

## Supply Chain Relationships Management and Performance of NNPC's Retail Outlets in South-West Nigeria

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### Abstract

In Nigeria today, best value supply chains are emerging as a means to create competitive advantage, increasing customer satisfaction and organization performance. Also, end-users are facing serious challenges about the availability and reliability of petroleum products as a result of inappropriate supply chain system in the country. Based on this, the study examines the supply chain relationships management and performance of NNPC retail outlets in South-West Nigeria. Two sets of questionnaires were administered, 36 copies of questionnaires were administered to staff of NNPC retail outlets in South West with 34 copies returned and 270 copies of another set of structured questionnaire to end-users with 236 copies returned. Multi-Stage Quota sampling technique were used to select the representative members. Simple regression method, Anova and Kruskal -Wallis test were used for the analysis, the results revealed that, there are positive chain relationships between the customers, supplier's supplier and organization perceived performance. The finding also revealed that, relationship within the organization structure is not statistically significant with the performance of NNPC retail outlets in South west Nigeria. Kruskal Wallis test revealed that, there are differences in the perception of customers and actual satisfaction derived from the products consumption in term of accessibility and reliability and they are not satisfied at all. From the findings, it was recommended that, Head of Mega Stations and other Managers should be trained to have clear understanding about the vision, mission, and objectives of NNPC as whole. More Mega or Affiliate stations should be established in all the available Local government in the State, this will assist the end-users to access the products at the right time and right place.

**Keywords:** Supply Chain Relationships management, Customers, Supplier's Supplier and Supplier Relationship Management, customer satisfaction and Kruskal Walis test.

### Introduction

In today's market there is need for adequate monitoring of goods and services from the suppliers to the consumers. A very common strategy that can enhance competitive advantage among business organization is forward diversification. Nearly all the organizations have created marketing department to marshal their finished products across to the end-users because of the level of competition in the market place and the changes in consumers' demand on daily basis. Business organisation can only succeed in this dynamic environment with the present level of competition effective relationship building among the chains of distribution.

Christopher (2005), explains the relationship in his definition of supply chain management as the management of upstream and downstream relationship with customers, suppliers and key stakeholders in order to increase value and reduce cost for all the members of the supply chain. He explains supply chain relationship management as the major strategy to be celebrated today. He further reiterated that most often organisations have liquidated because of poor performance and problem of sourcing. Winer (2001) opines that with the perfect integration of SCRM records have shown that it yielded better performance in term of customer focus, organization performance, customer acquisition, retention, lifetime value, profitability, service quality and customer satisfaction.

Before the arrival of NNPC retail outlets in Nigeria, many major marketers has been in operation building strategies to satisfy the end users but all prove to be not adequate. NNPC retail outlets (Major marketer) is a subsidiary of NNPC which established 2002 and came into full operation 2004 in other to minimize the problem of supply chain system of petroleum products in the country. The major marketer stated with the view to satisfy customers' need and fulfill the vision, mission and stated objective of their major supplier.

Today, end- users of petroleum products are not really satisfied with the operations of petroleum marketers in Nigeria. Besides, this organisation believes mostly in the practices of relationship building such as customer relationship management, supplier's supplier (major supplier) and maintaining traditional relationship within the organisation structure. These have enhanced their performance compare with other independent marketers. But recent activities in supply chain relationship management have gone beyond the level of these kinds of operations. The organisation is not well structure to maintain perfect relationship with other practices especially the affiliate stations.

Supply chain management has also become known as the supply network or the supply web because they all show how each unit interacts with the others. The suppliers and distributors that were once adversaries are now becoming partners for the betterment of their operations within any industry they find themselves. (Gryna 2001). Managing the chain of relationship in this process is called supply chain relationship management. In this wise, effective management must take into account the coordination of all the different pieces of this chain as quickly as possible without losing any of the qualities or customer satisfaction, while still keeping costs down (Craig 1996; Shin; Collier and Wilson. 2000). Therefore, it becomes imperative to use this research work to identify recent success factors which has come to reality in the supply chain relationship management of the organisation and other factors which have not been effectively used by the firm that make customers not to be fully satisfied completely.

### **Statement of the Research Problem**

Over the years, many companies in Nigeria both public and private have liquidated, inclusive of major marketers of petroleum products (NNPC retail outlets) because of their inability to maintain perfect relationship with suppliers, inefficient and poor management structure, inability to forecast and identify demand level of potential buyers in a target market, as matter of fact , this has caused major reasons why the final consumers have been under-supplied and given products with higher prices that are not affordable to most of the end users or selling other products compulsory for the consumers before they can access their real desire products.

Customers of petroleum products are not totally satisfied with the operations of major marketers. Besides, there have been other associated problems namely; poor governance, mismanagement, hoarding and exploitation by some of major marketer's and independent marketers have been the problem of Nigeria National Petroleum corporation and these have brought about major setback to effective supply chain management in the country.

Similarly, inability to maintain perfect relationship with supplier's supplier, Consumers, perfect accessibility of the products have been the major obstacle confronting the suppliers of petroleum products in Nigeria. However, the forward diversification of NNPC has helped the consumers to reduce the challenges of fuel scarcity, artificial hoarding, and high price of the products a little. It is to this end, that the researcher investigated the impact of relationship management on performance of NNPC Retail Outlets in South west Nigeria.

### **Research Objectives**

The main objective is to evaluate the impacts of supply chain relationships management on performance of NNPC's Retail Outlet. Specifically, the study is designed to:

- i.** evaluate the relationship between customer relationship management and performance of NNPC retail outlets in the states .
- ii.** measure the extent of Supplier's Supplier, Supplier relationship and perceived organisation performance of NNPC retail outlets in the states .
- iii.** determine the significant effect between structure and performance NNPC retail outlets in the states .
- iv.** measure the level of significant difference between the end users perception of supply chain relationships management and actual satisfaction derived from the consumption of the company's products.

## **2.0 Literature Review**

Partnership alliance has been a key phrase in supplier relationship, which means working closely together for the mutual benefits of all parties. Youngdahl (2000) described four elements of supply chain management as necessary components in any supply chain effectiveness, namely; planning, sourcing, making, and delivering. The significant level of supply chain management programs was used across all business sectors has been well documented in the literature (Jones 1998; Thomas 1999). Some researchers have focused on partner characteristics as an explanation for supply chain management behavior and outcomes (Beamon 1999; Wisner and Choon 2000; and Christopher 2000). According to this perspective, supply chain management projects are

undertaken to respond to marketplace demand and intense global competition. Wisner and Choon (2000), for instance, suggested that the intense global competition of the past decade has led many organizations to create cooperative, mutually beneficial partnerships with suppliers, distributors, retailers, and other firms within the supply chain. The objectives of those partnerships have been to offer lower-cost, higher-quality products and services with greater design flexibility.

Ximing and Ray (2010), opined that managing supply chain system typically begins from business-to-business relationships which over time expand to encompass more and more parts of the chain. Also, Harland (1996) first classified supply chain in terms of four sequential levels of management and integration: a firm's internal integration (level 1); buyer - supplier integration (level 2); through-chain integration (level 3); and network integration (level 4). The finding suggested that firms engaging in relationship management at the chain level need to take a more holistic approach. Managing within-chain relationships is necessary but insufficient unless it is done in the context of the chain and its external environment as a dynamic system.

Despite its importance, theoretical development, and popularity in the business and academic journals, there is little empirical research that clearly defines supply chain relationships management and investigates its impact on the firm such as NNPC retail outlets.

## **2.1 Supply Chain Relationships Management variables**

### **2.1.1 Supply Chain Relationships Management**

Supply chain managers continue to press, to form closer, long term relationship between end-users and few suppliers as the only response to increase market share, sophistication and globalization. It is now expected that being good at managing relationships' is no longer the qualifying strategy but the winning one. Andrew and Linda (2010), identified the factors in relationship management as customers, suppliers who they said are important key to performance measurement, moreover, they said it is expected that optimal benefits of SCM will only be achieved from very close, collaboration in the supply chain. This means working together to bring resources into a required relationship to achieve effective operations in harmony with the strategies and objectives of the parties involved, thus resulting in mutual benefit (Wilding and Human-Phries, 2006). Supply chain Collaboration helps to achieve more than what individual party can attain. Supply chain relationship management tends to achieve; Joint Innovation, Customer focus, High quality outputs, Continuous improvement, Flexible commercial framework, Objective Performance measurement, Improved business forecasting, Honest and open Communication (Andrew and Linda, 2010).

The ability of a firm to effectively manage its key relationships is a Strategic Capability (Dyer *et al* 2001). This not only affects its ability to create and sustain successful supply chain partnership, but also influences its reputation amongst stakeholders such as financial institutions and the market. Therefore professional supply chain relationship manager must be appointed having the authority to champion the needs of the relationship across the department within the firm and, who is empowered to agree to the collaboration tactics and solve relationship problems with his opposite numbers in Partner companies.

### **2.1.2 Customer Relationship Management (CRM)**

Customer relationship management consists of processes that take place between an enterprise and its customers downstream in the supply chain. The major goal of the CRM is to generate customer demand and facilitate transmission and tracking order at a reduce cost. However, weakness in the process results in demand being lost and a poor customer experience because orders are not processed and executed effectively. The key process under CRM are marketing, sell, order management, service center which otherwise refer to retail outlet center (Chopra and Meindl, 2007). CRM process is crucial to the supplier chain as they cover a vast amount of interaction between an enterprise and its customers. The customer must be the starting point when manager is trying to boost and increase supply chain surplus because all the demand, and revenue ultimately arises from them.

Customer relationship management (CRM) has become an important issue in marketing in order to gain customer loyalty and improve customer retention rates (Kandampully, 2003; Wong, and Sohal, 2003), as well as increase profits (Fornell and Wernerfelt, 1987). CRM refers to a management approach that seeks to create, develop, and enhance relationships with carefully targeted customers in order to maximize customer value and corporate profitability (Anton , 1996; Anton and Hoeck, 2002; Fornell and Wernerfelt, 1987 as cited in Kuo-Chung and Chin-Shan, (2012). Majority of researches have been limited to examining CRM in a particular service industry, including banking and insurance (Ryals and Payne, 2001; Babatunde and Ajayi , 2011),

television entertainment services (Lemon, White, and Winer, 2002), freight services (Kuo-Chung and Chin-Shan, (2012) and food retailers (Cuthbertson and Laine, 2004).

Kuo-Chung and Chin-Shan , (2012) examined the impacts of Customer Relationship Management (CRM) on firm performance in the context of freight forwarder services. The study used factor analysis to identify and summarize a large number of CRM attributes into a smaller manageable set of underlying factors called dimensions. The result indicated customer relationship management as a critical source of gaining competitive advantage and superior performance. But they further suggested that future study should consider relationship with organization structure which this study has put in place to bridge the gap that is in existence with the latest work done by Kuo-Chung and Chin-Shan (2012).

### **2.1.3 Supplier's Supplier and Suppliers Relationship (major suppliers).**

Many a times scholars in this area do overlook this aspect and much has not been said on Supplier's Supplier and Supplier relationship especially in Nigerian National Petroleum Company's marketers. This involves understanding the vision, mission and objectives of the major suppliers and coordinate all the activities in supply chain system toward its achievement. Supplier's relationship management is a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it uses. The goal of supplier relationship management (SRM) is to streamline and make more effective the processes between an enterprise and its suppliers just as customer relationship management (CRM) is intended to streamline and make more effective the processes between an enterprise and its customers (Basha 2006). The relationship between the Domestic marketers (Supplier) and NNPC as a major supplier (Supplier's Suppliers) will also contribute majorly toward the corporate performance of the organisation.

### **2.1.3 Relationship within Organization Structure.**

Any organization that wishes to carry out its mission successfully and achieve corporate goals must have a functioning internal structure, and must have systems that allow it to carry out its work effectively. (Hair, Bush, and Ortinau 2006). Organization structure shows the relationship between the governance and management of the organization, an effective organization thinks carefully about the relations between its members, its volunteers, its staff, its Board and its constituents. Naturally, it would include things like official job titles, descriptions, and objectives for employees, along with their conditions of employment or employment contracts, the official differentiation of divisions, departments, and work units; the book or books of standard operating procedures, and other documents establishing the legal basis of the organization etc. Almost on a par with these are derivative descriptions such as the organizational chart, official work-flow diagrams, and the like.

NNPC retail outlets structure can be explained in the form of direct structure linked with NNPC, this involves the Mega filling station headed by Head of Mega station (HMS) and affiliate station, this also involves all other NNPC stations apart from mega headed by Operations Manager (OM) but the ownership of the firm still rest in the hand of private ownership unlike mega station which are fully owned and controlled by NNPC.

## **2.2 Supply Chain Performance Outcomes**

Supply chain relationship performance assessment should create clear joint understanding that empowers supply Chain RMs to fix the problems, monitor and sustain forward momentum and enter a virtuous circle of continuous, improvement. The result must allow the joint teams to focus on quality, innovation, communication, cost reductions, on time delivery, commitment to the future and trust, to achieve satisfied customers and sustained bottom line benefits. According to Andrew and Linda, (2010), the tangible results are:

- Opportunities to increase revenue and shareholder value (Growth).
- Increased customer satisfaction from better product/service quality and delivery (CRM).
- Retained customers by differentiating the joint offering and locking out competitors.
- Reduced administration and production costs (Margins).
- More integration and satisfaction from bridging the hidden gaps in teamwork (Continuity Risk).
- Building joint capability to seize future business opportunities.
- Impressing stakeholders with the seriousness of partner intentions.
- Assets

The study measured the organisation performance with customer satisfaction and perceived performance in term of financial capability, sale revenue of the selected NNPC retail outlets in the state.

### **2.3 NNPC Petroleum Products Distribution to South-West**

The Pipeline and Product Marketing Company (PPMC) is the distribution arm of NNPC that is responsible for the comparative ease with which petroleum products are sourced and distributed to all parts of the country, at a uniform price. PPMC, a subsidiary of NNPC, ensures, among other things, the availability of petroleum products to sustain our industries, run automobiles and for domestic cooking.

The pipeline and product marketing company (PPMC) a subsidiary of Nigeria National Petroleum Corporation (NNPC) use this system of oil pipelines to transport crude oil to the refineries in at different stations. The storage infrastructure which consist of 22 loading depots linked by pipelines of various diameter ranging from 6 to 18 inches, has combined installed capacity of 266890 (pms), 676400(DDK), 1007900(AGO), and 74000(ATK) $m_3$  tonnes . The entire distribution network is made up of a number of systems. These distribution depots, with a total capacity of 1,422,000 cubic meters and the transportation system are owned and managed by NNPC through its subsidiary, the pipeline and production marketing company Limited (<http://ppmc.nnpcgroup.com>).

PPMC is run in conformity with the management culture of total quality in pursuant to the directive of the parent corporation the Nigerian National Petroleum Corporation (NNPC). Its mission is; To ensure security of supply of petroleum products to the domestic market at low operating costs, market special products competitively in the domestic and international markets, provide excellent customer service by effectively and efficiently transporting crude oil to the refineries and moving petroleum products to the market PPMC receives crude oil from the NNPC Corporate Services Unit called National Petroleum Investments Management Services (NAPIMS). PPMC then supplies the crude oil to the NNPC local refineries. However, petroleum products are sometimes imported to supplement local production when the local refineries are unable to process enough for the country's needs (<http://ppmc.nnpcgroup.com>).

The distribution pipelines and storage depot system along with its mainline and booster pump stations and export/import facilities are administered under five zones known as Operations Areas. Each operation area has as administrative office located within the area under its control and is headed by an Area Manager, who reports directly to the Executive Director Operations. The depots and Jetties are controlled by the Area Offices; also South-west zone and part of North- Central are under the control of Mosimi Area office (Headquarters).

The depots are as follows; Mosimi Ogun Depot, Atlas Cove Jetty & Depot, Satellite, (Ejigbo Lagos) Depot, Ibadan Depot, Ore Depot, and Ilorin Depot. Mosimi Ogun Depot distribute to Ogun state and part of Lagos State, Cove Jetty and Ejigbo depot in charge of Lagos State, Ibadan depot in charge of Oyo state and Osun State, Ore depot in charge of Ondo and Ekiti State (<http://ppmc.nnpcgroup.com>). The distribution systems of petroleum products are decentralized to allow free flow of transportation system and to reduce the cost of operations among the dealers and retail outlets.

### **3.0 Research Method and Technique**

Descriptive method, regression analysis, ANOVA, kruskal-Wallis test were used in study, the first three major products of NNPC (Premium Motor Spirit (PMS), Automotive Gas Oil (AGO), and Dual Purpose Kerosene (DPK) were selected for the study. In the design process, attempt was made to examine whether supply chain relationships management such as Customer Relationship Management (CRM), Organization Structure, Supplier's Supplier and Supplier Relationship Management (SSSRM) have positive influences on the customers satisfaction and perceived organization performance

#### **3.1 Research Instrument**

Questionnaires were used to elicit the opinions of the end- users of the three major products (PMS, AGO, DPK) and also the Staff of NNPC Mega Stations, floating and Affiliate Stations in the states (Lagos, Oyo, Ogun, Osun, Ondo and Ekiti State). The questionnaire was divided into two sections. The first section requires the respondents' bio-data information like age, sex, Local Government area and year of working experience etc; while the second section contains questions in respect of the supply chain relationship management factors and perceived organization performance. Also, copies of questionnaires in closed structure were given to end-users of the companies to gather information in respect of actual satisfaction they derived from the consumption of the

products. Secondary data were also collected from CBN annual Statistical bulletin, NNPC annual statistical bulletin to examine the operation of the organisation performance. The copies of questionnaire were personally administered to the respondents in order to prevent loss in transit and to be rest assured of its adequate filling and achieved maximum return of filled copies.

### 3.2 Study Population and Sample Size

The study population involves the staff of NNPC retail outlets and end- users of NNPC products in Nigeria, The Corporation currently has 57 mega-stations, 12 floating stations and 265 affiliate stations across the country, all together 314 stations (Ajuonuma 2010). The major reason for the selection of southwest region was revealed from the record as the highest commercialize zone and consumption region of petroleum products in Nigeria with about 39.52% out of the six regions and FCT zone in the country. South West revealed annual consumption of 3,240,116,090 liters (39.52%), South East 226,662,150 liters (2.7.6%), South South 1,973,896,460 liters (24.07%), North West 555,668,460 liters (6.78%), North East 397,129,110 liters (4.84%), North Central 1,391,417,640 liters (16.97%), and FCT 414,126,580 liters (5.05%). (NNPC Statistical bulletin 2011).

As at the time of this investigation January 2013, NNPC has 40 retail outlets in South-West Nigeria. 6 Mega stations (one in each State capital) and 34 floating and affiliate stations altogether (see appendix). But the scope was limited to consumers of PMS, DPK and AGO within the selected states. Quota and simple random sampling technique were adopted to select the sample size comprise of 270 respondents, 90 regular customers of PMS, 90 regular customers of AGO and 90 regular customers of DPK. 15 copies of questionnaire were distributed to customers of each product totaled 45 respondents from each selected state capital in South-West Nigeria and 236 copies were fully returned. Also, 36 copies of questionnaire were distributed to the manager of NNPC retail outlets within the zone to generate information in respect of supply chain relationships management and their perceived performance in term of sale revenue, customer satisfaction and competitive edge of their organisation and 34 copies were successfully returned. This was done through Purposive sampling technique.

### 3.3 Measurement of Variables

Measurement of variable is the allocation of attributes or numbers to variables of study using scales by which these attributes are distinguished. The questionnaires used in this research study were designed to contain questions and statement of assertions. These statements were designed primarily to provide answers for testing hypotheses. The method used in this study for measuring the variables was likert scale which requires the respondents to indicate a degree of agreement or disagreement with a variety of statement related to the variables (Strongly Agreed, Agreed, Undecided, Disagreed, Strongly Disagreed), (very satisfactory, satisfactory, unknown, little satisfactory, not at all satisfactory) for customer satisfaction variable. Other scales used in the study were; (extremely poor, poor, cannot measure, Good, extremely good) for variable perceived performance of the organisation measure in term of financial capability. (Extremely extend, Moderate no-extend, Cannot determine, Moderate extend, Extreme extend) for variable Competitive advantage and (No change at all, little increase, cannot measure, moderately increasing, highly increasing) for organisation sale performance since establishment.

### 3.4 Model Specification and Testing of Hypotheses.

*H0:1 that organization structure, customers, supplier's suppliers and suppliers' relationship management does not affect performance of NNPC Retail Outlets in the States.*

*H0:2 there is no significant difference among organisation structure, customers, supplier's supplier and supplier relationship management and performance of NNPC retail outlets in selected states.*

*H0:3 there is no significant difference between customer perception and actual customer satisfaction in term of products reliability and accessibility in the State.*

$$POP = \alpha_2 + \beta_2 PCRM + \beta_2 SSSRM + \beta_2 ORS + U_2 \dots\dots\dots H0_1$$

$$ANOVA \dots\dots\dots H0_2$$

$$ANOVA \dots\dots\dots H0$$

Where; OP = Organisation Performance / POP = Perceived Organisation Performance

ANOVA = Analysis of Variance

SCRM = Supply Chain Relationship Management

PCRM = Practice of Customer Relationship Management,

SSSRM = Supplier's Supplier and Suppliers' Relationship Management

RCA= Reliability and Customers' Accessibility.

ORS = Organisation Structure.

U = Stochastic Error Term.

#### 4.0 Results and Interpretation

The table 1.(see appendix) shows the summary of simple regression estimation method. The coefficient of determination ( $R^2$ ) of model 1 is .831, it implies that 83.1% of the real practice of Supply chain relationships management can explain variation in the perceived organisation performance of NNPC retail outlets in south west Nigeria. The standard error estimate (0.328) shows the good fit of the regression line and predictive power of the model (CRM, SSSR and ORS) because it tends to zero.

The model indicates that, beta (.118, .444 and .525) for the predictors to be positive, indicating that they have positive impacts on organisation performance of NNPC retail outlets. Also, SSSRM, CRM are statistically significant but ORS is not statistically significant in term of much impact on the company's performance. From the ANOVA table F ratio = 53.814, (sig. .000) this means that null hypothesis will be rejected and accept alternative hypothesis that organisation structure, customers, supplier's suppliers and suppliers' relationship management affect performance of NNPC Retail Outlets in the States.

Table 2.(see appendix) shows the ANOVA analysis indicating the significant different between the groups of predictor's variables, F ratio of the variables ( 24.083,17.083, 2.319) the result shows that there is significant difference between the group of variables and they have significant impact on the performance of NNPC retail outlets in the selected states. Also, CRM , SSSRM variables reflect much significance impact on the performance of NNPC retail outlet while ORS variable shows little impact on the performance of NNPC retail outlet. Therefore, null hypothesis rejected and alternative hypothesis accepted that there is a significance difference among the SSSRM, CRM, ORM and Organization performance of the NNPC retail outlets.

Table 3. (see appendix). the descriptive analysis of the predictor variables shows the mean average in order of importance among ORS, CRM and SSSRM. CRM rated the highest 4.06 (36%), SSSRM predictor variable was second with 3.97 (35%), ORS was rated lowest with a mean value of 3.29 (29%). This simply means ORS is relatively less importance to NNPC retail outlets success performance in the selected States, the structure of the organization is relatively weak.

The table 3. (see appendix) shows the different in perception of customer satisfaction from the three selected products, Kruskal-Wallis test was used to establish the difference in term of reliability and accessibility of the NNPC products within the States. The results indicate that there are differences in the reliability and accessibility of the products among the end users in the selected states. The mean rank value of AGO to Consumers indicates 41.5%, PMS indicates 33.4%, and DPK shows 25.1%. This indicates that AGO product is more reliable and accessible to consumers compare with other two products only in term of reliability and accessibility, followed by the PMS. DPK product is not reliable and accessible compared to other two products, this may be as a result of full subsidy coverage on the product by Government. The overall analysis indicated that, there is difference in the level of customers' perception and actual customers' satisfaction in term of products reliability and accessibility in the States.

#### 4.0 Concluding Remarks

From the findings, it was revealed that, supply chain relationships management is relevant and significantly important to the success performance of NNPC retail outlets in Nigeria in various ways; First, Customer relationship management has been seen as a crucial organisational capability to enhance performance. A positive significant relationship was found between the customer relationship management and organisation performance. This finding suggests that NNPC retail outlets should particularly emphasize the more on CRM attributes such as quick access to their products, reliability of their products, effective communication with customers, response to

customers' problems and complaints, providing customers 'requirements adequately, and actively responds to customers' enquires of their services in order to increase their competitive edge and market share.

Second, the finding also indicated that, the success activities of NNPC retail outlets depend on the effective implementation of a supplier's supplier relationship management. This study has drawn attention to the importance of the relationship between SSSRM and firm performance in the context of NNPC retail outlets. The finding shown significant positive relationship between supplier's supplier and supplier relationship management and perceived NNPC retail outlets performance since its establishment. Therefore, organization should place more focus by ensuring that vision, mission and the stated objectives of their major supplier are putting into consideration while accomplishing their own goals. Third, it was discovered from the findings that, organization structure is not statistically significant to the perceived performance of NNPC retail outlets in Nigeria. It means that, NNPC retail outlets should not relied on their structure significantly to achieve optimum performance.

Finally, the level of customer's perception of supply chain relationships management and actual satisfaction derived from the consumption of the three products were significantly different. This study stands on the opinion base on the findings that, supply chain relationships management has strong significant effects on organisation performance. It was discovered that building strong relationship with consumers, Supplier's Supplier and Supplier has influence on perceived organization performance. Also, there is weak relationship between organisation structure and performance of NNPC retail outlet. This means that, something is wrong with way NNPC's management structure the personnel and operations of retail outlets in the state. The conclusion therefore supports the opinion of Kuo-Chung and Chin-Shan (2012), Andrew and Linda (2010) in which they concluded that, customers, suppliers relationship management are key success factors of organisational performance.

However, this research would like to point out the various limitations of the study, which provide meaningful directions for future research. Hence, further research could measure financial performance of NNPC retail outlets by actual data gathered from secondary source. Second, this study covered three aspects of relationship management i.e customer relationship management, supplier's supplier and supplier relationship management, and relationship within organisation structure. Further study can still include relationship with other stakeholder such as government and government policies.

## **5.0 Recommendations.**

Based on the findings from the study, the following are recommended;

1. Retails organisation should endeavour to enhance the performance of their organizations through effective supply chain relationship management. Building strong relationship with major supplier, potential customers, and effective and controllable structure that will enhance the operations of the company.
2. They should pay more attention to external relationship management and build better internal Structure that will enhance perfect relationship to achieve their corporate performance. This can only be done by focusing and making policies that will favour and satisfy the end-users (customers) in term of their product delivery at the right time, right price, right quality, right quantity and right place. Also, Supplier's supplier (major supplier) should be dealt with in such a way that cordial relationship between will be built between them. The organisation should have better link with the operations of general manager, Head of Mega station through the internet on daily basis.
3. Special Task Force (STF) at both state and federal level should be in patrol all the time to checkmate the Marketers selling above the regulated price by PPPRA. This will enable customers to access the product of their choice at the right time and right place.
4. Head of Mega Station other Managers should be trained to have clear understanding about vision, mission, and objectives of NNPC as whole, this will help the staff to foster strong relationship that has much positive influence on organization performance. Most of the mega managers and general managers of floating and affiliate station did not understand the vision of the major supplier, Pipeline and Product Marketing Company (PPMC) that to ensure security of petroleum products to the domestic market at low operating cost and provide excellent services to the customers. This can be done through series of seminal, conferences that relates to the subject matter etc.



5. Government should put more effort to assist the sector in term of allowing new investors to play a dominant role in the marketing of petroleum products in Nigeria. Just like we have seen in the perception of customers in term of products reliability and accessibility, AGO product is easily accessible unlike the DPK that is not even available at the right place and right time. If this allow there will be more competitors and this will enhance customer satisfaction.
6. More so, NNPC should link up and make available Mini -Mega station or affiliate station in each of the local government in the states. More floating or affiliate stations should be created in each local government of the state so that end users can easily get the products at their closet at the right time.

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**Table 1.** Results of Standardized Regression Model for the Effects of Supply Chain Relationship Management and Performance of NNPC Retail Outlets

R = 0.918 <sup>a</sup>					
R square = 0.843					
Adjusted R square = 0.828					
Standard Error = 0.321			F = 53.814		
Model	Std Error	T	Beta	Sig.	Remarks
Constant	.319	1.279	-	.211	
ORS	.042	1.508	.118	.142	
SSSRM	.093	4.848	.444	.000	*
CRM	.088	5.453	.525	.000	*

a. Dependent Variable: Organisation Performance

Source: SPSS data analysis 2013.

\* Significant (P < 0.05)

**Table 2.** ANOVA analysis reflecting the significant different among organisation structure, customers, supplier's supplier and supplier relationship management and performance of NNPC retail outlets in selected states.

		Sum of Squares	Df	Mean Square	F	Sig.
SSSRM	Between Groups	11.966	3	3.989	17.083	.000
	Within Groups	7.005	30	.233		
	Total	18.971	33			
CRM	Between Groups	17.026	3	5.675	24.831	.000
	Within Groups	6.857	30	.229		
	Total	23.882	33			
ORS	Between Groups	12.998	3	4.333	2.319	.095
	Within Groups	56.060	30	1.869		
	Total	69.059	33			

Source: Author compilation 2013, using SPSS 17.

**Table 3.** Descriptive analysis of the predictor variables (ORS, PCRM , SSSRM)

**Descriptive Statistics**

	Mean	Std. Deviation	N
Organization Performance	4.35	.774	34
ORS	3.29	1.447	34
CRM	4.06	.851	34
SSSRM	3.97	.758	34

Source: Author compilation 2013, using SPSS 17.

Table 3. Kruskal -Wallis test showing the different in reliability and accessibility of customer's perception of NNPC Products within the selected zone.

Products	Petroleum	N	Mean Rank
Product s Reliability and Accessibility			
PMS		85	122.28
DPK		62	92.26
AGO		89	151.95
Total		236	

Source: Author compilation 2012, using SPSS 17.