THE IMPACT OF SUPPLIER SELECTION ON THE RELATIONSHIP MARKETING PERFORMANCE OF INDEPENDENT RETAILERS IN SOUTH AFRICA

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ABSTRACT

The importance of supplier selection has been widely publicised and cannot be overemphasised. Businesses of all sizes are involved in supplier selection and evaluation from time to time since they have to purchase goods and services. Since independent retailers are in the business of buying and selling, selecting the right suppliers and selling the right goods and services are of great importance. Supplier selection is known to influence the performance of a business. Therefore, independent retailers must determine the supplier selection they use to evaluate suppliers so as to influence the performance of their businesses. A survey was conducted among 105 independent retailers in South Africa, using convenience sampling. The purpose of the study was to determine the supplier selection criteria that they use. The study further purported to determine the impact of supplier selection on the performance of independent retailers. The results indicate that total cost and quality as well as supplier innovation are the most important criteria for independent retailers during the selection of suppliers. Education and years of business operations were found to have influence on the supplier evaluation criteria used by independent retailers.

Keywords: Supplier Selection, Supplier Evaluation, Relationship Marketing Performance, Independent Retailers

INTRODUCTION

Small and medium businesses (SMEs) play a vital role in the economic development of a country (Muhammed et al., 2010) and fulfil a number of roles, ranging from poverty alleviation and employment creation to international competitiveness (Nieman et al., 2003); SMEs have become critical to improving and developing the standard of living in South Africa owing to low economic growth and high unemployment. The South African economy is dominated by small, medium and micro firms (Sawers et al., 2008); which largely are associated with economic empowerment, job creation and employment within disadvantaged communities. According to Kongolo (2010); SMEs account for almost 91 percent of businesses in South Africa (SA) and contribute 60 percent towards the country's employment and 51 to 57 percent towards the gross domestic product (GDP). However, 70 to 80 percent of SMEs fail within three years (Van Eeden et al., 2003); Since independent retailers face severe competition from large retailers, their ability to select suppliers could create an advantage for their businesses.

The number of independent retailers in SA has been declining due to the expansion of large retailers into townships and peri-urban and rural areas. Independent retailers' customers have also been eroded by the expansion of the major retailers into townships and rural and peri-urban areas (Global Agricultural Information Network, 2011), thus impacting on their survival. Large retailers are now accessing markets previously served by independent retailers, which is leading to the disappearance of small independent retailers (Ravhugoni &

Ngobese, 2010). Since supplier selection determines business performance (Kannan & Tan, 2002); which requires that particular attention be given to the purchase of products and their associated services, the question is: 'Does suppler selection have an impact on the performance of independent retailers?' The SA retail sector is composed of the formal sector and the informal sector. The informal sector mainly consists of spaza shops, hawkers and street vendors, which are found in townships. They are mainly served by the wholesale market. The food and grocery market constitutes 22.5 percent of informal or independent retailers, who supply 81 percent of households in SA. The informal and independent retail market grew 45 percent, from R79.5 billion in 2010 to an estimated R115.6 billion in 2013 (Sustainalytics, 2012; W&RSeta, 2011). The success of independent retailers depends upon the suppliers they select, as well as the criteria they use to select those suppliers. Since supplier selection deals with assessing the performance of suppliers in order to retain those suppliers who meet the requirements of buying organisations (Bruno et al., 2012), independent retailers could create competitive advantages through supplier selection.

Problem Statement and Objectives

Buyer–supplier relationships, supplier selection and supplier evaluation have been widely researched. However, existing research on buyer–supplier relationships and supplier evaluation have largely focused on large organisations and retailers (Suraraksa & Shin, 2019; KhanMohammadi, et al., 2018; Shukla, 2016; Jayaram & Das, 2015). Some research has focused on how SMEs evaluate their suppliers. Supplier evaluation in SMEs in SA was investigated by Naude (2013); Makhitha (2013); Makhitha, Wiese & Van Heerden, (2014). However, there is a need for further investigation into buyer–supplier relationships among independent retailers in SA, especially because no study has determined the impact of supplier selection on relationship marketing performance. It is important that businesses not only focus on supplier selection but also determine how supplier selection influences relationship performance (Gonc¸alo & Alencar, 2014). According to Ebrahimipour et al. (2016), selecting the right supplier generates significant benefits for buyers through purchasing costs reduction, customer satisfaction and improvement of competitiveness.

Existing studies mainly focus on the criteria that SMEs use to evaluate their suppliers and list price, quality, on-time delivery and reliability as important supplier selection criteria used by all businesses. There is no existing study on the impact of supplier evaluation on the performance of SMEs. The purpose of this research project is to determine the impact of supplier evaluation on the performance of SMEs since literature has proven that SMEs select suppliers based on criteria which determine the lowest instead of considering different criteria that seek a long-term relationship with their suppliers (Gonc¸alo & Alencar, 2014).

LITERATURE REVIEW

Supplier Evaluation and Selection

Supplier evaluation is defined as the evaluation of supplier capabilities and performance as compared with other similar companies for the purpose of providing the necessary input to the buyer firm in the long run and to improve the firm's performance (Kar & Pani, 2014; Talluri & Sarkis (2002). Supplier selection criteria are used during the evaluation of suppliers. Supplier selection/evaluation criteria refers to the key measures managers consider in the choice of suppliers (Famiyeh & Kwarteng, 2018). Various studies have examined supplier evaluation and produced mixed results. Studies have also examined supplier selection in respect of different types of retailers and product categories, size of

businesses and using various supplier selection criteria (Kaviani et al., 2019; Kusrini & Usman, 2019; Famiyeh & Kwarteng, 2018; Frej et al., 2017; Dweiri et al., 2016). Few studies have researched supplier selection in SA (Makhitha, 2019; Makhitha, 2017; Makhitha, Wiese & Van Heerden, 2014; Naude, 2013). Studies that investigated supplier selection from a South African perspective focused on small businesses (Naude, 2013) and craft retailers (Makhitha, 2013; Makhitha, Wiese & Van Heerden, 2014). According to The purpose of this study is to determine the impact of supplier selection on the relationship performance of independent retailers.

The traditional evaluation and supplier selection were normally based on price, which in turn results in additional costs to the buyer because of limited quantities, inferior quality, unreliable deliveries and inadequate communication. Supplier evaluation mainly consists of three factors, namely, quality, delivery and price (Stevic, et al., 2019). However, Kaviani et al. (2019) argue that supplier selection in is shifting to a multi-criteria decision-making and away from the traditional cost criterion. The supplier selection criteria must be determined (Kaviani et al., 2019) prior to the evaluation of suppliers, which means that suppliers must have predetermined supplier selection criteria to establish if suppliers meet set business requirements (Karsak & Dursum, 2015). Formulating supplier selection criteria helps the buyer to select the best suppliers, who will provide good business performance and get the maximum benefits for the business industry or the firm (Pitchipoo et al., 2013). Various studies on supplier selection have reported different supplier selection criteria. Makhitha (2017); for example, lists quality and price, supplier services, supplier innovativeness and reputation of suppliers as criteria that are important for independent retailers.

Lin & Wu (2011) list, in order of importance, procurement price, product quality, product consistency, food safety, product return and complaints policy, quantity discount and allowance and on-time delivery as important criteria for supermarkets (Imeri, et al., 2015). Shukla (2016) identify, in order of importance, quality, cost, delivery, reliability and flexibility as the most important criteria. Makhitha (2013) found that craft retailers value quality as the most important criterion. The next criterion is that the product is exciting, followed by product styling and design, product distinctiveness/uniqueness, the supplier's willingness to cooperate with retailers and the product's sales potential. Since supplier selection has an impact on relationship marketing, the next section focuses on relationship marketing and its importance for businesses.

Relationship Marketing Performance

Organisational performance determines the survival of the organisation and refers to how well an organisation achieves its market-oriented goals and financial goals (Singh, et al., 2016). A number of prior studies have measured organisational performance using both financial and market criteria, including return on investment, market share, profit margin on sales, the growth of ROI, the growth of sales, the growth of market share and overall competitive position (Research Materails, 2017; Shavazi, et al., 2013). Organisations that foster close, cooperative relationships with their suppliers have reported substantial revenue advantages and cost savings (Mulyana et al., 2020; Robert et al., 2016). Good suppliers allow enterprises to achieve good business performance and to get the maximum benefits for the business industry or the firm (Pitchipoo et al., 2013).

For small retailers to successfully respond to the market effectively, they must leverage their relationships with existing suppliers. Relationships that are founded on trust and commitment, lead to increased satisfaction, which, in turn, will result in greater coordination and cooperation in B2B relationships as well as long-term continuation of the relationship (Roberts, et al., 2017).

For relationships to yield better results, information sharing between businesses and suppliers is important since it leads to timely and accurate sharing of strategic information and can foster the reduction of unwarranted wastages and costs in a supply chain, leading to increased SME profitability (Chinomona & Pooe, 2013). According to Hassan et al. (2015), the benefits of relationship marketing are cost savings, increased sales, the ability to offer higher-quality products and to ensure reliable performance, as demonstrated by producers on a day-to-day basis in the form of, for example, delivery reliability, delivery time and product quality (Famiyeh & Kwarteng, 2018). Additional benefits of relationship marketing are ensuring a sustainable competitive advantage; maximising profitability due to increased sales; increasing customer loyalty because of more personal and efficient service; enabling micro-segmentation of markets according to customers' needs and wants; brand equity and collaborating with customers for joint value creation (Amoako, 2019; Lian & Yoong, 2017; Alibhai, 2015; Rizan, et al., 2014).

Hypothesis Development

For businesses to select the right merchandise from the right suppliers, they must formulate supplier selection criteria. This is because buying from the 'right supplier' can lead to a decrease in costs, an increase in profit, an improvement in quality and a guarantee of on-time delivery (Shukla, 2016; Naude, 2013). Supplier selection plays a key role within a business. It reduces unit prices, improves corporate price competitiveness (Mokadem, 2017; Ting & Cho, 2008) and has a major impact on the quality of the goods and performance of a business. Supplier selection is important because of the direct impact that suppliers have on quality, cost, delivery, reliability, availability of products and lead times of new products (Famiyeh & Kwarteng, 2018; Luo, et al., 2009). Supplier selection stimulate the creation of long-term relationships between the company and its suppliers (Stevic, 2017).

Selecting the right suppliers helps businesses to gain competitive advantages since the costs that they incur when buying products and services affect profit, making retail buying one of the strategic functions within a retail store (Ghoushchi, et al., 2018). Selecting the right suppliers helps businesses also help businesses to improve organizational performance (Dweiri, et al., 2016). Businesses that want to survive and build revenue and profitability, build relationships with all stakeholders, including suppliers and customers (Wiid, et al., 2016).

Developing relationships with key suppliers leads to improved quality or delivery of service and reduced cost (Prasad, et al., 2016) can benefit a business at a strategic level through improvements in product quality and innovation, enhanced competitiveness and performance (Hassan, et al., 2015). According to Jayaram & Das (2015) supplier selection is significantly associated with cost, quality, delivery and flexibility.

Famiyeh & Kwarteng (2018) found that reduced cost and delivery contribute to firm performance in the form of return on investments, increased market share and sales growth and that quality to have no impact on overall firms' performance.

A study conducted by Phokwane (2020) reported that demographic factors such as operational experience, level of education and annual income influence the marketing strategies of SMEs. This was supported by Makhubela (2019) who also found demographics factors to influence marketing communication. Da Silva et al. (2002) stated supplier selection evaluation criteria differ across the different experience of retailers while Makhitha et al. (2014) found that experience do not have such influence.

From the above discussion, the following hypothesis can be formulated:

H_1: Supplier evaluation used by independent retailers positively influences relationship performance

H_1: The demographics factors positively influence the supplier evaluation criteria used by independent retailers

RESEARCH METHODOLOGY

The target population for the study comprised small independent retailers in Soweto, Johannesburg, SA. Soweto was chosen for this study due to its size – it is the largest township in Johannesburg and is an amalgamation of several different townships. Research has indicated that, in 2004, over 43 percent of the population of the city of Johannesburg lived in Soweto (Ligthelm, 2008). Independent retailers selling different types of products were the focus of this study.

The owners of small retailers in Soweto, regardless of their race or nationality, were the target population of the study. A survey was conducted using convenience sampling, which was deemed appropriate for the study owing to the absence of a reliable database on independent retailers in Soweto. As noted by Cooper & Schindler (2006) convenience sampling is a method that allows the researcher to choose suitable, available subjects for study.

Two fieldworkers received training prior to assisting with the data collection process. The fill-in questionnaire was pre-tested with 20 small retailers. Feedback from the pilot test was used to adapt the wording of the text before the fieldworkers distributed the final questionnaires to independent retailers for completion. The targeted number of questionnaires was 200, and more than that number was distributed personally by fieldworkers, but only 116 were returned completed, giving a response rate of 55 percent. The researcher attributed the low response rate to independent retailers' likely unwillingness to participate in the study. Literature on relationship marketing in small businesses and retailers (Bataineh et al., 2015; Chinomona & Pooe, 2013; Claro & Claro, 2010; Hsu et al., 2008; Kannan & Tan, 2006; Villena et al., 2011) was used to design the questionnaire. The 24 items comprising the questionnaire were used to measure the relationship practices that small retailers followed when engaging with their suppliers. In addition, three items measuring the impact of relationship marketing practices on the performance of independent retailers were inserted. A Likert scale was used, ranging from extremely important = 5 to not important at all = 1. The demographic section consisted of 14 questions that helped to determine the background profiles of the small retailers participating in the study. Data were analysed using SPSS version 25. Descriptive statistics were used, and ANOVA tests (statistical analyses used to test for differences between two means or more group means (Sudman & Blair, 1998) were conducted. A significant ANOVA result would indicate that at least one pair of means differs significantly, therefore post hoc tests were conducted.

RESULTS AND FINDINGS

Demographic Representation of Respondents

Table 1 below shows the demographic profile of the respondents. As can be seen from the table, there were more male respondents than females, with males representing 51% (n=60) of the population. Most of the respondents fell in the age group 25 to 30 (n=39, 36.1%), followed by the age group 30 to 40 (n=37, 31.9%). Most of the respondents had completed Grade 12/matric (31.0%, n=36), while a considerable number had a diploma or a certificate (25.0%, n=29). Most businesses had been in operation for a period of three years or less (47.4%, n=55), while 37.9 percent had matured beyond five years (n=44).

Table 1
PROFILE OF THE RESPONDENTS

Demographics		**Population (N)**	**Percentage**
Gender	Male	60	51.7
	Female	27	23.3
	Missing data	29	24
	Total	116	100
Age	20–24	11	9.5
	25–29	39	33.6
	30–40	37	31.9
	41–50	11	9.5
	51–59	9	7.8
	60+	8	6.9
	Missing data	1	0.9
	Total	116	100
Level of education	Below Grade 12	22	19
	Completed Grade 12	36	31
	Postschool qualification/certificate	29	25
	Postschool qualification: degree	11	9.5
	Postgraduate qualification	18	13.5
	Total	116	100
Years of operation	Less than 1 year	28	24.1
	Between 1 and 3 years	27	23.3
	Between 3 and 5 years	17	14.7
	Between 5 and 10 years	21	18.1
	Over 10 years	23	19.8
	Total	116	100

Factor Analysis

Principle component analysis (PCA) with IBM SPSS Statistics 26 was used to examine patterns of correlations among the questions used to assess the respondents' perceptions regarding the consumer risk of online buying in SA.

The factorability of the correlation matrix was investigated using Pearson's product-moment correlation coefficient. Preliminary distribution analyses indicated that the assumptions of normality, linearity and homoscedasticity were not violated. The correlation matrix demonstrated some coefficients of 0.3 and above. The Kaiser-Meyer-Olkin value was 0.780, which was well above the recommended minimum value of 0.6 (Kaiser, 1970; 1974), and Bartlett's test of sphericity (Bartlett, 1954) reached statistical significance, $p<.001$. Thus, the correlation matrix was deemed factorable. Promax rotation, a rotation method that allows for correlation among the latent factors was performed. Excluding factor loadings of less than 0.4, resulted in a simple structure (Thurstone, 1947), with each of the 4 factors showing a number of strong loadings. (shows in Table 2).

A total of 22 items were initially subjected to PCA, and this resulted in a 6-factor solution that explained 67.05% of the variance in the data. Two of the variables had to be excluded from the solution due to them not contributing to the solution for reasons that include items loading effectively equally on more than one factor and one item loading alone on a factor. The remaining 20 items resulted in a 5-factor solution explaining 64.274% of the variation in the data. Three of the 5 factors had only two items loading on them but one (factor 5) can be dropped due to poor loading. After dropping the two items of factor 5 due to

poor loading, the solution had 4 factors explaining 63.297% (shows in Table 2) of the variation in the data.

The overall Cronbach's alpha was 0.78 for supplier selection indicating a good reliability. The 4 factors were named 'Total cost and quality, 'Delivery reliability, 'Supplier innovation' and 'Supplier reputation', respectively. The individual Cronbach's alpha for the factors ranged from 0.913 to 0.624.

Factor 1, was named Total cost and quality. The factor loaded 11 items related to total cost of retailers such as location of the supplier, offering low prices, total cost of buying, willingness to negotiate prices, price is most important when buying and product quality. The total cost of buying is important for retailers since they are in the business of buying and selling and that cost determines whether they will make profit or not (Ghoushchi, et al., 2018). Cost and quality, cost are the most common supplier selection criteria and are considered the traditional criteria for selecting suppliers (Stevic et al., 2019; Famiyeh & Kwarteng, 2018) and were found to influence supplier evaluation by Prasad et al. (2016). It appears that independent retailers still consider Total cost and quality important in supplier selection since it was rated the most important of all four criteria as judged by the high mean score of 0.478. It is important to note that supplier selection is not about low product only prices but deals with the costs in all the related supply chain activities, which reflect the real cost of purchased goods (Teng & Jaramello, 2005). According to Nair et al. (2015) 'operational criteria such as cost, quality, delivery and flexibility and monitoring performance on those criteria significantly affected the desired capability of cost, quality, delivery and flexibility performance internally'.

The 2nd factor was named Delivery reliability. This is because the factor loaded three items: 'Supplier can deliver in sufficient and correct quantity', 'Supplier provides transportation' and 'Delivery time- deliver on time'. Delivery is also considered an important supplier selection criteria by retailers (Shukla, 2016; Nandonde & Kuada, 2015; Chan & Chan, 2010). However, in this study the delivery reliability was rated the least important with a mean score of 0.378 compared with the other three factors. The findings of this study contradict findings of existing studies that rated this criteria one of the most important with cost and quality (Famiyeh & Kwarteng, 2018).

The 3rd factor loaded two items related to innovation and was names Supplier innovation. The two items loading in this factor was 'Suppliers are up to date with trends and developments and 'supplier introduce new products from time to time'. It appears that independent retailers look for suppliers who offer innovation and who can negotiate prices and sell products at acceptable prices. This criteria was rated 2nd most important by independent retailers which contradict Pressey et al. (2009) who found innovation to be of less relevance to SMEs in selecting suppliers. Improvements in product quality and innovation enhance competitiveness and performance (Hassan, et al., 2015).

The last factor, named 'supplier reputation', had four items. The items included 'supplier experience' and 'supplier selling history'. Suppliers' reputation ensures that retailers do not take risks by placing untried products on the shelves. To avoid this risk, retailers buy products from suppliers with whom they have established long-term relationships (Stevic, 2017; Hamister, 2012). In other studies, supplier selling history was considered unimportant (Lin & Wu, 2011), which demonstrates that supplier selection differs for different types and sizes of buyers. Suppliers who lack experience compromise on the quality of their goods or services, thereby increasing the cost of doing business (Naude, et al., 2013). The independent retailers rated the reputation of suppliers as the 3rd important supplier selection criteria with an M score of 3.98 compared with the mean scores of other criteria. Kusrini & Usman (2018) found supplier reputation to be least important when selecting suppliers.

Table 2 SUPPLIER SELECTION				
Supplier selection	**Factor 1:Total cost and quality**	**Factor 2: Delivery reliability**	**Factor 3: supplier innovation**	**Factor 4: Suppler reputation**
q2_21 Geographical location of the supplier	0.857			
q2_19 Offering low prices	0.854			
q2_2 Total cost of buying the products	0.837			
q2_18 Willingness to negotiate prices	0.812			
q2_4 Meet customer specification	0.800			
q2_8 Responsiveness to my requests	0.784			
q2_22 Price is the most important criteria for us when buying	0.769			
q2_1 Product quality	0.704			
q2_16 Products will sell	0.698			
q2_5 Supplier reliability	0.667			
q2_12 Supplier accepts product returns	0.425			
q2_11 Supplier can deliver in sufficient and correct quantity		0.781		
q2_7 Supplier provides transportation		0.748		
q2_3 Delivery time – deliver on time		0.690		
q2_13 Suppliers are up to date with trends and developments			0.858	
q2_14 Supplier introduce new products from time to time			0.844	
q2_6 Supplier's experience (time on market)				0.813
q2_17 The selling history of the suppliers' products				0.791
Cronbach's alpha + 0.78	0.913	0.674	0.705	0.604
Mean scores	4.78	3.61	4.57	3.98
% of variance	37.04	12.41	7.69	6.14
Eigen values	6.66	2.23	1.38	1.10
Cumulative percentage	37.04	49.46	57.15	63.29

Testing Hypothesis 1

Multiple linear regression analysis was used to assess the relationship between the dependent variable (relationship performance) and the independent variables (Total cost and quality, delivery reliability, supplier innovation and supplier reputation). The relationship performance was measured through three performance measure: Increased number of customers, increased profit and increased market share.

The Stepwise method indicated that for increased number of customers, only 1 of the 4 factors have a significant effect in the model. These results are shown below, and they are identical to the results with the Enter method and Total cost and quality as the only independent variable (Tables 3 & 4).

Table 3
THE IMPACT ON TOTAL COST AND QUALITY ON INCREASED NUMBER OF CUSTOMERS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.182	0.916		0.199	0.843
	Q2 Total cost and quality	0.912	0.191	0.418	4.785	0.000

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.418[a]	0.175	0.167	0.853

The Stepwise method indicated that for increased profits, only 1 of the 4 factors have a significant effect in the model. These results are shown below, and they are identical to the results with the Enter method and Total cost and quality as the only independent variable.

TABLE 4
THE IMPACT ON TOTAL COST AND QUALITY ON INCREASED PROFIT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.428	0.802		-1.779	0.078
	Q2 Total cost and quality	1.263	0.167	0.594	7.561	0.000

a. Dependent Variable: q4_2 Buying from this supplier increased our profits

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.594[a]	0.353	0.346	0.737

The Stepwise method indicated that for increased market share, only 1 of the 4 factors have a significant effect in the model. These results are shown below, and they are identical to the results with the Enter method and Total cost and quality as the only independent variable (Table 5).

Table 5
THE IMPACT ON TOTAL COST AND QUALITY ON MARKET SHARE

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.432	0.950		-0.454	0.651
	Q2 Total cost and quality	1.033	0.198	0.456	5.221	0.000

a. Dependent Variable: q4_3 Buying from this supplier has increased our market share

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.456a	0.208	0.200	0.869

The above results are supported by those of Famiyeh and & Kwarteng (2018) who reported that reduced cost contribute to business performance in the form of return on investments, increased market share and sales growth. Their study found that has no impact on overall firms' performance.

Testing Hypothesis 2

Anova was also used to assess the relationship between the dependent variable (demographics- education and years of business operation) and the independent variables (Total cost and quality, delivery reliability, supplier innovation and supplier reputation

In order to determine whether education has a significant effect on any of the supplier evaluation criteria the non-parametric Kruskal-Wallis ANOVA test was used. The Kruskal-Wallis test found that education has a significant effect on Delivery reliability ($\chi^2(4)=14.154$, $p<.01$) but not with Total cost and quality ($\chi^2(4)=2.259$, $p>.05$), Supplier innovation ($\chi^2(4)=6.393$, $p>.05$) and Supplier reputation ($\chi^2(4)=6.661$, $p>.05$).

The Mann-Whitney U test was used for post hoc testing to determine which pairs of education groups differ significantly regarding Delivery reliability.

The importance that the No matric or Gr 12 group (MR=36.39, n=19) attach to Delivery reliability is significantly (z=-2.874, $p<.01$) higher than what the Completed Gr 12/matric group (MR=23.57, n=36) reported it to be.

The importance that the No matric or Gr 12 group (MR=29.63, n=19) attach to Delivery reliability is significantly (z=-2.111, $p<.05$) higher than what the Completed Gr 12/matric group (MR=21.14, n=29) reported it to be.

The importance that the Completed G12/matric group (MR=23.28, n=36) attach to Delivery reliability is significantly (z=-2.840, $p<.01$) lower than what the Post-school qualification – post-graduate group (MR=35.94, n=18) reported it to be.

The importance that the Completed G12/matric Post-school qualification– diploma/certificate group (MR=20.97, n=29) attach to Delivery reliability is (marginally) significantly (z=-1.981, $p<0.05$) lower than what the Post-school qualification – post-graduate group (MR=28.89, n=18) reported it to be.

In order to determine whether business operation has a significant effect on any of the supplier evaluation criteria factors, the non-parametric Kruskal-Wallis ANOVA test was used. The Kruskal-Wallis test found that business operation has a significant effect on Total cost and quality ($\chi^2(4)=14.210$, $p<.01$) but not with Delivery reliability ($\chi^2(4)=7.076$, $p>.05$), Supplier innovation ($\chi^2(4)=2.922$, $p>.05$) and Supplier reputation ($\chi^2(4)=4.055$, $p>.05$).

The Mann-Whitney U test was used for post hoc testing to determine which pairs of business operation groups differ significantly regarding Total cost and quality.

The importance that the Less than 1 year group (MR=19.35, n=23) attach to Total cost and quality is (marginally) significantly (z=-2.017, $p<.05$) lower than what the Between 5 and 10 years group (MR=25.95, n=21) reported it to be.

The importance that the Less than 1 year group (MR=18.00, n=23) attach to Total cost and quality is highly significantly (z=-3.715, $p<0.001$) lower than what the Over 10 years group (MR=29.00, n=23) reported it to be.

The importance that the Between 1 and 3 years group (MR=21.67, n=27) attach to Total cost and quality is significantly (z=-3.008, $p<0.01$) lower than what the Over 10 years group (MR=30.00, n=23) reported it to be.

The importance that the Between 5 and 10 years group (MR=20.31, n=21) attach to Total cost and quality is significantly (z=-2.167, $p<0.05$) lower than what the Over 10 years group (MR=24.50, n=23) reported it to be.

The above findings contradict those of Makhitha et al. (2014) who found that experience do not have influence on supplier evaluation criteria.

RECOMMENDATION AND CONCLUSIONS

As shown in Table 2, the independent retailers consider Total cost and quality (M=4.78) and supplier innovation (M=4.57) as the most important supplier selection criteria, followed by supplier reputation (M=3.98) and delivery reliability (M=0.361). Independent retailers should emphasise total cost and quality when buying products from their suppliers. Total costs influence the ability of retailers to generate profit. Product quality is also important to consider since consumers want to buy good quality products at acceptable prices. To avoid losing customers to major retailers, independent retailers should incorporate these criteria to the supplier selections strategies. Furthermore, independent retailers should also incorporate delivery reliability and innovation and insist on suppliers to satisfy them on these criteria. Independent retailers should not disregard supplier reliability since unreliable suppliers could increase the cost of doing business through late deliveries or delivery of the wrong products. Moreover, independent retailers should buy from reputable suppliers who can be trusted and are known in the market to supply good-quality goods and services. Suppliers to independent retailers should on the other hand perform well on these criteria if they want to sell successfully to independent retailers. Independent retailers should build relationships with suppliers since building a good relationship is likely to reduce their delivery cost, delivery time and improved flexibility (Famiey & Kwartemg, 2018).

The findings of this study has revealed that total cost and quality has influence towards relationship performance. Independent retailers should therefore emphasise total cost and quality when purchasing goods from suppliers since it has positive influence towards number of customers, profit and market share. Delivery reliability, supplier innovation and supplier reputation were found not to have influence towards increased number of customers, increased profit and increased market share. Although delivery reliability, supplier innovation and supplier reputation have no influence on independent retailer support, they are still important in that retailers should not buy from suppliers who cannot provide them with the necessary support. Independent retailers should also not disregard supplier reliability since unreliable suppliers could increase the cost of doing business through late deliveries or delivery of the wrong products. Moreover, independent retailers should buy from reputable suppliers who can be trusted and are known in the market to supply good-quality goods and services.

The results of the study also proved that education has a significant effect on Delivery reliability but not with Total cost and quality, Supplier innovation and Supplier reputation. Specifically those independent retailers with No matric or Gr 12 group attached more importance on delivery reliability than those with post matric education. The results of the study further proved that business operation has a significant effect on Total cost and quality but not with Delivery, Supplier innovation and Supplier reputation. The independent retailers with over 10 years business operation attached less importance to total cost and quality than those with lesser years of business operation. This proved that education and years of business operation influence the supplier evaluation criteria used by independent retailers. therefore suppliers to independent retailers should consider the education and years of operation of the independent retailers when selling to them and determine which supplier evaluation criteria are more important to them.

The study targeted independent retailers in Johannesburg, Gauteng, SA and not independent retailers. This means that the results of this study should not be generalised across independent retailers in SA. Another study targeted at independent retailers in SA

could be conducted.

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