ASSESSMENT OF MANUFACTURER'S PERFORMANCE ON RETAILER'S ECONOMIC AND NON-ECONOMIC SATISFACTIONS: A VIEW FROM THE PERSPECTIVE OF THE RETAILERS IN PALAYAN CITY, PHILIPPINES

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ABSTRACT

Manufacturers should be able to understand how to meet the needs of retailers, and managing these factors helps them expand their enterprises. For many manufacturers and suppliers, maintaining the channels' long-term survival depends on meeting retailers' demands. With the given scenario, the researchers would like to determine the economic and non-economic satisfactions of the retailers in terms of the manufacturer's brand performance. This research study uses the descriptive method. This study was conducted in Palayan City province of Nueva Ecija, where the respondents can be found. Statistical tools such as percentage, frequency distribution, weighted mean, and thematic analysis were used in analyzing the data gathered. As to the results, the majority of the respondents were satisfied with the brand performance of the manufacturers, as it helped increase the sales of every retailer. In terms of the satisfaction of the retailers with the manufacturer's brand performance, it is recommended that they identify the benefits that they will obtain from partnering with a manufacturer, since satisfaction does not always come from economic things but also from non-economic ones.

Keywords: Manufacturer; Brand Performance; Retailer; Supply Chain Management

INTRODUCTION

In the Philippines, retailing has evolved into a prosperous industry. Due to retail upheavals, brand management has become increasingly difficult for manufacturers. Assessing the effects of current events like as store closures, internet competition, and the rise of buying clubs is a significant challenge for manufacturers. This sort of company involves the movement of merchandise from the manufacturer to the retailers.

The manufacturer is the initial participant in distribution channel management. A manufacturer is an organization that transformed raw resources into a finished product. The finished goods are sold on the market with the assistance of various channel members. A retailer is the one who eagerly awaits the product that a manufacturer makes. A retailer is a business that purchases and resells goods at retail or wholesale. The number of sales in a firm is driven by a retailer's ability to understand customer psychology and offer a product effectively.

Due to the growing influence of retailers, it is vital for manufacturers to comprehend their wants, views, and behaviors and to enhance their relationships with them. In light of this objective, manufacturers must understand the variables that influence retailers' evaluations of their products and their satisfaction with manufacturers and brands. Managing these issues should enable manufacturers to satisfy retailers' expectations and expand their operations. The merchants' job is to seek out innovative marketing tactics that will help them attract and keep customers. Retailing comprises all activities associated with the sale of goods and services to individuals who purchase them for resale or commercial usage. Retailers primarily buy from manufacturers and sell to other retailers or industrial consumers.

According to Geyskens et al. (2010), manufacturers must be able to comprehend how to suit the needs of retailers, and handling these variables enables them to grow their businesses. Many manufacturers and suppliers rely on retailers' requests to ensure the long-term viability of their distribution routes. It has been extensively examined in the literature, but its influence on brand performance and brand strength has not been thoroughly evaluated. Manufacturers must have a comprehensive grasp of retailers and a larger need for behavior than ever before to succeed in the current market. Existing literature examines satisfaction extensively, but it is not adequately appraised in terms of influential criteria such as brand performance and brand strength.

Brand performance is a factor to consider in the movement of a retailer's sales. Brand performance focuses on the contribution of the brand to improving store results, such as store traffic, profit, and sales volume (Glynn, 2007). According to Gylnn et al. (2007), brand benefits for the retailer and its beneficial effects on retailer satisfaction could impact the manufacturer-retailer relationship. High performance of the manufacturer's brand would contribute to the expansion of the retailer's business, resulting in retailer satisfaction. Thus, brands with strong market performance would be appealing to the retailer due to economic and non-economic benefits such as sales volume, sales growth, shop traffic, the retailer's credibility and image.

In Palayan City, Nueva Ecija, there are a multitude of registered retail establishments. The number of enterprises involved in retail trade in the aforementioned city continues to rise. In this line of inquiry, the researchers aim to evaluate the satisfaction on brand performance and brand power of retailing companies' products.

According to Kabadayi et al. (2011), a manufacturer's execution of each job element as regarded by wholesalers and retailers should have a significant impact on their target attainment. The manufacturer's confidence with the dealer would increase as a result of their superior execution in their assigned roles. Also, there are certain customers that seek out a product's brand before making a purchase. Due of its significance, the function of brands in retailer satisfaction is investigated in this research as an understudied component. Kabadayi et.al (2011) agreed that it makes reasonable that brand performance would influence a consumer's choice. Some buyers purchase a product due to its market-leading brand recognition.

The researchers also performed this study to uncover the tensions and circumstances in the industry that have contributed to a shift in the balance of power from manufacturers to retailers. The trade balance must be examined in order to monitor and control the product flow at a certain location. This research will primarily benefit the city's economy by determining whether or not retail establishments need to enhance their sales performance. Since brand performance has a role in the satisfactions of a retailer, this study also seeks to determine the level of the retailer's satisfaction in terms of economic and non-economic satisfactions as it became part of the study of Kabadayi et.al. (2011).

This research seeks to determine the level of retailer satisfaction with brand performance and brand strength in Palayan City, Philippines. The researchers intended to determine if retailers are satisfied with the product's brand performance, if the brands satisfy their expectations, and if they can assist retailers grow their businesses. This study will assist aspiring and established retailers in locating a brand that matches their needs.

METHODOLOGY

This research utilized a descriptive quantitative approach. Descriptive quantitative research, according to Siedlecki (2020), is used to characterize the subject's traits, occurrences, and situations without manipulation. In this inquiry, a questionnaire was utilized to collect the required information. The research tool supported the researchers in monitoring the validation of the acquired data. The researchers also conducted a series of interviews to validate the responses of the respondents. In this research, an understudied component of retailer satisfaction is investigated.

This research study was conducted in Palayan City, Nueva Ecija, where the respondents were identified. The list of the active registered retail businesses was provided by the business licensing office of the said city.

This study utilized purposive sampling procedure. Nikolopoulou (2022) define purposive sampling as a collection of non-probability sampling approaches in which units are picked because they possess the desired features. In other words, in purposive sampling units are chosen "on purpose."

Hence, in this case, the researchers only identified 24 retailing businesses who actively participated the survey. The researchers asked the permission of the retailing businesses but only 24 respondents responded to the need of the researchers. Therefore, the researchers only worked with the 24 active respondents.

The research instruments used were the survey method and the interview. The researchers personally administered the questionnaire. The questionnaire was adopted and modified based

from the research work of Ebru Tumer Kabadayi and Mustafa Ermurat with research entitled "The effects of manufacturer brand performance, brand strength and role performance on retailer satisfaction".

The respondents were asked to write their honest opinions regarding the questions being asked. The research instrument was validated; corrections and suggestions were incorporated in the final draft; and interviews were done with other respondents to check the reliability and validity of the instrument.

Statistical tools such as percentage, frequency distribution, and weighted mean, were used in analyzing the data gathered.

RESULTS AND DISCUSSION

Manufacturer Performance

1. Manufacturer Performance in terms of Brand Performance

Table 1. Assessment of Manufacturer's Performance in terms of Brand Performance

Brand Performance	WM	VI	RANK	VB
1. Manufacturer brand has innovative in-store promotional materials.	3.28	Highly Satisfied	2	Highly in Favor
2. Manufacturer Brand has innovative promotional activities Meeting retailer's needs.	3.29	Highly Satisfied	1	Highly in Favor
3. It offers good price and discount deals.	3.27	Highly Satisfied	3	Highly in Favor

4. Impact of manufacturer brand on the retailer's sales volume.	3.18	Satisfied	5	Slightly in Favor
5. Impact of manufacturer brand on the retailer's sales growth.	3.22	Satisfied	4	Slightly in Favor
Brand Performance GWM	**3.25**	**Satisfied**		**Slightly in Favor**

The table above displays retailer satisfaction as measured by Brand Performance. Result shows that manufacturer brand has creative advertising campaigns. With a weighted mean of 3.29 and a verbal score of Highly Satisfied, the highest priority is meeting retailers' demands. While there is a significant impact of manufacturer brand on retailer's sales volumes, satisfied verbally interpreted received the lowest weighted mean of 3.18.

The majority of respondents believed that Manufacturer Brand has creative promotional activities that fulfill the needs of retailers. This indicates that brand has a role in a consumer's purchasing choice. As responders, retailers responded that they evaluate innovative promotional activities because it increases their sales. This demonstrates, as expected, that economic happiness of retailers was affected by brand performance, matching consumer needs, and promotional assistance. These variables pertain to financial and economic rewards. If the manufacturer's brand performance is strong, the store's sales volume will improve, hence increasing the retailer's revenue. Similarly, if the brand fits consumer needs, the store will have a greater consumer demand, which will improve the business's return and contribute to the economic happiness of the merchant. According to Glynn (2010), brand performance focuses on the contribution of the brand to enhancing retail outcomes, such as foot traffic, revenue, and sales volume.

2. Manufacturer's Performance in terms of Promotional Support

Table 2. Assessment of Manufacturer's Performance in terms of Promotional Support

Promotional Support	WM	VI	RANK	VB

1. The promotional activities of the supplier are appropriate for our current requirements.	3.29	Highly Satisfied	1	Highly in Favor
2. The supplier has holiday-themed promotional activities (special days, support events).	3.24	Satisfied	2	Slightly in Favor
3. The supplier has promotional activities that correspond to the seasons.	3.22	Satisfied	3	Slightly in Favor
4. Our supplier has created promotions just for us.	3.16	Satisfied	5	Slightly in Favor
5. The supplier's in-store activities are effective.	3.20	Satisfied	4	Slightly in Favor
Promotional Support GWM	**3.22**	**Satisfied**		**Slightly in Favor**

In this table, retailer satisfaction about promotional support is evaluated. With a weighted mean of 3.29 and a verbal interpretation of Highly Satisfied, the supplier's promotional activities are commensurate with their present needs, ranking first with a mean score of 3.29 and a verbal interpretation of Highly Satisfied. While the provider has prepared a campaign just for us received the lowest weighted average of 3.16 and was verbally understood as Satisfied.

According to the findings, the majority of respondents agreed that the supplier's promotional activities meet the present needs. The supplier's promotional activities have a substantial impact on the purchasing experiences of customers, and the findings demonstrate how promotional activities influence customers' opinions of the product. Promotional support is another component that increases. Promotion and decreased consumer demand have an impact on the retailer's costs. Therefore, additional promotional support boosts retailers' economic pleasure. Three factors have the most impact on brand performance. Influence on economic

contentment. Cannon and Perreault (1999) observed that retailers were pleased with the performance of suppliers who met their needs.

3. Manufacturer's Performance in terms of Logistic Performance

Table 2. Assessment of Manufacturer's Performance in terms of Logistic Performance

Logistic Performance	WM	VI	RANK	VB
1. Even when demand increases as a result of promotional activity, the orders are still sufficient.	3.30	Highly Satisfied	3	Highly in Favor
2. Orders are delivered by the supplier without excessive delay.	3.40	Highly Satisfied	2	Highly in Favor
3. Orders are delivered by the supplier on schedule.	3.29	Highly Satisfied	4	Highly in Favor
4. Orders purchased and shipped exactly as requested by the supplier.	3.41	Highly Satisfied	1	Highly in Favor
5. Even when demand increases as a result of promotional activity, the orders are still sufficient.	3.28	Highly Satisfied	5	Highly in Favor
Logistic Performance	**3.33**	**Highly Satisfied**		**Highly in Favor**

This table shows the retailer's satisfaction with logistical performance. The order was purchased and shipped exactly as the supplier requested, and it ranked first with a weighted

mean of 3.41 and a verbal interpretation of "Highly Satisfied." While the lowest ranked got a weighted mean of **3.28, this** proved that when demand increases as a result of promotional activity, the orders are still efficient. It was interpreted verbally as " Highly Satisfied."

The majority of respondents were highly satisfied that orders are purchased and dispatched in accordance with the supplier's specifications. It demonstrates that their service is of high quality and that they can ship all orders within the timeframe specified by the provider. In fact, logistics is one of the manufacturer's key responsibilities in the industry for which the manufacturer is responsible. This feature is either free or has minimal fees, as shops do for this feature, with all costs covered.

Retailer's Satisfaction

1. Retailer Satisfaction in terms of Non-Economic Satisfaction

Table 4. Retailer's Satisfaction in terms of Non-Economic Satisfaction

Non-economic Satisfaction	WM	VI	RANK	VB
1. If we had to start over, we would use the same supplier.	3.16	Satisfied	5	Slightly in Favor
2. We have no regrets doing business with this supplier.	3.21	Satisfied	3	Slightly in Favor
3. In general, we are satisfied to do deals with suppliers.	3.24	Satisfied	2	Slightly in Favor
4. We are satisfied with what the supplier does for our company.	3.28	Highly Satisfied	1	Highly in Favor
5. We are delighted to do business with a supplier.	3.17	Satisfied	4	Slightly in Favor
Non-economic Satisfaction GWM	**3.25**	**Satisfied**		**Slightly in Favor**

The table above shows that the majority of respondents are satisfied with what the supplier does for them. It is ranked number 1 with a verbal interpretation of **Highly Satisfied**

and has a general weighted mean of **3.28**. However, the statement "If we had to start over, we would use the same supplier" ranked number 5 with a verbal interpretation of **"satisfied"** and has a weighted mean of **3.16.** Regarding non-economic retailer satisfaction, the results indicated a relationship with all factors. Except in terms of innovation and logistical performance, retailer data revealed that product innovation and brand were not factors in their non-economic success objectives. Innovation was viewed as a competitive advantage by retailers, a rivalry between brands or manufacturers.

The respondents noted that face-to-face communication is an effective method for maintaining a positive working connection. This working relationship is necessary for a buyer-supplier partnership in order for investments and transactions to flourish and endure. According to the answers, the manufacturer values the criticisms and suggestions of their retail partners. They believe that they are part of the rising business of the manufacturing firm. In keeping with the findings of Henry Xie et al. (2010), firms are frequently required to make relationship-specific investments in B2B buyer-supplier partnerships. Investments whose utility is unique to a particular buyer-supplier relationship are therefore specific investments. According to Kermani et al. (2020), such investments are largely non-transferable, for they have little if any value outside of a certain connection. Examples include a supplier investing in specialist equipment or plants to fulfill specific buyers' requests or a supplier investing in developing highly specialized abilities through training or experiences that are not in demand outside the focused business connection. Thus, certain investments to increase the business relationship can be tangible or intangible. They are mostly motivated by the demand for customization.

2. Retailer Satisfaction in terms of Economic Satisfaction

Table 5. Retailer's Satisfaction in terms of Economic Satisfaction

Economic Satisfaction	WM	VI	RANK	VB
1. Profitability increases on an annual basis.	3.13	Satisfied	5	Slightly in Favor
2. Annual sales volume growth	3.31	Highly Satisfied	1	Highly in Favor

3. Flow of funds	3.21	Satisfied	3	Slightly in Favor
4. Volume of sales	3.26	Highly Satisfied	2	Highly in Favor
5. Profitability	3.13	Satisfied	4	Slightly in Favor
Economic Satisfaction GWM	**3.25**	**Satisfied**		**Slightly in Favor**

As seen as the table above, the retailer satisfaction assessed in terms of Economic Satisfaction. The volume of sales ranked first with weighted mean of **3.31** and a verbal interpretation **of Highly Satisfied**. On the other hand, profitability increases on an annual base and also profitability got the lowest weighted mean of **3.13** with a **Satisfied** verbal interpretation.

The majority of respondents agreed, based on the findings, that retailer satisfaction is proportional to sales volume. It demonstrates that when a store has a high volume of sales, earnings are substantial. In addition, retailer satisfaction has a high rate of sales when they advertise their goods so that many individuals purchase them. According to Geysken et al. (2000), for effective channel governance, a demonstration must acknowledge the presence of two distinct types of satisfaction: economic satisfaction, which is a channel member's evaluation of the economic outcomes that flow from the relationship with its partner, and social satisfaction, which is a channel member's evaluation of its personal contacts and interactions with its exchange partner.

In line with the above discussions, the researchers were able to recommend the following:

In terms of the manufacturer's brand performance, retailers should not believe that the brand is the reason why customers buy from them. The retailers must also consider the brand performance of the manufacturer of a product. A brand is a name that can help you increase your sales or decrease them. It is recommended that the retailers conduct a study to determine which product brands are performing well in the market. If the retailers can identify the right

product's brand, they will benefit from it. There should be careful consideration in the selection of the brand as to its performance.

In terms of the satisfaction of the retailers with the manufacturer's brand performance, it is recommended that they identify the benefits that they will obtain from partnering with a manufacturer. Satisfaction does not always come from economic things but also from non-economic ones. It is highly suggested that the retailers establish a feedback mechanism from their customers so that the retailers can identify which of their manufacturing partners provide them with the most economic and non-economic benefits.

Lastly, the researchers recommended using this research for future studies related to brand manufacturing. The results of this paper can be used as a basis for improving the supply chain industry in the country.

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