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## Dealer Satisfaction towards Sustainable Competitive Advantage

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### **Abstract:**

*Dealership business has been expanding day by day in India. In order to ensure the fulfillment of the concept 'Place' in the marketing mix and to survive in the competitive environment, organizations need to satisfy its dealers by providing greater benefits from all the aspects. The study is designed to provide sustainability of dealers and to provide manufacturers with insights about dealer opinions and attitudes to help them improve dealer relations. The main aim of the study is to explore the dealers' satisfaction of IFB covering 35 dealers and agent outlets in Trichy, Thanjavur, Thiruvavur and Kumbakonam. The data were collected from the IFB dealers by administering a questionnaire and the primary data collected were analyzed by using Percentage analysis and ANOVA single factor. From the analysis, it is inferred that the company should satisfy their dealers to have smooth flow of supply chain and increase their sales, which would lead to increase in profit of the company and create customer loyalty. The company could also allow credit facility to their dealers as it would reduce the financial burden of the dealer. The quality and the moderate price of IFB products helped the dealers to sustain in the market. The process and environment interaction played a vital role in determining sustainable competitive advantage. The customer loyalty and stewardship of dealers has made the sustainable competitive advantage among the IFB dealers. The sustainable competitive advantage enjoyed by the dealers confirms the brand image of the IFB products among consumers.*

**Keywords:** Dealer, satisfaction, price, experience and competitive advantage

### **1. Introduction**

Dealership business is expanding day by day in India. In order to ensure the fulfillment of the concept 'Place' in the marketing mix and to survive in the competitive environment, organizations need to satisfy its dealers by providing greater benefits from all the aspects. Dealer behavior is the study of how he purchases, how he sells, how they get feedback, from consumers and after that he comes to a conclusion about the particular IFB product. It is a subcategory of marketing that blends elements from different fields. It attempts to understand the buyer decision making process, both individually and in groups. Sustainable competitive advantage is the unique position that an organization develops in relation to competitors that allows it to outperform them consistently." A sustainable competitive advantage (SCA) is when a firm possesses value-creating processes and positions that only cannot be easily duplicated or imitated by other firms that lead to the production of above normal rents.

Sustainable competitive advantage will allow the maintenance and improvement of the company's competitive position in the market. It enables business to survive against its competition over a long period of time. Sustainable competitive advantage can be built up over a period of time based upon some unique competencies. They can be based upon knowledge, know-how, experience, innovation, and unique information use. The competitive advantage will be meaningful only if it is felt in the marketplace and the differentiation must be perceived as an important buying criterion to a substantial customer base. Therefore, such advantage will be sustainable, only if it cannot be imitated.

### **2. Objective and Scope of the Study**

The study is designed to provide sustainability of dealers and to provide manufacturers with insights about dealer opinions and attitudes to help them improve dealer relations. The main aim of the study is to explore the dealers' satisfaction of IFB covering 35 dealers and agent outlets in Trichy, Thanjavur, Thiruvavur and Kumbakonam. The data were collected from the IFB dealers by administering a questionnaire and the primary data collected were analyzed by using Percentage analysis and ANOVA single factor.

### **3. Review of Literature**

Julie B et al. (1989) says that the ability to nurture marketing channel relations is essential to long-term corporate survival. They also highlight the importance of mutual dependency, behaviour and financial performance in creating effective working environments. Sudhir H. Kale (1986) says that a manufacturer's perceived power is related positively to the frequency of use of relatively high pressure influence strategies by its field representatives. John F. Gaski (2006) has concluded that perceptions reported by the channel

entities are used to measure power in marketing channels. Schul, Patrick L et al. (1985) have revealed that franchisors and other channel leaders attempting to realize the benefits of channel cooperation should focus on identifying and directing attention to elements in the climate of the channel arrangement. Robert W et al. (1984) have said that the construct of channel member satisfaction is found to be multidimensional, involving satisfaction with products, financial considerations, social interaction, cooperative advertising programs, and other promotional assistances. Jakki Mohr and John R. Nevin, (1990) has revealed that communication plays a vital role in channel functioning, it provides no integrated theory for channel communication. Md. Aslam Uddin (2012) has said that most of the dealers are satisfied with their principal in respect of availability of products, timeliness of product deliveries, quality, price, credit sales, allowances, and brand name.

#### 4. Analysis and Discussion

The data were collected from the IFB dealers by administering a questionnaire and the primary data collected were analyzed by using Percentage analysis and ANOVA single factor.

Experience in Dealership			Experience in dealing with IFB products		
Years	No. of Dealers	Percentage to total	Years	No. of Dealers	Percentage to total
< 3	5	14.3	1-3	8	22.9
4-7	16	45.7	4-7	21	60.0
8-11	12	34.3	8-11	5	14.2
>11	2	5.7	>11	1	2.9
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>Total</b>	<b>35</b>	<b>100.0</b>

Table 1: Profile of dealer respondents  
Source: Primary Data

From the above table it is inferred that 14.3%, dealers have experience of below three years, 45.7% of dealers have an experience of have four to seven years, 34.3% of dealers have eight to eleven years of experience and 5.7% of dealers have more than eleven years of experience. Three-fifth of the dealers have 4-7 years of experience in dealing with IFB products and 17% of dealers have more than seven years of experience in dealing with IFB products. This shows a long-term relationship with IFB.

IFB employees' Relationship			Basis of Credit Extended by IFB		
Level of satisfaction	No. of Dealers	Percentage to total	Credit period	No. of Dealers	Percentage to total
Dissatisfied	4	11.4	1 month	9	25.7
Neutral	9	25.7	Movement of stock	19	54.3
Satisfied	16	45.8	others	7	20.0
Highly satisfied	6	17.1	<b>Total</b>	<b>35</b>	<b>100.0</b>
<b>Total</b>	<b>35</b>	<b>100.0</b>			
Quality of IFB products			Price of IFB products		
Quality	No. of Dealers	Percentage to total	Price	No. of Dealers	Percentage to total
Poor	2	5.7	Very low	4	11.3
Satisfactory	12	34.3	Low	1	2.9
Average	7	20.0	Average	8	22.9
Good	9	25.7	High	14	40.0
Very good	5	14.3	Very high	8	22.9
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>Total</b>	<b>35</b>	<b>100.0</b>

Table 2: Opinion of dealers towards IFB  
Source: Primary Data

From the above table researcher infers that 25.7% of dealers obtain 1 month credit facility, 54.3% of dealers acquire credit facility based on movement on stock, and only 20% of dealers acquire credit facility by other activities. Only 5.7% of the dealers feel that the quality of IFB products is poor, 34.3%, dealers are satisfied with the quality, 20% dealers feel that the quality is average, 25.7%, dealers feel that is good and 14.3% dealers feel that IFB products are very good in quality. 11.3% of dealers feel that the price of IFB products is very low, 2.9%, dealers feel as low, 22.9%, dealers feel as average, 40% of dealers feel as high, and 22.9% of dealers feel as very high. 11.4% of the dealers are dissatisfied with the behaviour of employees of IFB, 25.7% opined that they are neutral, 45.8% are satisfied with the employees' behaviour, and 17.1% are highly satisfied with the employees' behaviour.

After sales service of IFB			Facilitating factors for dealership with IFB		
Opinion	No. of Dealers	Percentage to total	Facilitating factors	No. of Dealers	Percentage to total
Disagree	1	2.9	Promotion	7	20.0
Neutral	9	25.7	Quality	16	45.7
Agree	16	45.7	Company policy	9	25.7
Strongly agree	9	25.7	Margin	3	8.6
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>Total</b>	<b>35</b>	<b>100.0</b>
Promotional activity expected from IFB			Factors expected from IFB		
Promotional activity expected	No. of Dealers	Percentage to total	Factors	No. of Dealers	Percentage to total
Discount	11	31.4	Promotion	9	25.7
Gift	10	28.6	Sales follow up	14	40.0
Prize	7	20.0	Service	8	22.9
Offers	7	20.0	Credit facility	4	11.4
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>Total</b>	<b>35</b>	<b>100.0</b>

Table 3: Opinion of dealers towards the service of IFB

Source: Primary Data

From the above table it is inferred that 31.4% of dealers expect discount as promotion activity and others expect the gift, prize and offers from IFB. 45.7% of the dealers prefer IFB products because of quality maintained and 25.7% prefer IFB products based on the company policy. 71.4 % of dealers agree that after sales service of IFB is good. 25.7% dealers are expecting promotion activity from IFB, 40%dealers expect sales follow up scheme, 22.9%dealers expect service scheme, and 11.4%dealers expect credit facility.

A hypothesis is set to study the relationship between experience of dealers and the factors influencing dealership by using ANOVA single factor.

Ho= Experience of dealers do not influence the factors influencing dealership.

Factors	P Value	Result
Credit period	.291	Accepted
Promotional activity	.713	Accepted
Continued Dealership	.079	Accepted

Table 4: Relationship between experience and factors influencing dealership- ANOVA Single factor

Source: Primary Data (@ 5% level of significance)

The null hypothesis is accepted for the above factors. There is a no significant relationship between experience and the factors influencing dealership. Irrespective of the credit period offered by IFB, all dealers continue their relationship with the company because of the maintenance of quality and its brand image in the market. Irrespective of the promotional activity offered by IFB, every dealer is contented with IFB and continues their dealership. The dealers are extending their co-operation to IFB always irrespective of the factors like promotional activity, quality scheme, company policy and profit margin offered by IFB. From the analysis, it is inferred that the company should satisfy their dealers to have smooth flow of supply chain and increase their sales, which would lead to increase in profit of the company and create customer loyalty. The company could also allow credit facility to their dealers as it would reduce the financial burden of the dealer. The quality and the moderate price of IFB products helped the dealers to sustain in the market. The process and environment interaction played a vital role in determining sustainable competitive advantage. The customer loyalty and stewardship of dealers has made the sustainable competitive advantage among the IFB dealers. The sustainable competitive advantage enjoyed by the dealers confirms the brand image of the IFB products among consumers.

## 5. Conclusion

IFB is more concerned about both the customer service and the interaction of the employees with the customers. It is also concerned with the pro-active behaviour towards the interaction of environment with people. As IFB is more concentrating its effort on the environment compliance, it always finds it easy to step up in the ladder of competition. Because of this sustainability dealers are very much satisfied with the programmes and policies of IFB appliance. The dealers are willing to extend their untiring support to the company. As a result, it is inferred that the opinion of the dealers about the sustainable competitive advantage of IFB in the present market. These dealers enjoy this situation because of the established brand image of IFB in the market. Hence the dealers continue the patronage to IFB both at present and future.

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