
Determinance of Factors Influencing the Dealer's Business Performance with Reference to Falcon Products

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Abstract

Close consideration has to be paid by the manufacturing firms for emerging and sustaining relationship with the dealers and distributor network in order to increase their trust and satisfaction. When great levels of competition threaten market shares and the steadiness of the dealer network, the value of such efforts is most deceptive. This empirical study shows that various factors like product attributes, satisfaction with services, promotional activities, dealer benefits and business performance are important assets for the technological interface adoption and bring significant savings for the manufacturer and dealer. The survey was conducted in business units that belong to a manufacturing sector. The study's sample comprised 154 dealers and distributors. Measuring instrument followed a rigorous categorization of methodological procedures. Measurements were validated by regression, correlation and hypotheses were tested. The impact of channel function performance on different dimensions of relationship quality – satisfaction, trust, commitment and conflict under different dependence structures have also been identified and discussed in the paper. Results suggested positive effects of the factors like product attributes, satisfaction with services, promotional activities and dealer benefits on the business performance of the distributors.

Keywords: *Business Performance, Product Attributes Service Satisfaction, Promotional Activities and Dealer Benefits*

INTRODUCTION

The study aims to understand the dealer and distributor satisfaction towards the company's products and recommend massive contribution of Online marketing as a part of Integrated Marketing Communication and to know its splendid efforts towards promotion in practice and also to find out some challenges in using online marketing as a tool of integrated marketing communication. The recommendations of this research can be used to frame an appropriate Marketing Communication strategy in which companies can give special consideration to online marketing along with the other traditional tools.

REVIEW OF LITERATURE

a) Business Performance:

According to Mc Bain, Performance and its importance have become all persistent in all facets of current life. The people have all become vulnerable to sinking under the impact of performance in their ways of observing at things and people, as well as their ways of behaving. The concept of

performance has become of central importance for their insight of their activities, their self-perception and self-worth and their understanding of the world.

According to Brum brach Performance means both behaviours and results. Not just the instruments for results, behaviours are also consequences in their own right- the product of mental and physical effort applied to tasks - and can be refereed apart from results. Behaviours originate from the performer and convert performance from abstraction to action.

b) Product Attributes:

Michael D. Johnson Consumer researchers have come to concern product attributes as relatively tangible, objective properties while using a number of ill-defined and overlapping terms to label a product's more intellectual qualities.

Shawn Grimsley defines product attribute as a characteristic that defines a particular product and will affect a consumer's procurement decision. Product attributes can

be tangible (or physical in nature) or intangible (or not physical in nature).

Tangible characteristics can include such product characteristics as size, color, weight, volume, smell, taste, touch, quantity, or material composition. Intangible characteristics may include such characteristics as price, quality, reliability, beauty or aesthetics, and je ne sais quoi (an indefinable, subtle attractive quality).

c) Satisfaction towards Services:

Oliver (1981 and Hunt (1977) put forward a definition as, “the summary psychological state caused when the emotion surrounding disconfirmed expectations is coupled with the consumers’ previous feelings about the consumption experience”

The definition given by Engel and Blackwell (1982) is “an evaluation rendered that the (consumption) experience was at least as decent as it was supposed to be”.

Berry and Parasuraman (1991) define as, “the consumer’s reaction to the evaluation of the perceived discrepancy between prior anticipations (or some other norm of performance) and the actual performance of the product/service as perceived after its consumption”.

d) Promotional Activities:

According to Philip Kotler, “Promotion compasses all the tools in the marketing mix whose main role is convincing communications.”

According to Stanston, “Promotion comprises, advertising, personal selling, sales promotion and other selling tools.

e) Dealer Benefits:

Sherrie Scott says rewards and incentives in the workstation have benefits for both employees and employers. When recognized for sellar performance and productivity, employees have amplified morale, job satisfaction and participation in organizational functions. As a result, employers experience greater productivity and an increase in sales and productivity. Through workplace rewards and incentives, employers and workers enjoy a positive and productive work environment.

According to SairaYousaf, Madiha Latif, Sumaira Aslam and AnamSaddiqui, employees expect financial and non-financial rewards for their services and efforts. In the absenteeism of equitable pay, training and development opportunities and recognition, employees get dissatisfied and

do not perform to the standards. The dissatisfaction caused from the unavailability of financial and non-financial reward usually leads to great employee turnover and poor performance.

RESEARCH METHODOLOGY

a. Research Question:

Do the various factors identified affect the business performance of the dealers with respect to Falcon Products?

b. Research Objective:

To determine the factors influencing the dealer and distributor performance with reference to the Falcon products.

c. Research Design:

Research design is exploratory, descriptive and/or experimental in nature. It is serving the investigator in providing answers to various kinds of social/economic questions.

After collecting and analysis of the data, the researcher has to complete the task of drawing inferences. In the present study, researcher has followed Descriptive research. Descriptive research is usually a fact finding method generalizing a cross - sectional study of present situation. The major goal of descriptive research is to describe events, phenomenon and circumstances on the basis of observation and other sources. **See Table 1.**

ANALYSIS AND INTERPRETATION

The alpha value for the overall items listed in the instrument is 0.75. The reliability test was also carried out for each construct individually. The value obtained for Product Attributes is 0.65, Product Attributes is 0.80, Promotional Activities is 0.75, Dealer Benefits is 0.80 and Business Performance is 0.75.

Table: 1 Reliability Analysis:

S.No	Cronbach's Alpha	Items
1	0.65	30 Items of Product Attributes
2	0.80	25 Items of Service Satisfaction

3	0.75	30 Items of Promotional Activities
4	0.80	30 Items of Dealer Benefits
5	0.75	25 Items of Business Performance

Table: 2 Demographic Analyses:

S.No	Items	Mean	Implication
1	Turnover	2.300752	Most of the dealers have a turnover between 1L and 3L
2	Distributorship	2.496241	Most of the dealers are distributors of falcon products when compared to its competitors
3	Area	2.533835	The dealers are more in number in the south region of Coimbatore
4	Period	2.428571	The dealers have distributorship with Falcon mostly for about 1-2 years
5	Whole Range of Products	3.240602	An average number of dealers distribute the whole range of Falcon products

6	Importance to feedback for product pricing	3.037594	Average importance is given to the feedback given by dealers in case of product pricing
7	Importance to feedback for product improvement	3.345865	Average importance is given to the feedback given by dealers in case of product improvement
8	Importance to feedback for product promotion	2.75188	Less than average importance is given to the feedback given by dealers in case of product promotion

Regression:

NULL HYPOTHESIS: The business performance of the company is independent of the variables like product attributes, service satisfaction, promotional activities and dealer benefits.

ALTERNATE HYPOTHESIS: The business performance of the company is dependent of the variables like product attributes, service satisfaction, promotional activities and dealer benefits. **See Table 3.**

The significant value obtained in this test for product attributes, promotional activities, satisfaction towards services and

dealer benefits is less than 0.05. Thus the null hypothesis is rejected and the alternate hypothesis is accepted. Thus it is interpreted that the business performance is dependent of the various variables mentioned above. Thus the regression equations can be formulated as:

Product Attributes: Business performance= $0.060+0.074*(0.072)$

Service Satisfaction: Business performance= $0.018+0.092*(0.017)$

Promotional Activities: Business performance= $0.030+0.077*(0.034)$

Dealer Benefits: Business
performance=0.138+0.077*(0.156)

Table: 3

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.851	.469		6.079	.000
	Product Attributes	.060	.074	.072	-.815	.047
	Service Satisfaction	.018	.092	.017	.195	.045
	Promotional Activity	.030	.077	.034	-.387	.039
	Dealer Benefits	.138	.077	.156	1.788	.036
a. Dependent Variable: Business Performance						

Table: 4 Correlation

	Business Performance	Product Attributes
Business Performance	1	.073
Product Attributes	.073	1
	Business Performance	Service Satisfaction
Business Performance	1	.012
Service Satisfaction	.012	1
	Business Performance	Promotional Activities
Business Performance	1	.052
Promotional Activities	.052	1
	Business Performance	Dealer Benefits
Business Performance	1	.156
Dealer Benefits	.156	1

The Pearson correlation value obtained is each of the case is 0.073, 0.012, 0.052, and 0.156. This shows that there exists a positive correlation between the business performance of the dealers of the company and the various factors like product attributes, service satisfaction, promotional activities and dealer benefits.

FINDINGS, SUGESSTIONS AND CONCLUSION

Findings:

Demographic:

- The turnover of the dealers and distributors from the existing sample size is mostly between 1 lakh to 3 lakh. The next highest turnover range lies between 3 lakh to 5 lakh.
- It has been identified that Falcon Toolings holds the highest number of dealer and distribution network.
- The area covered by the distributors of Falcon Toolings are mostly concentrated towards the south and then in the north. The distributor network is not evenly distributed among the various areas of the Coimbatore City.

- Nearly 45% of the dealers and distributors have agreed that they distribute the whole range of Falcon Toolings' products to their customers.
- The feedback from the dealers and distributors has a great importance as they are the intermediaries between the customers and the company. When Falcon is considered the importance given to them is on a very average scale.

Product Attributes

- The price of the holding tools is dependent on the durability of the product and the technical performance of the product. This is in accordance with the vision statement of Falcon Toolings.
- The price of the product has a significant difference based on the technical performance of the product.

Satisfaction with Services:

- The reliability on the services offered by the company is dependent on the promise that is delivered to the customers.

Promotional Activities:

- When satisfaction with services is considered, Falcon Toolings, along with another competitor Company 3 stands last in rank and the rest of the competitors are better than Falcon when promotional activities are considered.
- The dealer and distributor satisfaction towards the promotional activities is dependent on the credit policy offered by the company.
- There exists a positive correlation between the sales efforts by the company and the satisfaction towards the promotional activities.

Dealer Benefits:

- The dealer and distributor satisfaction towards the profit margin is independent of the awards and recognition provided by the company. Thus the regression equations can be formulated as:

Business Performance:

- The satisfaction towards the overall sales of the company's product is

dependent of the brand image of the company.

- There exists a positive correlation between the overall sales of the company and the level of the qualified sales team of the company.
- There exists a positive correlation between the business performance of the dealers of the company and the various factors like product attributes, service satisfaction, promotional activities and dealer benefits.

Suggestions:

- Falcon Toolings holds the highest number of dealer and distribution network. Although Company 1 stands after Falcon in the factor, Company 1 is still the market leader. Thus Falcon could cut down the number of distributors and thus reduce the cost incurred to the company.
- The distributor network is not evenly distributed among the various areas of the Coimbatore City. It is mostly concentrated only in the south based on the location of the dealers. This

should be redefined and even distribution of dealers should be implemented.

- When Falcon is considered the importance given to the feedback from the dealers is on a very average scale. Since they are the medium of communication between the company and the customers, their suggestions should be given more importance to improve the various aspects of the product.
- When product attributes is considered Falcon stands third in comparison with the competitors, thus the various attributes of the product should be improved in order to satisfy the customers in terms of product attributes.
- The dealers and distributors have stated that the price does not matter for products with good technical performance and durability. Thus the company should concentrate on these factors in order to improve their profit margin and also improve their market share.
- When satisfaction with services is concerned the company is performing very poorly when compared to their competitors. Satisfying the end users is one of the most important factors and thus the company should continue to improve in the field of satisfying the customers with their services.
- When promotional activities are concerned the company is performing on a very average scale when compared to their competitors. They should indulge in various activities like trade shows and public talk. Keeping the dealers informed about the new range of products frequently so that they can promote the same, will also give a positive edge for the company.
- In order to keep improving the field of promotional activities, the dealers and distributors prefer that the company works on the credit policy and also the sales efforts of the sales personnel in the company.

- The dealers and distributors are not that satisfied with the various benefits they gain from the company.
- The main factor the dealers are not that satisfied with is the awards and recognition provided by the company. Thus the company should regularly monitor the performance of the dealers and distributors and recognise those who are performing well when compared to the others. This will motivate to improve the performance of the dealers.
- When business performance is considered the company is not the market leader in the holding tolls segment. The other competitors are performing well in this domain. This depends on the sales team, overall sales of the company, brand image of the company etc.,
- Even though the competitors stand behind Falcon when other factors are concerned, they are well focussed in building a good brand image in the minds of the customers. Thus the

company should improve the brand image of the company.

CONCLUSION

The company is performing well when few factors are considered and is not for other factors. Since the company stands just behind one of the competitors when market share is considered, improving in certain area will ensure that the company becomes the market leader when holding tools segment is considered. If the suggestions are fulfilled according to the expectations of the dealers and the distributors, the project will yield better results with tenure stability. On the basis of the findings of the present study some constructive, practicable and viable suggestions have been made.

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