreed to a great extent (Grand mean 4.0335 rounded off to 4) that barometric buyer seller relationship level affects the performance of transport logistic firms in Mombasa County. Closely monitoring clients to establish a reliable relationship leads to increased firm performance (Lysons, & Farrington, 2017).

4.4.3 Complementary Buyer Seller Relationship Level

The primary aim of the analysis was to establish the effect of adversarial buyer seller relationship level on the performance of transport logistics firms in Kenya.

Table 4.7 Complementary Buyer Seller Relationship Level

	Mean	Std. Dev
We have developed a strong partnership with clients	3.50	.916
We have a commitment to honor our relation with our clients	3.60	.911
The relation is reliable	3.80	.767
We understand the needs of our clients and provide the needs	3.45	.915
Complementary Mean	3.5866	

Source: Research Data (2021)

The study found out that a reliable relationship (Mean 3.80, STD 0.767) and commitment to honor the relationship (Mean 3.60, STD .911) contributed highly to transport logistic firm performance. On the other side, understanding the needs of clients (Mean 3.45, STD 0.915) contributed least to transport logistic firm performance. On average, the respondents agreed to a great extent (Grand mean 3.5866 rounded off to 4) that complementary buyer seller relationship level affects the performance of transport logistic firms in Mombasa County. In complementary buyer seller relationship level, real integral partnering can occur that implies mutual, benefit. In fact, complementary relationship level may take longer to develop than anticipated, but the close relationship delivers value (Mohanty & Gahan, 2015).

4.4.4 Negotiation

The primary aim of the analysis was to establish the effect of negotiation on the performance of transport logistics firms in Kenya.

Table 4.8: Negotiation and Buyer Seller Relationship Level

	Mean	Std. Dev
Our negotiation has been the able to solve conflicts	3.590	.640
We have an effective negotiation relation with our clients	3.80	.705
We have an effective negotiation culture	4.04	.660
We gain significant advantage based on our negotiation skills	3.64	.773
Complementary Mean	3.8425	

Source: Research Data (2021)

The study found out that an effective negotiation culture (Mean 4.04, STD 0.660) and solving of relationship conflicts (Mean 3.90, STD .640) contributed highly to transport logistic firm performance. On the other side, negotiation skills (Mean 3.64, STD 0.773) contributed least to transport logistic firm performance. On average, the respondents agreed to a great extent (Grand mean 3.8425 rounded off to 4) that complementary buyer seller relationship level affects the performance of transport logistic firms in Mombasa County. Negotiation is a tool for conflict resolution and indeed is geared towards reaching a compromise between parties who have conflicting interests (Rogers, & Fells, 2018).

4.4.5 Performance of Transport Logistic Firms

In this part, performance of transport logistics was measured using profitability, revenues, customer base and productivity.

Table 4.9 Performance of Logistic Firms

	Mean	Std. Dev
Increased Profitability	3.80	.767
Increased revenues	3.67	.797
Increased number of customers	3.70	.727
Increased Productivity	3.85	.827
Performance overall	3.76	.647

Source: Research Data (2021)

The analysis of performance data revealed that overall performance of the transport logistic firms was realized through increased productivity (mean=3.85, SD=.827) and increased profitability (3.80, SD=.767) as the highest contributors. On the other side, increased revenues (mean=3.76, SD=797) contributed least to the overall performance of the transport logistic firms. Organizational performance is key to firm sustainability and success. Firms that register high performance rates are more likely to be ongoing concerns and survive in the long run (Coad, 2009).

4.5 Correlation Analysis Results

All the five study variables were presented in the correlation analysis and the correlation matrix results are presented in Table 4.10. In correlation analysis, there are two main parts of interest in a correlation matrix involving a dependent variable that need to be assessed separately. The first part is the inter correlations between the independent variables. It shows the strength and nature of relation between variables. In this regard, the results showed that the inter correlation coefficients are all positive and range from a minimum of 0.283 (adversarial and barometric) to a maximum of 0.411 (barometric and Complementary). This positive relation results shows that the variables are related to one same construct, that is, performance. Variables measuring the same construct should theoretically positively associated as demonstrated in our results. Considering the magnitude of these inter correlation coefficient, it is observed that they are all moderate with no correlation coefficient greater than 0.7. This suggests that there are no pair of highly related independent variable that is there are no redundant variables to suggest multicollinearity issues. This section is thus a diagnostic section of the data.

The second part of interest in the correlation matrix is part showing the correlation between each independent variable and dependent variable. It shows the strength and nature of relation between the IV and the DV. The result shows that Adversarial buyer

seller relationship and performance are positively and significantly correlated (r=.285, p=.001) and indication that logistic firms with a strong adversarial buyer seller relation level with clients also have higher performance. Successful implementation of this strategy can lower the firm's prices and raise the service and attention gained from its suppliers (Bai, Sheng & Li, 2016).

Table 4.10 Correlation Analysis Results

		Adversarial	Barometric	Complementary	Negotiation	Perfo
Adver	Correlation					
	P	1				
Barom	Correlation	.283**	1			
	P	.001				
Compl	Correlation	.407**	.411**	1		
	P	.000	.000			
Nego	Correlation	.331**	.441**	.406**	1	
	P	.000	.000	.000		
Perf	Correlation	.285**	.452**	.439**	.609**	**1**
	P	.001	.000	.000	.000	

Source: Research Data (2021)

The correlation between Barometric Relation and performance of logistic firms in transport sector is positive and significant (r=.452, p<.000) suggesting that logistic firms are characterized by strong barometric relation are also strong performers than firms with weak barometric relation. However, if there mistrust, the relationship flops. The mental surveillance and monitoring involved in this relationship fosters distrust (Munyimi & Chari, 2018).

The correlation between complementary buyer seller Relationship and performance of logistic firms in transport sector is positive and significant (r=.439, p<.000) suggesting that logistic firms characterized by strong complementary relation are also strong performers than firms with weak complementary relation. Generally, partners have to develop high level of trust with one another. While this relationship can grow and flourish, it can also sour quickly (Lysons & Farrington, 2017). If the ‘power play’

between the parties is approximately equal, that is, neither the buyer nor the supplier is in a dominant market position, negotiations will indeed occur and if conducted well may yield benefits to both parties (Jagodzinska, 2016).

Finally, the correlation between negotiation and performance of logistic firms in transport sector is positive and significant (r=.609, p<.000) suggesting that logistic firms characterized by effective negotiation are strong performers than firms with defective negotiation. Negotiation is a tool for conflict management which if well addressed, high performance is recorded (Rogers & Fells, 2018). Collectively, the correlation result as shown that the IVs are moderately correlated and the correlation is positive. The relation between the independent variable and the dependent variable are all significant.

4.6 Multiple Regression Analysis and its Assumptions

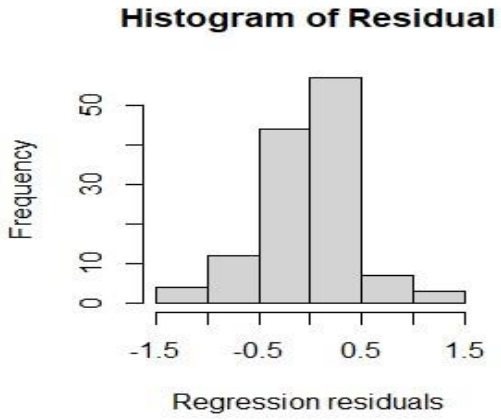
The main objective of the study was to establish the moderating effect of negotiation on the relation between Buyer-seller-relationship level and performance of logistic firms.

4.6.1 Multiple Regression Analysis Assumptions

The Regression assumptions ware therefore first tested to ensure the data met the minimum requirements for analysis as follows;

The normality Assumptions. Under the normality assumption, it is required that the residuals are normally distributed. A plot of the histogram is one of the techniques of assessing this assumption. To achieve this, a multiple regression analysis was run with all the independent variable and the hypothesized moderator with performance as a dependent variable. The residuals histogram was then plotted. Following this procedure, the plot shown in figure 4.1 was obtained. It is has a shape of a normal

distribution thus concluding that the normality assumption is met. The Q-Q plots also shows that most points are on the line an indication of normality of residuals.



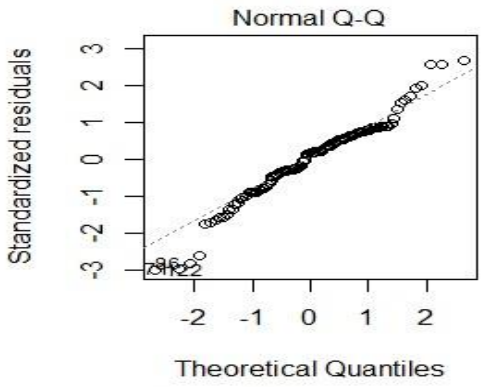


Figure 4.1 Regression Residuals **Figure 4.2 QQ Plot**

Under the linearity assumption, it is required that the relation between the dependent variables in the model and the dependent variable is linear and not curvilinear. The analysis of the plots of residuals is used to test the assumption. In particular, a scatter plot of regression residuals against predicted values. The residuals should be evenly distributed below and above the regression line to demonstrate the linearity.

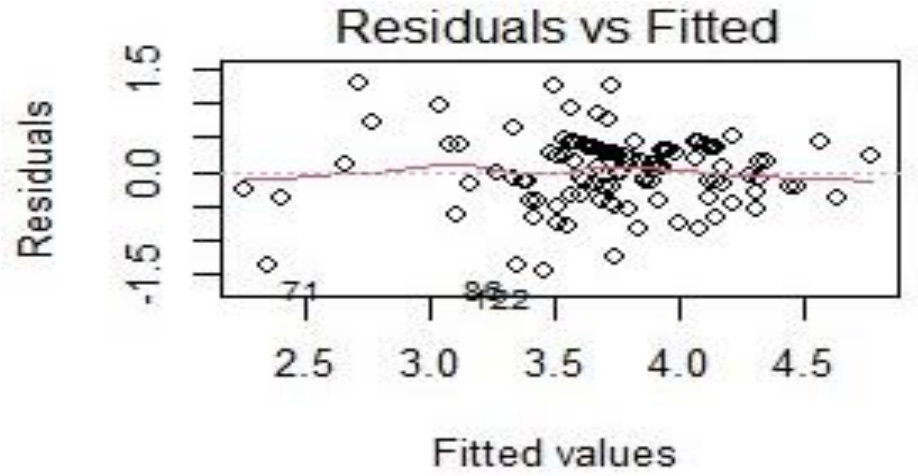


Figure 4.3 Fitted Values

The constant variance Assumption; under this assumption, it is assumed that the errors are constant along all values of the dependent variable. A plot of regression residuals against the predicted values is used to check for this assumption. The errors should not show any pattern of fanning out for the assumption to be met.

The multicollinearity assumption: it states that independent variable should not be highly correlated, because if they are highly correlated, they inflate the regression coefficient estimates. The correlation matrix of independent variables helps in identifying multicollinearity. As seen in the correlation section. The data does not suffer from multicollinearity issues since no pair of IVs are highly correlated (rho>0.7). Additionally, the Variance Inflation Factor, VIF was also computed for each variable to also assess multicollinearity. VIF values less than 10 are considered an indication of no significant multicollinearity.

Table 4.11 Multi Collinearity Test Results

Model	Collinearity Statistics		
	Tolerance	VIF	Findings
1 ADVERSARIAL	.796	1.256	No multicollinearity
BAROMETRIC	.736	1.358	No multicollinearity
COMPLEMENTARY	.705	1.417	No multicollinearity
NEGOTIATIONS	.725	1.380	No multicollinearity

Source: Research Data (2021)

4.6.2 Multiple Regression Analysis

Hypothesis testing was achieved through use of multiple linear regression. In particular the hypothesis H_{01}, H_{02} and H_{03} are tested using the model 1 results in hierarchical moderated regression model. This model 1 is built with only the three predictors of performance. To build model 2, the potential moderator is introduced in the model to determine its direct contribution and a potential moderator is first a significant predictor of the DV. Model 3 has interaction terms introduced to test the moderation effect. The

coefficient results, the change in R and F ratios are key statistics in moderation test in MMR framework. The ΔR 2 provides the power of the model to predict the dependent variable and the F change provides the overall significance of the model. The two statistics together with the regression coefficients, forms the core of the tests of the hypotheses in research. The results are provided in Table 4.12 and Table 4.13.

Table 4.12: Model Summary

Model					Change Statistics				
	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.557a	.310	.288	.55294	.310	13.928	3	93	.000
2	.679b	.462	.438	.49113	.151	25.883	1	92	.000
3	.719c	.516	.478	.47326	.055	3.359	3	89	.022

Source: Research Data (2021)

Table 4.13 Moderated Multiple Linear Regression Analysis; Coefficients

Model		Coefficients			
		Beta	t	Sig.	Hypotheses Test
1	(Constant)	.000	.000	1.000	
	ZADVE	.284	2.994	.0033	
	ZBARO	.316	3.745	.000	
	ZCOMP	.275	3.103	.002	
2	(Constant)		.000	1.000	
	ZADVE	.013	.170	.866	
	ZBARO	.175	2.215	.029	
	ZCOMP	.176	2.181	.031	
	ZNEGOT	.456	5.715	.000	
3	(Constant)		.413	.680	
	ZADVE	.153	1.018	.311	
	ZBARO	.353	1.799	.075	
	ZCOMP	.136	.805	.423	
	ZNEGOT	.463	5.902	.000	
	ZADVE*ZNEGO	.564	2.916	.004	
	ZBARO*ZNEGO	.285	3.323	.001	
	ZCOM*ZNEGO	.159	1.99	0.049	

Based on model 1, H_{01} that assumed that adversarial relationships has no significant effect on performance is rejected (β=.284, p=0.0033) the p value 0.0033 obtained is greater than the 0.05 significant level. Thus the hypothesis H_{01} is rejected.

The hypothesis H_{02} that assumed no significant effect of barometric relation on performance is rejected (β=.316, p<0.000). The p value obtained is less than the 0.05, thus the H_{02} is rejected.

And, H_{03} that assume no significant effect of complimentary relation on performance is rejected (β=0.275, p=0.002) since the p value of the regression coefficient is greater than 0.05. thus based on model 1 results, the H_{01}, H_{02} and H_{03} are rejected. The test of suitability of model 1 results (Table 4.12,) indicate that, the $\Delta R^2 = 0.287$ (p<0.001), ΔF (3,93) =13.928, p<0.001). These results suggest that the three variables in the model account for 28.7 percent in performance differences among logistic firms. The findings is a reflection of the critical position of buyer-seller relation measures (adversarial, barometric and complimentary) in performance goals of logistic firms.

Whereas model 1 test the direct effect of the main independent variables, Model 2 with a moderator introduced has a significant R square change; $\Delta R^2 = 0.151$, $\Delta F(1,92) = 25.883$, p<0.001 and indication of the central role of negotiation on performance of logistic firms which operate in a competitive environment and dwindling markets. This results shows that negotiation competencies and skills boost performance of logistic firms by 15.1% above the contribution by the three measures of buyer-seller relations. In moderation analysis, model 2, with potential moderator as a predictor, is the baseline model in testing moderation effect. It is the point of reference in the change from model without interaction and model with interaction (model 3).

In model 3, the interaction coefficient of interaction terms presented for assessing moderation are the focus in testing moderation hypotheses H_{04}, H_{05} and H_{06}. The hypothesis, H_{04} postulated that negotiation has no significant moderating effect on the relation between adversarial practices and performance. The coefficient of the interaction term (ADVERS*NEGO) is significant, an indication that negotiation has a significant moderation effect (β=0.564, p=0.004). The hypothesis H_{04} is thus rejected in favor of its alternative, the research hypothesis H_4.

Again the hypothesis H_{05} claimed that negotiation has no significant moderating effect on the barometric-performance relationship. The significant coefficient of the interaction term, ZBARO*ZNEGO (β=0.285, p=0.001) is significant. Thus the hypothesis H_{05} is rejected in favor of its alternative, H_5.

And, finally, the hypothesis H_{06} claimed that the complimentary -performance relation is not significantly moderated by negotiations. The results in model 3 showed that the coefficient of the interaction term (complimentary*negotiation) is significant, β=0.564, p=0.004) an indication of significant moderation effect of negotiation. The hypothesis H_{06} is thus rejected in favor of H_6.

R square change statistics in model 3 as compared to baseline model (model 2) reveal the amount of variance of the dependent variable due to moderation effect of negotiation. Table 4.12 results shows that the $\Delta R^2 = 0.055$, ΔF (3,89)=3.359, p=0.022). This results are significant as they position a single factor, that is, negotiations, accounts for a total of 5.5% variance in performance given that there are numerous determinants of firm performance.

In line with moderation analysis procedures, the moderation effect is probed graphically as well to visualize the relation between the IV and DV under different levels of the

moderator. To effect this procedure, a plot of performance versus Buyer seller- relation is plotted under weak negotiation and under strong conditions and check if the gradients of the plots are different from each other. The results in Figure 4.5 shows that the gradient(slope) of the line is higher for strong negotiation implying that negotiation strengthens the relation between buyer seller relation and performance.

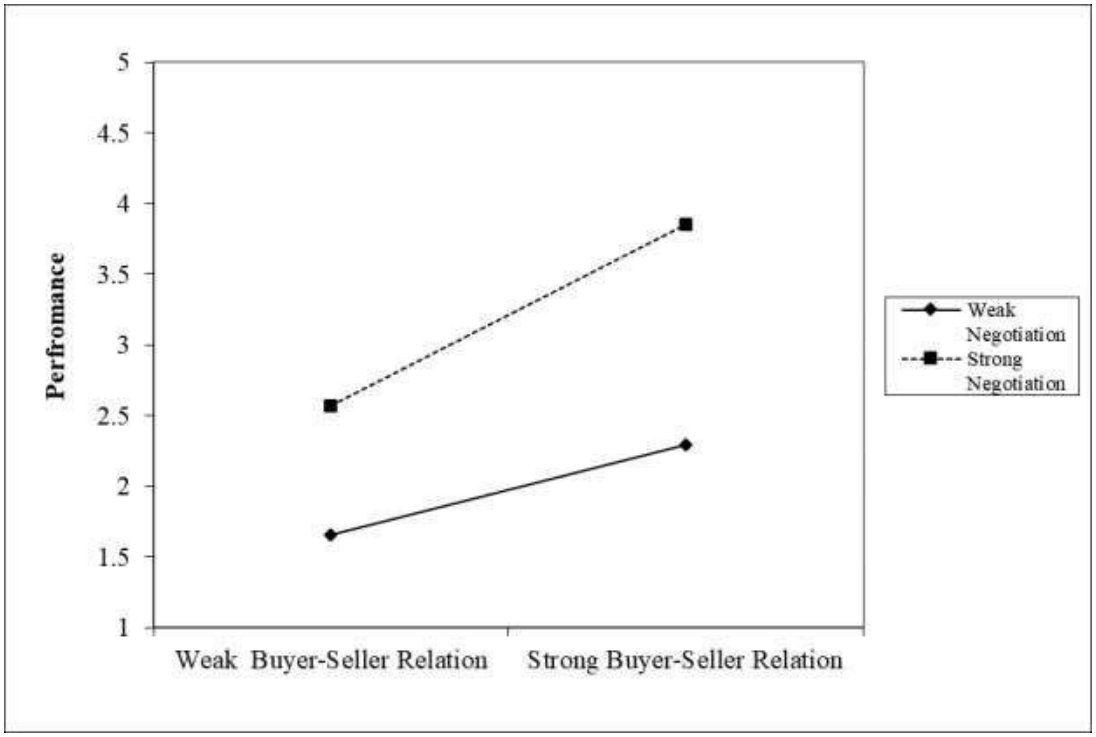


Figure 4.4: Moderation Relationship

Table 4.14 Summary of Hypothesis Testing Results

Hypothesis	Statistics	P values (Table No)	Verdict
Adversarial Relationship Level has no significant effect on the performance of transport logistics firms in Mombasa county	Regression coefficient β =285 p=.0.001 t=3.323	Significant Table 4.13	Reject H_{O1}
Barometric Relationship Level has no significant effect on the performance of transport logistics firms in Mombasa county	Regression coefficient β =.452 p<.0.001, t=5.672	Significant Table 4.16	Reject H_{O2}
Complimentary Relationship Level has no significant effect on the performance of transport logistics firms in Mombasa county	Regression coefficient β =.439 p<.0.001 t=3.323	Significant Table 4.19	Reject H_{O3}
Moderation hypothesis			
A Negotiation has no significant moderating effect on Adversarial Relationship Level and performance of transport logistics firms in Mombasa count	F change = 7.726, p=0.006 Significant interaction term β =217, p=.0.006 t=2.779	Significant Table 4.11	Reject H_{O4a}
Negotiation has no significant moderating effect on Barometric Relationship Level and performance of transport logistics firms in Mombasa count	F change = 8.712 p=0.004 Significant interaction term β =.568 p=.0.004 t=2.952	Table 4.14	Reject H_{O4b}
Negotiation has no significant moderating effect on Complimentary Relationship Level and performance of transport logistics firms in Mombasa count	F change = 10.328 p=0.002 Significant interaction term β =.245p=.0.002 t=3.214	Significant Table 4.17	Reject H_{O4c}

Source: Research Data (2021)

The derived models are as follows.

Y_1= .000 + .284ADV + .316BRM + .275COM

Y_2= .013ADV + .175BRM + .176COMP + .456NEGO

Y_3= .153ADV + .353BRM + .136COMP + .463NEGO + .564ADNEGO + .285BARMNEO + .159COMPNEGO

4.7 Discussion of Key Findings

Adversarial effect has a positive significant influence on performance of logistic firms.

The study found a significant moderation effect of negotiation on the relation between

adversarial buyer-seller relation and performance of logistic firms in Kenya. The negotiation strengthens the positive relation between Adversarial relation and performance. Adversarial relation is usually a one-time interaction of the buyer and the seller. The one time seekers of the transport logistic services seek for timely delivery of goods at low price of the product and also aim at timely delivery. On the other hand, the logistic firms aims maximizing the gains from the interaction which may not be long lasting. Negotiation skills are important in one time transactions. Negotiation is an opportunity to add value to a firm in through reaching a compromise that best benefit the firm, and having strong negotiation skills is a important to strengthen the gains of this one time relation of logistic firms. The observed strengthen effect is expected. Therefore for firms using the adversarial relation, the negotiation skills are most attributes for success (Cummins, 2015).

The study also found a positive significant influence of barometric relation and performance of logistic firms. This relation is strengthened by negotiation ability of logistic firms. A Barometric transaction is an intermediary stage of adversarial relation and complimentary stage. In a logistic firm, transactions that are barometric arise when the trust with the client has not strongly established. These kind of transactional relations arise from new customer entering the business or changing from their former transport client to a new. In this kind of barometric transaction where trust is yet to be established, negotiation skills are important to spell out the company's suitability to serve the needs of the client. Thus firms with qualities that allow them easily reach a compromise with clients, are bound expand and perform better than firms with weak negotiation skills (Atkin, & Rinehart, 2006).

The study found a positive significant influence complementary Buyer-seller relation and performance of logistic firms in Kenya. The relation is significantly strengthened

by negotiate ability of a firm. Transactions under the Complementary relation involve client where trust has been established. This complementary relation more occur often between the regular customers that use the services of logistic firms, or it involves the suppliers who regularly supplies the logistic firm with goods and services. Strong Complementary relation is beneficial to the logistic firms. The logistic firms can get discounted supplies at affordable rates or credit because of the trust. The firms at complementary level of relation receive supplies on credit and there are therefore unlikely to run out of stock. Negotiation helps the logistic firms to make things happen to their terms. Firms can improve negotiation through communication, persuasion, planning, strategizing and cooperating. Understanding these soft skills is the first step to becoming a stronger negotiator and successful (Mugarura, 2010).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the main research findings of the study. The conclusion and recommendations are presented. Areas for further study is proposed at the end of the chapter.

5.2 Summary

The study investigated the moderating effect of negotiation on the relation between buyer-seller relation and performance of logistic firms in Kenya. The primary concern of the study is whether negotiation moderates the influence of Buyer-seller relation on performance of logistic companies in Mombasa County.

On Adversarial Buyer-Seller Relationship Level, the results indicated that adversarial buyer seller relationship level positively and significantly affect performance of transport logistics firms in Mombasa County. Key findings of the study in regard to this concern is that adversarial buyer seller relationship levels are a significant predictor of performance. Further, negotiation strengthens the relationships thus indicating the importance of having good negotiation skills increases firm performance. On Barometric Buyer Seller Relationship Level, the study found out that Barometric buyer seller relationship level is positively and significantly correlated with performance of logistic firms such that a firm that has strengthened barometric relation with a segment of clients that the firm is yet to build strong trust is associated with high performance. The barometric relation has positive significant influence on performance. This influence is strengthened by negotiation level of a firm as the firm is able to get better deals. On Complementary Buyer Seller Relationship Level, the study found out that complementary buyer seller relationship is positively and significantly associated with

performance of transport logistics firms. This implies that the logistic firms with strong complementary buyer seller relationship level with a segment of its clientele is associated with superior performance. Complementary buyer seller relationship influences performance significantly and this influence is strong in strong negotiating firms. Lastly, on negotiation, the study found out that negotiation positively and significantly moderates the buyer seller relationship level and performance of transport logistics firms in Mombasa County. This implies that an improvement on negotiation increases buyer seller relationship which in turn leads to increased performance of the transport logistics firm.

5.3 Conclusions

Based on the study findings, the following conclusions were made; that adversarial Buyer seller relationship level has a positive and significant effect on performance of transport logistic firms, which is strengthened by negotiation. Further, barometric buyer seller relationship level has a positive and significant effect on performance of transport logistics firms. This relationship is strengthened by good negotiation. Also, complementary buyer seller relationship level has a positive and significant effect on performance of transport logistics firms. This relationship is further strengthened by good negotiation. Lastly, negotiation positively and significantly influence buyer seller relationship level and performance of transport logistics firm.

5.4 Recommendations

5.4.1 Managerial Recommendations

Based on the conclusions of the study, the following recommendations were derived;

1. Transport logistics firms should work towards strengthening adversarial buyer seller relationship level in ways that manage costs well as it increases firm performance.
2. Transport logistics firms should work towards strengthening barometric buyer seller relationship level in ways that build trust as it increases firm performance.
3. The logistic logistics firms should work towards strengthening complementary buyer seller relationship through commitment and collaboration as it increases firm performance
4. Transport logistics firms should train their staff on negotiation as it moderates the buyer seller relationship thus expect better performance.

5.4.2 Policy Recommendations

1. The government, in collaboration with transport logistic stakeholders should enact polices that support the sector especially on taxes and licenses that increase unnecessarily the cost of doing business.
2. Stakeholders should invest in negotiation training is important as it gives the communication and persuasion skill to employees which helps the transport logistic firms get the best bargains.

5.5 Areas for Further Research

Studies in future should focus on the influence of buyer-seller relation on other non-financial aspects other than the financial performance which is affected by all

departments of an organization; the human resource, finance, production, logistics. In the current study, negotiation and supplier relation are significant factors towards performance of logistic firms.

Future studies should investigate the determinants of negotiation in transport sector.

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APPENDICES

Appendix I: Introduction Letter

Asha Mohamed Hussein

P.O. Box 3735-80100,

Cell 0722 355524

Mombasa,

15th February, 2021

To Procurement Manager/ Transport Manager,

Transport Logistics Firms Mombasa County.

Kenya

Dear Sir/ Madam,

RE: REQUEST FOR PERMISSION TO CARRY OUT RESEARCH (DATA COLLECION)

I am a student at Moi University Coast Campus pursuing a Degree of Masters in Logistics and Supplies. Pursuant to the pre-requisite course work, I would like to conduct a research on

'**The Moderating Effect of Negotiation on Buyer-Seller Relationship Level and Procurement Performance in Transport Logistics Firms in Mombasa County'**.

Kindly completed the attached questionnaire. Data collected shall be treated with utmost confidentiality and strictly will be used for academic purposes only.

Thanking you in advance as I look forward for your cooperation.

Yours faithfully,

Asha Mohamed Hussein

Student, School of Business and Economics

Appendix II: Questionnaire

Answer the questions below by selecting ONE option either Strongly Disagree, Disagree, Neutral, Agree or Strongly Agree, that best describes your level of agreement to the following statements in this firm

Adversarial buyer seller relationship in in this firm	No Extent	Small Extent	Moderate Extent;	Great Extent	Greatest Extent.
Our firm is at the early/initial stages of developing client relationship					
We are at stage of our relation with clients where Self-interest is most important					
We attempt to squeeze every discount coin from our clients					
We are determined to get the last drop from our client.					
Barometric buyer seller relationship in logistic firms in Mombasa	No Extent	Small Extent	Moderate Extent;	Great Extent	Greatest Extent.
We are at stage of our relation with clients where we are keenly studying our clients					
We have not yet developed a high level of trust with our clients					
We are at the trust building stage with our major clients					
Our relation with our clients is generally at closely monitoring stage.					

Complementary buyer seller relationship level;	No Extent	Small Extent	Moderate Extent;	Great Extent	Greatest Extent.
We are at that stage where we have developed a strong partnership with clients					
We have a commitment to honor our relation with our clients					
The relation is reliable					
The relation is mutual					

We are at a stage where we understand the needs of our clients and works hard to help them get what they need					

Negotiation is logistic companies in Kenya	No Extent	Small Extent	Moderate Extent;	Great Extent	Greatest Extent.
Our negotiation has been the able to solve conflicts and address differences through negotiations.					
We have an effective negotiation relation with our clients					
We have an effective negotiation culture					
We gain significant advantage and business based on our negotiation experience and skills					

Performance In the last five years we have generally recorded a general …..	No Extent	Small Extent	Moderate Extent;	Great Extent	Greatest Extent.
1. Increased Profitability					
2. Probability of					
3. Increased number of employees					
4. Increased Productivity					

Thank you

Thank very much you for your cooperation.

Appendix III: List of Transport Logistics Firms in Mombasa County as at December, 2020

Aba Freight Logistics	+254 (0)4 1224 0519
Abaex Logistics Limited	+254 (0)20 802 1366
Absolute Freight Services & Logistics	+254 (0)41 223 3641
Acceler Global Logistics	+254 41 231 1992
Advantage Logistics C&F Ltd.	+254 716824265
Aerosea Freight Logistics Ltd	+254 (0)7 2230 6481
Afridge Lines Limited	+254 (0)20 231 1973
Agility Kenya	+254 412 315 726
Air Connection Ltd	+254 (0)41 734 600 817
Air Maritime (K) Ltd	+254 (0)41 222 6278
Ak Abdulgani, Mombasa	041 43 27 27
Al Heelam Travel / Tours Ltd	+254 (0)41 221087
Alras Precission Services	+254 (0)41 222 4750
Andy Forwarders Services Ltd	+254 (0)41 231 3766
Archon Marine Shipping And Logistics Ltd	+254 (0)72 286 5082
Arcpro Logistics Ltd	+254 (0)41 231 4435
Associated Cargo Conveyors Ltd	+254 (0)725 167 785
Bax Logistics Limited	+254 (0)41 231 8129
Beacon Movers Kenya Ltd	+254 (0)20 249 9890
Benchmark Global Logistics Limited	+254 41 722 860367
Bertling Logistics	+254 41 224 0922
Buzeki (Bzk) Logistics Limited	0734 601 555
Cargo World Logistics Ltd	+254 (0)41 231 9121
Cascade Swift Ea Agency Ltd	+254 724 131287
C-Cargo Express	
Cipro Logistics	+254-791-480434
Civicom Limited	+254 412 240 882
Ck Rottuk Ltd	+254 (0)41 222 8052
Conventional Cargo Conveyors Ltd	+254 (0)41 231 1257

Corner Garage Transport Ltd	+254 (0)20 203 7774
Dahla K Ltd	+254 (0)41 231 9738
Darka East Africa Logistics	+254 7 8044 1199
Deep Sea Shipping Solutions Ltd	+254 719746936
Demolines Freight Logistics International	+254 (0)7 2288 6996
Dfs Express Lines Ltd	
Dhl Inter	+254 (0)41 231 7253
Diamond Shipping Services Ltd	+254 41 2228810
East African Consolidation Services Ltd	+254 (0)41 231 4068
East Global Logistics	
Easy Transporters Ltd	0719 669 963
Euro Trans Shipping (Kenya) Ltd	+254 412319451
Expolanka Freight Ltd	+254 (0)41 231 9148
Express Kenya Ltd	+254 (0)41 231 2461
Express Shipping & Logistics	+254 (0)41 222 9784
Exrol Logistics (Kenya) Ltd	+254 (0)41 231 9721
Fairways Consolidators Ltd	+254 (0)41 221 1478
Fay Logistics Limited	+254 (0)41 231 9907
Federal Freight & Transport Inc	
Firstlane Logistics	+254 (0)20 207 0922
Flybird Logistics (K) Ltd	+254721687315
Freight Forwarders Kenya Limited	0730 606 000
Freight Forwarders Kenya Ltd	+254 (0)41 222 3691
Freight Forwarders Ltd	+254 41 2227573
Freight In Time Ltd	+254 (0)41 222 5400
Freight Wings Ltd	+254 (0)41 231 2132
Freightworx Logistix Ltd	+254 (0)41 231 7759
Ftl Fast Transit Line Ltd.	+254 717678555
G4S courier	
Gac Seaforth	+254 (0)41 231 3776
Genuine Freight Services Ltd	+254 (0)41 222 4011
Gifco Kenya Ltd	+254 (0)715 888666

Globalfreight Logistics Ltd	+254 (0)41 231 1260
Goldmine Express Lines	+254 (0)41 231 9813
Hakika Transport Services Ltd	+254 203 576081
Hassan Raza N (H R N) Transporters, Mombasa	041-2220948
Heavy Industry Logistics Ltd	+254414474293
Highways Carriers Ltd, Mombasa	041-2221619
Homeline Consolidation Services Ltd	+254 (0)41 231 8276
Homeline Consolidation Services Ltd.	+254 07 2144 6329
Ima Kenya Limited	+254 (0)41 231 8339
Indian Ocean Shipping	+254 (0)41 231 8275
Intime Freight & Cargo Services Ltd	+254 (0)722 300685
Intraspeed (Kenya) Limited	+254 (0)722 326738
Issa Transport Company Ltd, Mombasa	041-2221619
Jaspa Freight Ltd	+254 (0)721 760825
Jaspa Logistics Ltd	+254 (0)727 169176
Jihan Freighters Ltd.	+254 41 2223939
Jordan Freighters Limited	+254 (0)41 200 7576
Kalemu Freighters Limited	+254715032372
Kate Freight And Travel Ltd	+254 (0)41 231 1311
Kemostar Logistics Ltd, Kll	+254 739 755 159
Kenfreight	+ 254 41-231 6800
Kenfreight Group	0734 699 697
Kenmark Consultants (East Africa) Ltd	+254 (0)73 477 4452
Kenmark Logistics (Ea) Ltd	+254 (0)41 231 8706
Kenmont Logistics Limited	+254 (0)40 231 9751
Kenya Railways Corp, Mombasa	041 222 8789
Kesom Freight International Ltd	+254 (0)727 273378
Kisaingu Transporters Ltd, Mombasa	041-2220447
Kuehne + Nagel Ltd	+254 (0)41 249 2834
Lamu Parcel Services, Mombasa	041-2227436
Limutti Holdings Limited	+254 (0)41 222 2238
Linear East Africa Agency Ltd	+254 (0)41 222 4429

Mahadhy Transporters Ltd, Mombasa	041-3435251
Mak Cargo Handling Services Limited	+254724573892
Masterguide Shipping Limited	+254 41 2312815
Maz Cargo Logistics Ltd	+254 (0)73 370 7078
Mercator Transport Kenya Limited	+254 (0)41 231 1144
Meridian Shipping (Ea) Logistics Limited	+254 (0)41 231 6272•
Milan Freight Services (K) Ltd	+254412319788
Milan Freight Services Kenya Ltd	+254 (0)41 231 9788
Moda Freight Forwarders	+254 41 2317 818
Modern Coast Builders And Contractors Ltd, Mombasa	041-2490714
Muhito Investments	+254 (0)41 231 7237
Namelok Holdings Ltd	
Nation Media Courier	+ 254 41 2312767
Nationwide Transporters Ltd, Mombasa	041-2225329
Nemco's, Mombasa	041-2220982
Neptune Forwarders Ltd	+254 (0)41 222 8415
New Ocean Transport Company Ltd, Mombasa	041-2492647
Norske Shipping Agency (K) Limited	+254 20 522 0467
Northern Taaj Logistics (Global) Limited.	+254721313203
Northern Taaj Logistics Ltd, Mombasa	+254720001316
Northwest (K) Ltd	+254 (0)41 231 3978
Oak Lines Freight Agencies Ltd	+254 (0)202 086561
Ocean Pacific International Lines Ltd	+254 (0)41 231 4027
P N Mashru Transporters Ltd, Mombasa	020-2040526
Panal Freighters Limited	+254 (0)41 231 5068
Panal Freighters Ltd	+254202315068
Pearl Matrix And Logistics Ltd, Mombasa	041-2319890
Perseus Forwarders Kenya	+254758401174
Perspect Movers K Ltd, Mombasa	0720367144
Pinnacle Group (Kenya) Ltd	+254 (0)41 222 9838
Provincial Parcel Carriers (K) Ltd, Mombasa	041-2228562
Quick Hauliers Ltd, Mombasa	041-3433913

Rafiki Carriers Ltd, Mombasa	041-2495109
Rapat Freight Kenya Limited	+254 (0)41 222 3555
Rapid Kate Services Ltd	+254 (0)41 222 3905
Rashid Amir Transporters Ltd, Mombasa	020-2038465
Ray Cargo Services Ltd	+254 (0)733-958-584
Reli Line Transporters Co. Limited.	+254721573775
Removals Freight International Ltd	+254 (0)41 223 0405
Rescue Tech Enterprises Ltd	+254 (0)72 277 8830
Rift Valley Railways (Kenya) Ltd, Mombasa	020-2034160
Roadtainers (Msa) Ltd, Mombasa	041-3434659
Rongai Workshop and Transport Ltd, Mombasa	041-2225967
Rtw Shipping & Logistics Ltd	+254 7 7733 7000
Safe Freight Logistics Ltd	+254713376029
Sasa Logistcs Ltd	0734400883
Sasa Logistics Limited	0734 400 883
Sazume Enterprises Ltd, Mombasa	041-3432621
Schenker & Co (East Africa) Ltd	+254 (0)41 231 1620
Sea Air Forwarders International Ltd	+254 (0)41 249 2920
Seacon Kenya Ltd	+254 722 965852
Seashore Shipping Services Ltd	+254 (0)20 221 8508/9
Seaways (K) Ltd	+254 (0)41 231 1565
Seedcol Global Shipping Ea Ltd	+254 (0)721 777118
Serium Global Logistics Ltd.	+254 733 185 057
Shiraz And Brothers, Mombasa	041-2228574
Shiva Carriers Ltd, Mombasa	041-2490642
Siedmac Logistics Co Ltd	+254 (0)41 222 4568
Siggol Logistics	+254720176673
Siginon Transport Ltd	+254 733 620699
Signet Forwarders (K) Ltd, Mombasa	041-2319957
Sima Marine (K) Ltd	254(041)2220678 / 9
Simpet Global Logistics Ltd	+254 (0)41 222 4568
Skydive Logistics	+254 41 231 9362

Smiles Logistics Limited	+254 7 1787 9613
Sos Freighters Limited	+254 (0)738 334082
Southern Sahara Express Lines Ltd	+254 (0)41 206 5930
Spedag Spedition (K) Ltd	+254 (0)41 223 0460
Sprint Freight & Logistics Ltd	+254 (0)41 231 3064
Starfreight Logistics Ltd	+254 (0)41 231 8024
StesyS Freight Link International	+254 (0)41 201 1177
Stesys Freightlink International	+254412011177
Strike Kenya Ltd	+254 (0)41 343 0265
Swaleh A Imam And Sons Transport, Mombasa	041-2226095
Swift Freight International (Kenya) Ltd	+254 (0)41 222865
Swiftstrides Logistics Ltd. - Ssl	+254 720 973 404
Tabaki Freight Services International Ltd	+254 (0)41 231 9046
Teos Company Limited	+254 (0)41 231 1834
Tmk Shipping Services Ltd	+254721103761
Tomasi Global Logistics	+254 (0)20 203 9284
Toplink Consolidators East Africa Ltd	+254 (0)41 231 8275
Tradewinds Aviation Services	+254 (0)41 343 2815
Transitern Limited, Mombasa	041-2223293
Transpares Kenya Ltd, Mombasa	041-3434867
Transtec Ltd	+254 41 222 6633
Trevart Express Limited	+254 (0)41 222 9983
Truckers Kenya	+254 719 455 094
Ufanisi Freighters (K) Ltd	+254 (0)41 222 5889
United Warehouses Limited	0722 919 912
Urgent Cargo Handling Ltd	+254 (0)41 222 7242
Valesco Holdings Ltd	+254 (0)41 231 3860
Ventah Freight Logistics	Po Box 40774-80100, Mombasa, Kenya
Waki Clearing & Forwarding Agents Ltd	+254 (0)41 222 0920
Wilhelmsen Ships Service	+254 (0)41 222 7964
Zounhaize (K) Ltd	+254 (0)72 243 2908

Source: Kenya Transport Association, 2020.