

Supplier relationship management and business performance of small-scale grapes processing firms in Dodoma, Tanzania: the moderating role of logistics capabilities

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Abstract

Purpose – This paper aims to investigate the effect of supplier relationship management (SRM) on the business performance of small-scale grapes processing firms in Dodoma, Tanzania. The paper also examines the moderating role of logistics capabilities in the relationship between SRM and business performance.

Design/methodology/approach – This research uses a cross-sectional survey design. A structured questionnaire was used to collect data from 202 small-scale grape processing firms. The data were analysed through descriptive and structural equation modelling.

Findings – The findings revealed that buyer-supplier relationships, supplier development and supplier selection were positively and significantly related to business performance. Furthermore, knowledge transfer had no relationship with business performance. On the other hand, the findings showed that logistics capabilities significantly moderated the relationship between SRM and business performance.

Research limitations/implications – The study was cross-sectional, conducted only in Tanzania, and focussed entirely on small-scale firms processing grapes as raw materials. Thus, generalising the study findings to other countries with different conditions should be done cautiously. Also, this study used subjective measures, and other studies could use objective measures.

Practical implications – The study helps firm managers understand the importance of supplier relationship management on business performance. The findings also can be used by policymakers to create targeted policies and initiatives that support the firm's growth and sustainability.

Originality/value – To the best of the researchers' knowledge, this is the first attempt to find empirical support for the moderating role of logistics capability in supplier relationship management and the business performance of small-scale grapes processing firms in the Tanzanian context.

Keywords Supplier relationship management, Business performance, Small-scale grapes processing firms, Logistics capabilities

Paper type Research paper

