An Empirical study on Channel Structure and Satisfaction of Vijaya Diary Distributors in Vijayawada

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Abstract-Vijaya diary is one of the most premium milk products in Andhra Pradesh. It has complete wide range of milk products from milk to sweets. Which has a sophisticated distribution channel networks all over Andhra Pradesh? The objective of the study is to evaluate the channel structure and satisfaction of the Vijaya diary distributors in Vijayawada. Distributors play a vital role as a link between the producer and its consumers. The success of failure of a Company significantly depends on its distributor’s performance. Therefore, an important responsibility of a manufacturer is strongly support to its distributors in Vijaya Diary firm of Andhra Pradesh. Data was collected via structured questionnaire and analysed using SPSS. distributor trust, distributor attitude, distributor Commitment, Co-operative norms and distributor loyalty are considered as independent variables or predictors and distributor satisfaction selected as dependent variable, relationships among the constructs was examined. The results provide evidence that the firm formulating strategies to satisfy its distributors by developing long-term and profitable relations.

Keywords: Channel structure, Distributors satisfaction, Vijaya Diary firm and Vijayawada.

1. Introduction

The inception of Vijay Dairy & Farm Products (P) Ltd took place in 1994. It is committed to its vision of procuring quality milk from the dairy farmers and producing milk and milk products through state-of-the art technology. It then processes them and make them available to customers at economical price. Vijay Dairy also aims at continuous improvement of quality, distribution management so that every customer will get the maximum satisfaction. In addition, the company the company has realised the importance of maintaining a win-win relations with its distributors.

The paper analyses the factors that impact the satisfaction of the distributors. The Vijaya diary firm is a very dominant industry located in Vijayawada, Andhra Pradesh. Many local companies produce several dairy products in competition with Vijaya dairy. The distributor serves as an assisting hand for the manufacturer to satisfy the needs of the consumers.

2. Literature Review

James J. Czapaketal.,(1995) focused on the effect of the structure of channel distribution on perceived service quality which remains a puzzling issue. To resolve this, they explored the possibility of relationships
between channel distribution structure, consumer involvement and perceived service quality in the context of services marketing.

**Victor Iglesias and Rodolfo Vazquez-Caselles,** (2005) were defined satisfaction as “a positive affective state resulting from the appraisal of all aspects of a firm’s working relationship with another firm”.

**Objectives of the study:**

1) The primary objective is to identify the crucial factors for the overall satisfaction of the distributors in Vijaya dairy firm.
2) To study the distribution channel of Vijaya dairy in Vijayawada
3) To identify the factors affecting distributor satisfaction of Vijaya dairy firm.
4) To assess the factors, influence on the dairy products distribution.
5) To study the distributor effectiveness of a Vijaya Dairy firm.

**Research Gap**

Some of the researchers were very less focused on distributor’s satisfaction of Vijaya Dairy in Vijayawada City. Hence, I focused on reasons responsible for less improvement in their growth; this gap can be addressed to overcome the problem of Vijaya Dairy.

**Problem Statement**

Distributor is the key member which act as a middleman between the supplier and the customer but their level of satisfaction is key for the organization then the company’s overall growth can be responsible on the distributor satisfaction and their loyalty towards the organization in this study research problem is to identify the distributor satisfaction and loyalty of the Vijaya dairy firm.

**3. Type of Study**

We are going with the Descriptive Study. Because of the research done by the past authors are not clearly investigated the problem.

**Conceptual Framework**

Hypothesis statements are developed depending on the literature review to build a conceptual model for the research. The causal relationships mentioned in the model includes relationships between the distributor trust, distributor Commitment, distributor attitude, Co-operative norms and between distributor overall satisfaction and distributor loyalty.

**4. Research Methodology**
Need of the Study
1) The need of the study is used to understand the significance of distribution channels.
2) This study is important to know the distributor trust towards the Vijaya Dairy firm.
3) This study points out detailed information about the factors which influenced the satisfaction of the distributors.
4) To determine the overall satisfaction of the Vijaya Dairy firm distributor.
5) To know, how loyal the distributor towards Vijaya Dairy firm.
6) In view of this, the present study attempts to understand the Satisfaction of Vijaya Diary distributors in Vijayawada and also to analyze the problems related to the Vijaya Dairy firm.

Scope of the Study
1) The study basically investigates the satisfaction of Vijaya Diary distributors in the area of Vijayawada city.
2) This study is based on Channel structure and distributor satisfaction of Vijaya diary firm.
3) The activities involved in this study are knowing the Attitude, trust, Commitment, Loyalty of the distributors.

Source of data: The data is collected from two sources (i) primary data and (ii) secondary data.
Primary Data: 1) Questionnaire; A Structured questionnaire has been issued to the selected sample of 145 respondents (Vijaya diary Distributors) in various areas of Vijayawada city. Personal interview is also used and gather the first hand information.
Secondary Data: The Secondary data are collected from the official reports delivered by the government, research papers from prestigious journals, standard books, theses dissertations and resources related to the dairy industry.

Sample Size:
A Sample of 145 respondents (Vijaya diary Distributors) drawn from the all areas of Vijayawada city.

Statistical Analysis
Bar Graphs, Percentages, Regression analysis, Correlation and A nova a reapply to analyze the data and to derive the valid interpretations.

Area of Study
This study was confined only to the Vijaya diary Distributors in the all areas of Vijayawada city.

Limitations of the Study
1) The present study is basically at micro level limited to the aspects of the Vijaya diary Distributors.
2) The information being related to the distributors of Vijaya diary firm through the questionnaires of the Vijayawada city may not be obtained intact.
3) The personal opinions and expressions of the distributors also limit the present study as it was totally based on their experience with the Vijaya diary firm.
4) As the study is conducted in one city it may not be possible to generalize the findings for all products in the various cities.

5. Statistical Analysis
Data is being analyzed using statistical software SPSS.

Table 1: Consolidated Reliability Analysis

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha α</th>
</tr>
</thead>
</table>

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852
The Cronbach’s Alpha of all the variables has more than 0.80, which indicates a high level of internal consistency of scales with this specific sample.

**Pearson Correlation**

A. Predominant way to summarize the relationship between two or more variables with a single numerical value between -1 and +1 is a correlation coefficient.

Table 2: Pearson Correlation Matrix

<table>
<thead>
<tr>
<th>Factors</th>
<th>Distributor Satisfaction</th>
<th>Distributor Trust</th>
<th>Distributor Commitment</th>
<th>Distributor Attitude</th>
<th>Co-operative Norms</th>
<th>Distributor Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributor Satisfaction</td>
<td>1.000</td>
<td>0.690**</td>
<td>0.600**</td>
<td>0.451**</td>
<td>0.394**</td>
<td>0.652**</td>
</tr>
<tr>
<td>Distributor Trust</td>
<td></td>
<td>1.000</td>
<td>0.783**</td>
<td>0.745**</td>
<td>0.578**</td>
<td>0.800**</td>
</tr>
<tr>
<td>Distributor Commitment</td>
<td></td>
<td></td>
<td>1.000</td>
<td>0.622**</td>
<td>0.588**</td>
<td>0.786**</td>
</tr>
<tr>
<td>Distributor Attitude</td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
<td>0.749**</td>
<td>0.669**</td>
</tr>
<tr>
<td>Co-operative Norms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
<td>0.633**</td>
</tr>
<tr>
<td>Distributor Loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
</tr>
</tbody>
</table>

From the above table, all the ‘r’ values are more than 0.30 which reflects a positive relationship between variables.

*H₀: Distributor Trust is not having significant positive influence on distributor satisfaction*

*H₁: Distributor Trust is having significant positive influence on distributor satisfaction*

Table 2 shows that the correlation (r) between Distributor Satisfaction and Trust is 0.690 and which reflects that there is a fairly good amount of correlation between Satisfaction and Trust. The correlation (r) between Distributor Trust and commitment is 0.783 and which reflects that there is a good amount of correlation between Trust and commitment.

The correlation (r) between Distributor Trust and Loyalty is 0.8 and which reflects that there is a Strong correlation between Trust and Loyalty.

From Table 2, It was concluded that Distributor Satisfaction, Trust, Commitment, Attitude and Loyalty have fairly good amount of correlation among themselves. Cooperative norms have poor amount of correlation with other factors like Satisfaction, Trust, Commitment, Attitude and Loyalty.
Regression Analysis:

The literal Meaning of Regression is stepping back towards the average value. Regression provides the average relationship between the variables.

Table 3: Regression Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Unstandardized coefficient (B)</th>
<th>SE of B</th>
<th>Standard co-efficient (beta)</th>
<th>T value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.022</td>
<td>0.674</td>
<td>-</td>
<td>3.001</td>
<td>0.003</td>
</tr>
<tr>
<td>Distributor Trust (X1)</td>
<td>0.033</td>
<td>0.057</td>
<td>0.043</td>
<td>0.573</td>
<td>0.567</td>
</tr>
<tr>
<td>Distributor Commitment (X2)</td>
<td>-0.185</td>
<td>0.112</td>
<td>-0.184</td>
<td>-1.643</td>
<td>0.102</td>
</tr>
<tr>
<td>Distributor Attitude (X3)</td>
<td>0.260</td>
<td>0.082</td>
<td>0.273</td>
<td>3.165</td>
<td>0.002</td>
</tr>
<tr>
<td>Co-operative norms (X4)</td>
<td>0.325</td>
<td>0.072</td>
<td>0.322</td>
<td>4.504</td>
<td>0.000</td>
</tr>
<tr>
<td>Distributor Loyalty (X5)</td>
<td>0.187</td>
<td>0.070</td>
<td>0.176</td>
<td>2.652</td>
<td>0.009</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Distributor Satisfaction

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.860a</td>
<td>.740</td>
<td>.731</td>
<td>1.40405</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), co-operative norms, distributor trust, distributor attitude, distributor commitment, distributor loyalty.

Multiple regression implies the model to be valid and reliable. The multiple regression equation is

\[ Y = 2.022 + 0.033X_1 - 0.185X_2 + 0.260X_3 + 0.325X_4 + 0.187X_5 \]

Here Y is the distributor’s satisfaction is the dependent variable, and X1, X2, X3, X4 and X5 are Distributor Trust, Attitude, Commitment, Loyalty and Cooperative norms are considered to be Independent Variables. The results in Table 3 show that the combination of Distributor Trust, Distributor Commitment, Distributor Attitude, Co-operative norms and Distributor Loyalty together contributed 74.0% to the effect on distributor satisfaction. By examining the beta values, the inference can be drawn that Co-operative norms are most influential for distributor satisfaction with 32.2%. Strength of distributor trust, distributor attitude, and distributor loyalty explain 04.3%, 27.3% and 17.6% respectively.

Table 4: Analysis of Variance

<table>
<thead>
<tr>
<th>Sources of variation</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>579.093</td>
<td>4</td>
<td>144.773</td>
<td>53.057</td>
</tr>
<tr>
<td>2</td>
<td>Residual</td>
<td>398.377</td>
<td>146</td>
<td>2.729</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>977.470</td>
<td>150</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Distributorsatisfaction
b. Predictors: (Constant), co-operative norms, distributor trust, distributor attitude, distributorcommitment, distributor loyalty
The F value and P value show that distributor satisfaction has positive and significant impact on other factors such as trust, attitude, commitment and loyalty at 5% level of significance.

Findings

- The information provided by the respondents may be prejudiced as some of them might be reluctant to give authentic information.
- Some of them were unable to answer the questions as they do not have required knowledge and time.
- There is limited sample size and limited time for research.
- Most distributors are of the age group 20-30; observation is done that there are a greater number of male distributors than female distributors for Vijaya diary firm.
- Majority of the distributors have an annual income of 2-4 Lakhs.
- Chittinagar, Gollapudi, Gandhinagar are the highest concentration of Vijaya dairy distributors.
- As per the analysis among all the Vijaya dairy products, milk is the most stable and most sold product.
- Two main factors which distributors consider for choosing Vijaya diary as Margin and Demand.
- Majority of the Vijaya dairy products are delivered to the customer within 2-6 hours of ordering the product.
- More than half of the distributors are pleased with the return policy of Vijaya dairy firm.
- Most of the retailers and distributors buy products directly from the Vijaya diary firm.
- Upon the analysis of the satisfactory level of the distribution channel of Vijaya dairy firm, majority of the distributors are found to be satisfied.
- Most distributors enjoy great working relationship with Vijaya diary firm.
- Distributors are more than willing to recommend Vijaya dairy firm if in case someone asks them regarding advice for distribution.

6. Conclusion

The research was focused on to predict the factors influencing distributor satisfaction in Vijaya dairy firm in Vijayawada. A well-structured questionnaire is used for survey. From 145 respondents, the data is collected and analysed using various statistical techniques. Vijaya dairy maintains a good relation with its distributors and owns a strong channel to keep the products at the disposal of its customer base. It is clear from the research that distributor's trust is the most influencing factor. Finally, the research concludes that Vijaya Diary has a strong channel of distribution to provide goods and services to the ultimate consumers. Also, the channel performing well and have satisfied with trust, loyalty, attitude, commitment towards the organization.

References

Responsibility Research Centre Institute, 2015.


