

## **ABSTRACT**

The existence of traditional retail business become a trending topic lately. Study which departing from Praharsi et al. (2014) framework has focus on the supplier relationship and its determinants to achieve performance improvement.

Respondents in this study were traditional retailers in Semarang derived from 5 units traditional markets (UPTD). Results of structural equation modelling analysis showed only 3 of 4 hypotheses were accepted.

Trust along with strategic planning proved to have a significant impact on supplier relationship. While supplier relationship also has a significant impact on the traditional retail performance. However, there were no significant impact of information sharing on supplier relationship. Results of this study confirmed that traditional retailers should not only pay attention to customers in order to achieve performance improvement. Maintaining relationship with suppliers can provide several benefits, such as reducing cost of procurement, good quality product and well order fulfillment. Finally these benefits would boost business performance.

**Keywords : Traditional Retail, Supplier Relationship, Organizational Performance**