

Manufacturer and Distributor's Performance Measurement: A Case Study of Small-Scale Manufacturing Company in Lagos Nigeria

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Abstract

Manufacturers' satisfaction with their product distributors' channel performances and vice-versa is dominantly dependent on the relationship, and only satisfied partners invest more resources into the relationship, thereby resulting in sustainable advantages to both parties. Factors such as lack of trust, lack of communication, and the nature and number of conflicts are known to influence satisfaction. Strong positive relationships are characterized by trust, commitment, and excellent service quality. Winning and preserving the allegiance of distributors recently have become a more challenging task for manufacturers most especially the small-scale manufacturing companies. Numerous researchers advocated for manufacturers-distributor partnerships and alliances. They advocated for replacing short-term oriented exchanges with relational exchanges such as partnerships, strategic alliances and just-in-time relationships through planning and information sharing. Such strong commitment can only be possible after each party has become satisfied with each other's service request quality performance. There are factors that influence performance and determine levels of service quality that can be provided by a product distributor to a manufacturer and that of a manufacturer to a distributor. This paper examines the factors that influence manufacturers' assessment of the distributor and factors that influence distributors' assessment of the Manufacturer. These factors were subjected to a ranking by targeted population group of manufacturers, product distributors and retailers and their responses were statistically analysed using SPSS. The research outcome shows that manufacturers ranked distributors that sell products at a reasonable sales price and make high sales volume very high, while distributor attention is drawn to manufacturers having a large customer base, good customer services and reasonable sales price. The paper makes recommendations and suggestions that can directly help in the selection of

manufacturers or distributors. This research work is however limited to small scale manufacturer and their product distributors operating in an open market scenario in Lagos Nigeria.

Keywords

Manufacturer and Distributors Relationship, Service Request Quality, Customer Services Agreement

1. Introduction

The cost of direct product sales by manufacturers is considerably high; therefore, many manufacturers rely on distributors for product sales. Distributors are independent firms, usually consisting of only a handful of sales and support staff. Unlike manufacturers' representatives, who take on the role of sales representatives and work on a commission basis, distributors take possession of the products they sell and assume the role of partner with manufacturing company (Hlavacek & McCuiston, 1983).

Companies that want to rely heavily on product sales through distributors must first decide if the product in question is an appropriate candidate for this approach. If they decide in the affirmative, they must then select the best fit distributor for the product and must be able to evaluate their distributors' performances. Periodic evaluation and measurement are necessary to maintain efficiency and to increase the motivation of every person involved in the supply chain. According to Butaney and Wortzel (1988), both manufacturers and distributors reserve their powers in the supply chain. The result of this research paper supports this statement and further itemised factors that enhance the service request performance of both the manufacturers and their distributors. The limitation of the paper is that it focuses on a small-scale manufacturing company having its product distributors located in an open market scenario. Also, the marketing scope of the distributors in this research is only limited to a particular product category. The focus of this paper is an empirical study of the evaluation and measurement of the factors influencing the performance and the service quality of the distributors of a small-scale polypropylene (PP) bag manufacturing company in Lagos Nigeria.

Over the last 10 years competition in the PP bags industry in Nigeria has increased significantly mainly because of the likes of large-scale companies like Dangote sacks, Bagco bags, and many other foreigners that have come to establish PP bag making factories in Nigeria. The larger-scale companies have the capacity of producing PP bags from start to finish of the manufacturing process in comparison to small scale companies such as Deets company in Lagos Nigeria which is the case study in this research. The large-scale companies in Nigeria have put the small-scale companies dependent on the importation of intermedi-

ate products (woven fabric) from overseas suppliers for PP bag manufacturing less competitive.

The outcome of this study is expected to provide distributors relationship management information to small scale manufacturers having sellable products through distributors. Not all products are sellable through distributors: products that are suitable for independent distributors are usually products that require potentially a large customer base. The distributor is also required for stackable items of which the customer buys one or a few at a time and is concerned about the subsequent availability. Another consideration for sales through a distributor is when rapid delivery is required. PP bags produced by Deets company for general use are in this category while the specially made PP bags for customised packaging do not qualify for sales through a distributor.

Product distributor may be called authorized stockiest who stores finished goods inventory because of trust, commitment, and market reputation of the parent organization and supply the material to retailer according to demand. In the current competitive world's business model, the choice of a product distributor and their performance is a key success factor to manufacturer's company and many studies have been conducted on the factors to consider in evaluating distributors performance and selection criteria of a product distributor by a manufacturer (Gupta & Singh, 2016).

The paper structure started with a literature review of past and ongoing research of performance measurement of product distributors by manufacturers and vice versa, listing the factors that should be considered in service request quality performance measurement. This is followed by the research methodology, analysis of the research outcome and conclusion and recommendation.

2. Literature Review

Shipley (1984) evaluated the performance of independent distributors based on the factors necessitating the application of effective selection and motivation criteria. The manufacturer's selection of a distributor for its product is key to the quality of services delivered by the distributor. While the manufacturers have set out objectives, the distributors also have their objectives. It is when both objectives are met mutually that the distributor's performance can be guaranteed.

The aims and objectives of manufacturing companies for having distributors market their products include the following (George, 2022).

1) Focus on Core Competency

The core competency is the activity a company is most proficient at, and for a manufacturer's core competency is product manufacturing. Setting up an end-user sales system is not part of a manufacturer's core competency. Using distribution allows a manufacturer to limit its exposure to sales and focus its resources on efficient manufacturing techniques.

2) Broaden Retail Sales

The process of finding and selling to retail customers can get expensive. The costs of advertising and maintaining retail locations can become prohibitive for a manufacturer. When a manufacturer uses distribution, it becomes the responsibility of the distributors to find retail outlets for products. The manufacturer can broaden its retail exposure through distribution without having to spend more money or involve more company resources in sales.

3) Market Expansion

When a manufacturer decides to sell to a new geographical market, a distributor can offer an established retail network instantly. This is effective when opening new international markets. A manufacturer can turn the responsibility of dealing with international trade laws, shipping through customs, and handling the laws and cultures of foreign countries over to the distributors.

4) Customer Service

A manufacturer can turn over the responsibility of administering customer service duties to its distributors and reduce the manufacturer's need to invest in a customer service department. The manufacturer would only deal with the distributors, while the distributors would deal directly with retail outlets and their customers. It reduces the administrative responsibilities of the manufacturer and lowers their operating costs.

A distributor for a manufacturing company can be said to be performing or providing quality services if the above-stated objectives are met. While the distributor's interest, however, depends ultimately on the profit margin on the product in question, customers demand, guarantee services and buyback contracts if applicable, many other factors influence distributors' performance (Chen & Chen, 2014). The relationship between a manufacturer and its distributor, therefore, can be greatly influenced by certain factors, if the manufacturer has proof of increase in the level of certain factors the manufacturer can be more confident and have a sense of satisfaction with the service quality rendered by the distributors. These factors include Reliability, Responsiveness, Transparency, Empathy and Fairness.

2.1. Reliability

Reliability of a distributor in a manufacturer's perspective means progressive product distribution (sales) at a competitive price. When a distributor constantly progressively maintains repeated orders, there is a growing satisfaction and loyalty demonstrated from the manufacturer's perspective. The manufacturer will tend to pursue opportunistic gain by focusing more on the distributor, increasing monitoring, and building a relationship. However, by monitoring the performance of the distributor, the manufacturer becomes involved and interacts with the distributor, developing additional services on the product on behalf of the manufacturer, target, and incentives for mutual benefit. But it can be difficult to determine which distributor is more reliable over another, or how one can identify a reliable distributor (Li et al., 2011).

2.2. Responsiveness

Responsiveness is the quality of positive reaction to customer services. Distributors play a vital role in keeping the lines between manufacturers and users operating smoothly. They can expedite response times and the quality of positive reactions of a distributor to customers' demand is a measure of performance (Pillion, 2011). There is no doubt that a large part of Amazon's success is due to responsiveness; quick deliveries, Amazon Prime within 1 - 2 days with no freight, Sunday deliveries, same-day deliveries and now they are even looking at options to deliver in hours or minutes. The measure of responsiveness to a product is key to manufacturers' evaluation of the quality of the distributor's services.

2.3. Transparency

In general terms, transparency between manufacturers and distributors is having up-to-date information about happening both sides internally and externally. The lack of transparency can stop business flow between manufacturers and their distributors. For example, shipments of raw materials are being held up and turned away at ports, which can result in production delays. As soon as this is known by the manufacturer, this information should be communicated to the distributors because it can be after order fulfilment. Transparency will build trust and increase distributors' commitment. If transparency is a growing business imperative, why aren't more companies and distributors doing it and why is the transition to transparent supply chains so slow? One reason is that supply chains were not designed to be transparent. Companies and distributors have feared that divulging too much information would undermine their competitive advantage or expose them to criticism (Chen & Wu, 2010).

2.4. Empathy

Empathy brings more ease and understanding to relationships. From a human and vulnerability perspective, empathy is communicating that incredible healing message of you are not alone between a manufacturer and the product distributor.

It takes a lot of creativity to build a brand in the marketplace and to maintain the brand. It requires a lot of dedication to maintain good customer service and meet up customers' demands. To take manufacturers and distributors relationship at a high level, the most put themselves in each other's position and understand their way of seeing each other's challenges and business goals. This can only happen after a long relationship that has developed to having personal interest and financial benefit.

2.5. Fairness

Fairness in business is the ability to make a judgment-free from discrimination or dishonesty. Both the manufacturer and the distributor must have a fair judgement on profit-making. It is good to note that fairness has nothing to do with equality, making people happy, or even what you believe is right. Those

that embrace fairness in business strive to create a business environment that is free of discrimination or dishonesty so that the process of decision-making is fair (Robert, 2022). Fairness is about the decision-making process, not the outcome. Between manufacturer and products distributors, the goal should be about making good decisions that serve the needs of the business without harming each other.

In general, a fair result is one in which people receive what they are due and what they deserve. Unfortunately, there are no agreed criteria to determine what a manufacturer or its distributor “deserves.” There are different competing criteria for determining substantive fairness. Some argue that true fairness is equality (each person receives an equal share of profit). Others believe the most competent (the manufacturer) who produce the product deserves the most). Still, others believe that profit-sharing should be allocated based on the ability to provide capital for the business in a case where a distributor pays money ahead of goods to be supplied (Jonsson and Zineldin, 2003).

There is a direct influence on a manufacturer’s business performance when distributors fail to accurately maintain consumer confidence. Reductions in a distributor’s demand for a product will have effects on the product manufacturer. The distributor is most often the manufacturer relationship manager in terms of aftercare, troubleshooting, dispute resolution or promotion of the quality of the product to customers. This emphasizes why a distributor needs to service its customers well if it wants to maintain continuous consumer demand.

When the performance of a distributor changes positively or negatively, it can introduce a “bullwhip effect” in the supply chain.

The bullwhip effect is defined as the demand distortion that travels upstream in the supply chain from through to the distributors and manufacturer due to the variance of orders which may be larger than that of sales.

The causes for the bullwhip effect in the supply chain are demand forecast updating, order batching, price fluctuation and rationing and gaming. **Figure 1**

The Bullwhip Effect in Action

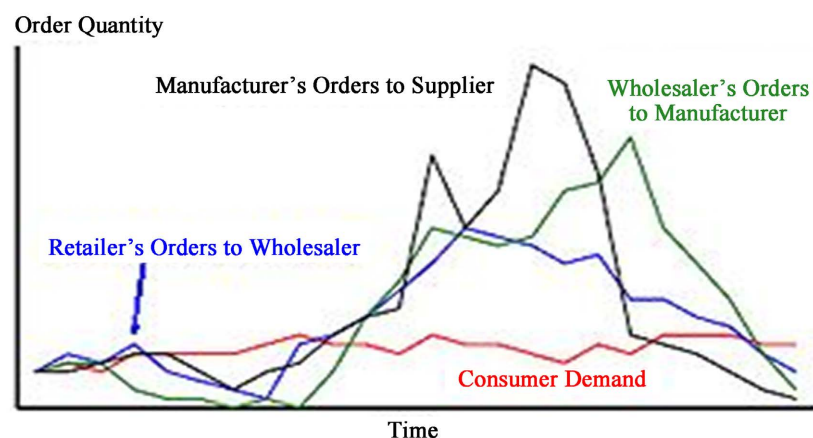


Figure 1. The bullwhip effect.

shows an increase in distributors (wholesalers) order follow-up to increase in retailers' orders because of customers increasing interest in the product. This reaction could be because of distributors' increased performance in terms of advert or customer services which has not been translated to an increase in consumer demand. The "bullwhip" effect has now resulted in overproduction of the product by the manufacturer more than the sales requirement. When this happens a product distributor should be able to respond to its manufacturers effectively and efficiently with empathy and fairness.

The quality of service between a manufacturer and its distributor can be determined by measuring the five parameters that can increase or decrease in their relationship on both sides as shown in **Figure 2**—Service Quality Measurement.

Each parameter as showed in the **Figure 2** is mutually exclusive and growth in its combination results to good customer services, loyalty, and satisfaction and when this is in place, there is pursue of an increase business relationship between manufacturer and its product distributors in form of joint product development to meet customers need.

The five service qualities listed in **Figure 2** are driven by other factors such as Profit Margin, Sales Volume, Product Availability, Return Management for defective products, Incentive's programme, Sales Price, Product quality, Brand, Customer Base among others and it is the status of these factors that eventually determining increase or decrease status of the service qualities both in Manufacturers and Distributors perspective (Gupta & Singh, 2016). This research is focus on determining which of these drivers are the most influencing factor to a distributor? Which of these drivers are the most influencing factors to the Manufacturer? Are there common factors that are common to both sides? If yes, what are these factors? can they go a long way to improve manufacturers and distributors relationship? This research work is limited to a small-scale manufacturing company

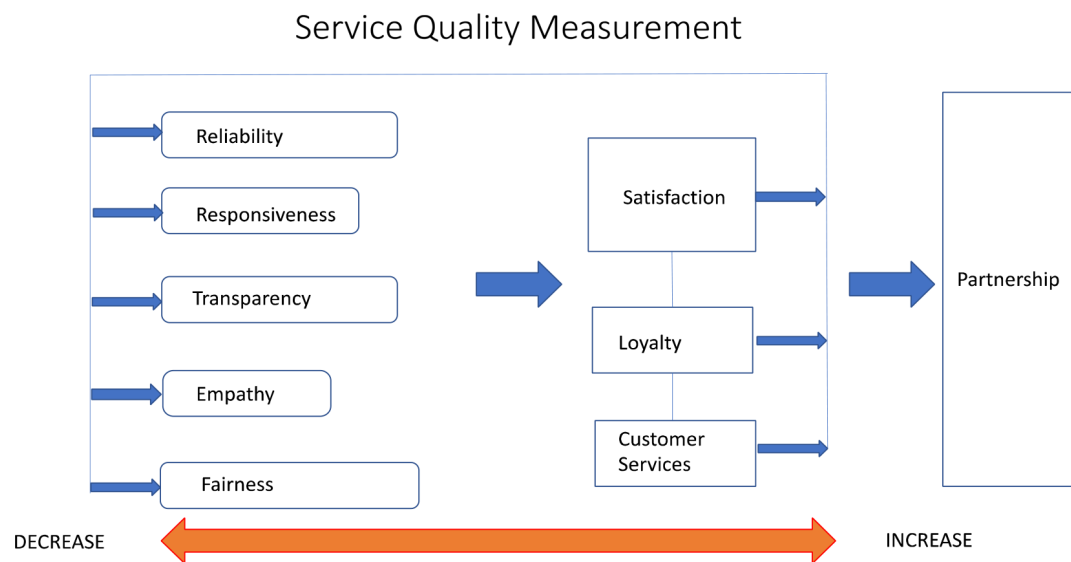


Figure 2. Service quality measurement.

and their product distributors within an open market scenario in Lagos Nigeria.

3. Research Methodology

This research is based on the analysis of the relationship between Deets Nigeria a small-scale PP sack manufacturing company and its distributors operating in an open market scenario in Lagos Nigeria. For the credibility of the data analysis result, however, the survey questionnaire was sent to other similar small-scale companies like the empirical case study which are manufacturers of similar consumable products and their respective product distributors in Lagos Nigeria. Survey questioners in **Table 1** are designed to obtain data from the targeted population to rank ten influencing factors against the five service qualities criteria both from the manufacturer's perspective and that of the distributor and the retailers by **Gupta and Singh (2016)**.

SURVEY QUESTIONNAIRE – MAUFACTURERS/DISTRIBUTORS/RETAILERS

The survey questionnaire was sent to a target population of 200 comprising of 100 manufacturers' staff and 100 product distribution channel personnel. The manufacturer staff consists of the following social-economic status as shown in **Table 2**. The target population are CEO, company managing director, marketing managers and the sales representatives officers to obtain responses from the manufacturer's perspective. The product distribution channel personnel are selected from existing distributors of ten manufacturing companies on an average of ten personnel per manufacturing company.

The limitation of this research is that the manufacturers are small scale companies, and their distribution channels are in an open market of developing countries and not air-condition type supermarkets or departmental stores in developed countries. Also, all the products are common essential goods consumed

Table 1. Survey questioner for manufactures, product distributors and retailers.

Company Name	Type of Business		Position in company	Sex	Qualification				
Score the following factors in order of importance (score 1 for least important and 10 for the most important)	High profit margin	High sales volume	Clear product return policy	Meet target base on inventive	Reasonable sales price	Customer services	Personal relationship	Lager customer base	No competitive product (quality)
Reliability									
Responsiveness									
Transparency									
Empathy									
Fairness									

Table 2. Survey population profile.

Status	Sex	Qualification	Numbers
CEO	Male	Graduates	10
CEO	Female	Graduates	10
Managing Directors	Male	Graduates	10
Managers	Female	Graduates	15
Marketing officers	Male	Graduates	20
Marketing officers	Female	Graduates	15
Sales officers	Female	Non-Graduates	40
Sales officer	Male	Non-Graduates	80
Total			200

by low earning bracket customers of which there is a higher cost alternative for the rich. These products manufactured by the target ten companies selected includes are 1) polyethene (PE) shopping bags, 2) polypropylene (PP) sack for agricultural product, 3) watching soap, 4) domestic plastic products, 5) rubber slippers, 6) table water, 7) detergent soap, 8) cashew and peanuts, 9) bread and confectionaries, and 10) clothing.

4. Result Analysis

From the survey questionnaire sent to a target population of 200. From which 100 of the target population are manufacturers staff and 100 are product distribution channel personnel. From the 100-manufacturer staff, 95 responses were recorded which represents 95% response on manufacturer's perspective. From 100 survey questionnaires sent to product distributors channel personnel and retailers, 92 responses were recorded which represents 92% response on distributor's perspective. In total, this represents a survey response rate of 94%.

The analysis of the survey responses is as follows:

4.1. Manufacturers Perspectives

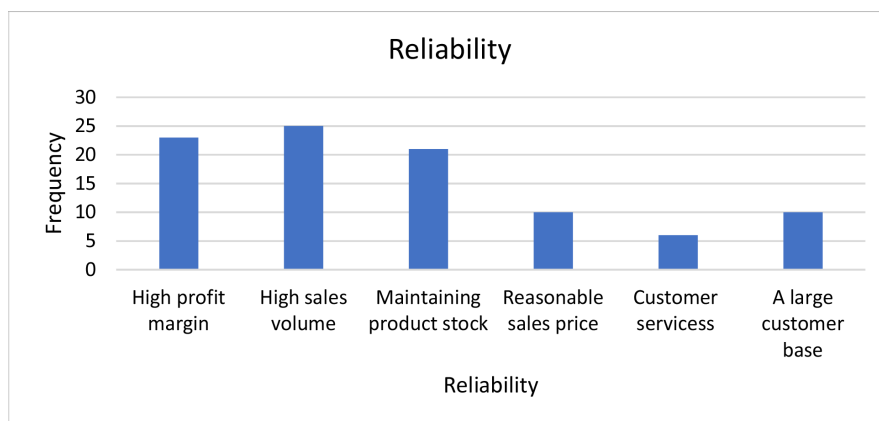
The followings are the Survey results and analysis from the Manufacturer's Perspective. It shows the three highest-ranked factors influencing each of the five services requests quality from manufacturers' perspective. 42 out of 95 responses ranked "customer services" in the first position, 38 out of the 95 responses ranked "meet target base on incentives" in first position and 20 out of 95 responses ranked "clear product return policy" in the first position.

4.1.1. Reliability

Table 3 and **Figure 3** show the SPSS frequency table and the bar chart print out of the 95 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a distributor's reliability rating from the

Table 3. SPSS reliability frequency table print out.

		Reliability			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High profit margin	23	23.7	24.2	24.2
	High sales volume	25	25.8	26.3	50.5
	Maintaining product stock	21	21.6	22.1	72.6
	Reasonable sales price	10	10.3	10.5	83.2
	Customer services	6	6.2	6.3	89.5
	A large customer base	10	10.3	10.5	100.0
	Total	95	97.9	100.0	
Missing	System	2	2.1		
Total		97	100.0		

**Figure 3.** SPSS reliability bar chart prints out.

manufacturer's perspective.

The three highest-ranked factors to the manufacturers to measure a distributors service request performance in terms of a product distributors reliability from the survey responses respectively are:

- 1) High sales volume (25.8%);
- 2) High profit margin (23.7%);
- 3) Maintaining product stock (21.6%).

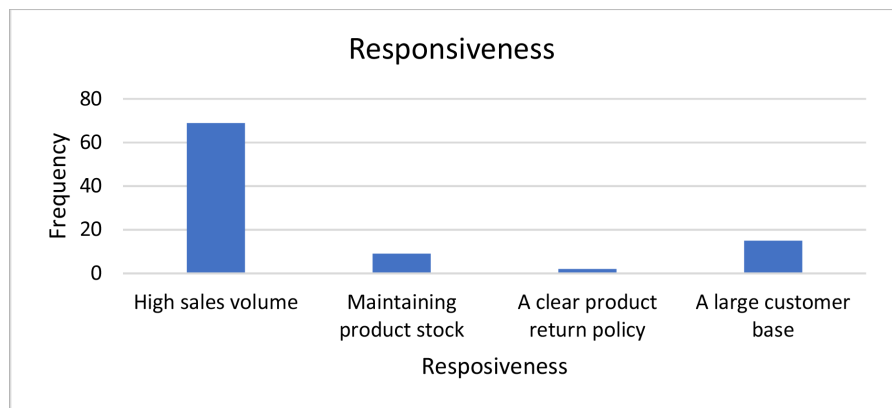
4.1.2. Responsiveness

Table 4 and **Figure 4** show the SPSS frequency table and the bar chart print out of the 95 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a distributor's responsiveness measurement from the manufacturer's perspective.

The survey result shows that a distributor that making a high sales volume is the one that is responsive to service request delivery in manufacturers perspective.

Table 4. SPSS responsiveness frequency table print out.

		Responsiveness			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High sales volume	69	71.1	72.6	72.6
	Maintaining product stock	9	9.3	9.5	82.1
	A clear product return policy	2	2.1	2.1	84.2
	A large customer base	15	15.5	15.8	100.0
	Total	95	97.9	100.0	
Missing	System	2	2.1		
Total		97	100.0		

**Figure 4.** SPSS responsiveness bar chart print out.

4.1.3. Transparency

Table 5 and **Figure 5** show the SPSS frequency table and the bar chart print out of the 95 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a distributor's transparency measurement from the manufacturer's perspective

The survey result shows that a distributor that maintains a reasonable sales price of the product is the one that is transparent in-service request delivery in the manufacturers' perspective.

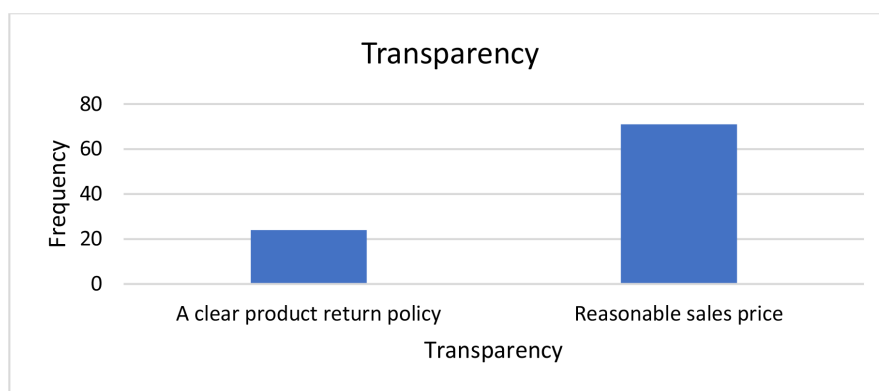
4.1.4. Empathy

Table 6 and **Figure 6** show the SPSS frequency table and the bar chart print out of the 95 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a distributor's empathy measurement from the manufacturer's perspective

The survey result shows that 43.3% agree that a distributor will likely show empathy to a product that has quality or that has no alternative around at the immediate marketplace. 42% also of the opinion that Personal relationship goes

Table 5. SPSS Transparency frequency table print out.

		Transparency			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A clear product return policy	24	24.7	25.3	25.3
	Reasonable sales price	71	73.2	74.7	100.0
	Total	95	97.9	100.0	
Missing	System	2	2.1		
Total		97	100.0		

**Figure 5.** SPSS Transparency bar chart print out.**Table 6.** SPSS Empathy frequency table print out.

		Empathy			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High profit margin	12	12.4	12.6	12.6
	Personal relationship	41	42.3	43.2	55.8
	No competitive product (best in quality)	42	43.3	44.2	100.0
	Total	95	97.9	100.0	
Missing	System	2	2.1		
Total		97	100.0		

a long way in influencing a distributors service request performance in the manufacturer's perspective.

4.1.5. Fairness

Table 7 and **Figure 7** show the SPSS frequency table and the bar chart print out of the 95 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a distributors fairness measurement from the

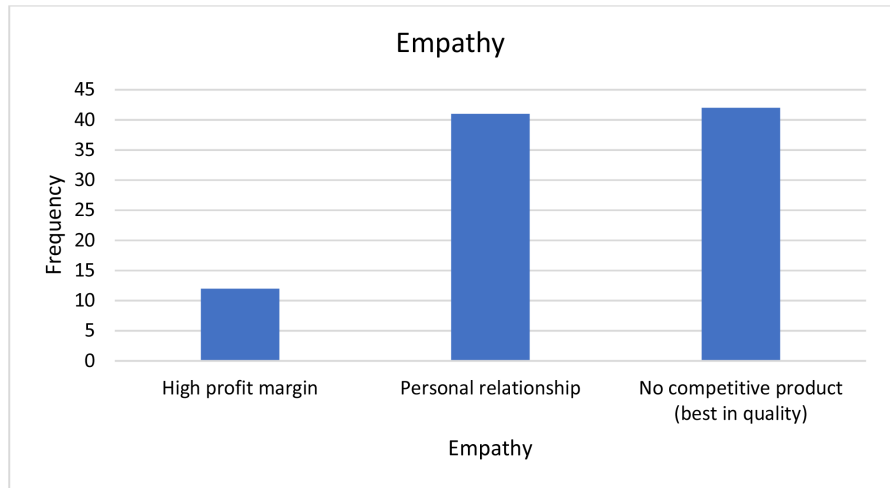


Figure 6. SPSS Empathy bar chart print out.

Table 7. SPSS Fairness frequency table print out.

		Fairness			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High profit margin	22	22.7	23.2	23.2
	A clear product return policy	29	29.9	30.5	53.7
	Meet base target for incentive	29	29.9	30.5	84.2
	Customer services	15	15.5	15.8	100.0
	Total	95	97.9	100.0	
Missing	System	2	2.1		
Total		97	100.0		

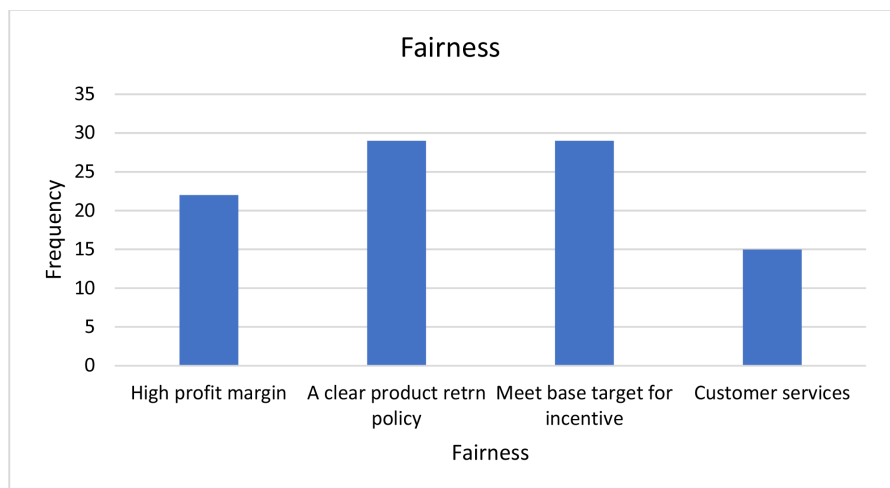


Figure 7. SPSS Fairness bar chart print out.

manufacturer's perspective

The three highest ranked factors to the manufacturers to measure a distributors service request performance in terms of the distributor's fairness from the survey responses respectively are:

- 1) A clear product return policy (29.9%);
- 2) Meet base target for incentive (29.9%);
- 3) High profit margin (22.7%).

In summary, influencing factors to measure a distributor's performances per service request quality is shown in **Table 8**.

The survey summary in the manufacturer's perspective shows what the following factors ranked the highest as influencing factors of distributor's service request quality performance:

- 1) Reasonable sales price
- 2) High sales volume

A manufacturer is looking out for a distributor that will sell products at a reasonable sales price and can make high sales volume. Distributors in this category are ranked high. Also, there are other factors ranked medium that influences distributors rating by manufacturers these factors include: No competitive product: therefore, some manufacturers brand products with major distributors, personal relationship, clear product return policy and meet base target inventive.

4.2. Distributor's Perspective

Figure 3 the followings are the survey result (Distributors' Perspective), showing the three highest-ranked factors influencing each of the five services requests quality in manufacturers' perspective.

4.2.1. Reliability

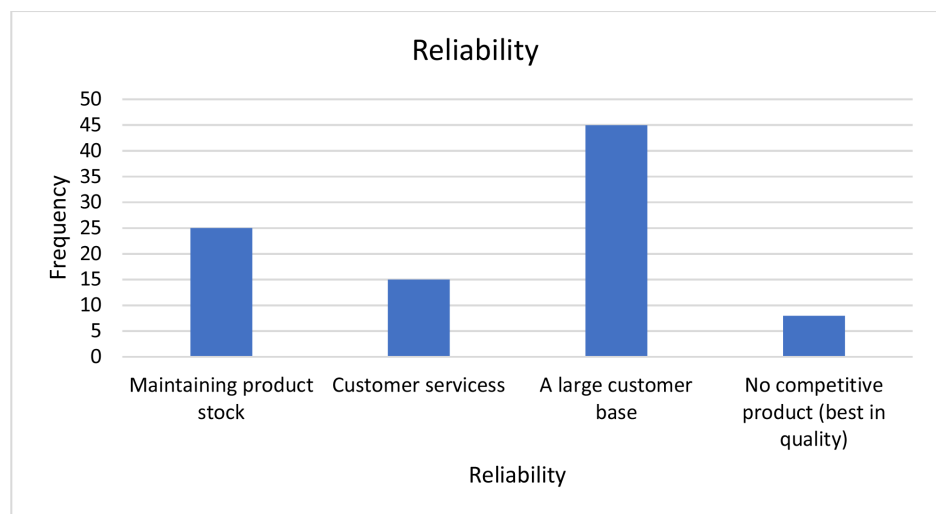
Table 9 and **Figure 8** show the SPSS frequency table and the bar chart print out

Table 8. A distributor's service request performance factors ranking (Manufacturers perspective).

s/n	Service request quality	Influencing factors	Percentage	Ranking
1.	Reliability	High sales volume	25.8	--
		High profit margin	23.7	LOW
		Maintaining product stock	21.6	LOW
2.	Responsiveness	High sales volume	71.1	HIGH
3.	Transparency	Reasonable sales price	73.2	HIGH
4.	Empathy	No competitive product (quality)	43.3	MEDIUM
		Personal relationship	42.0	MEDIUM
5.	Fairness	A clear product return policy	29.9	MEDIUM
		Meet base target for incentive	29.9	MEDIUM
		High profit margin	22.7	LOW

Table 9. SPSS Reliability frequency table print out.

		Reliability			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maintaining product stock	25	26.3	26.9	26.9
	Customer services	15	15.8	16.1	43.0
	A large customer base	45	47.4	48.4	91.4
	No competitive product (best in quality)	8	8.4	8.6	100.0
	Total	93	97.9	100.0	
Missing	System	2	2.1		
Total		95	100.0		

**Figure 8.** SPSS Reliability bar chart print out.

of the 93 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a manufacturer's reliability rating from a distributors' perspective.

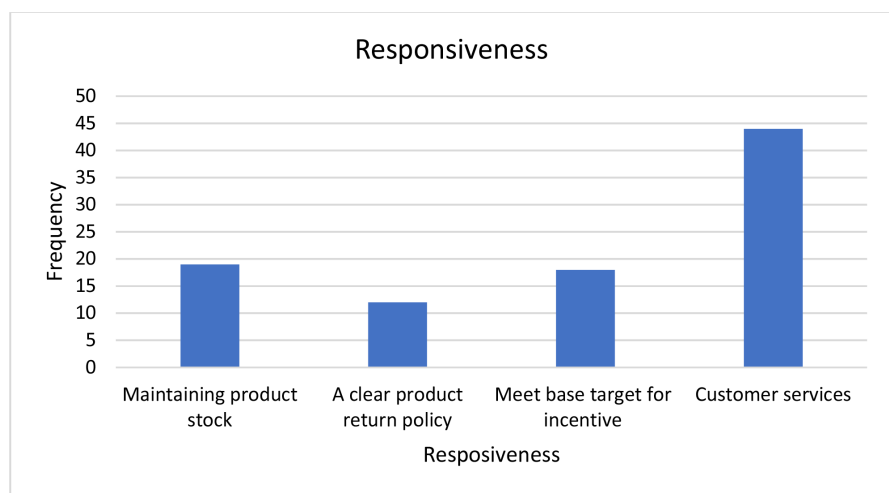
The survey result shows that 47.4% of the responses is of the view that manufacturer that has a large customer-based products will have the highest reliability rating. 26.3% are also of the view that maintaining product stock is an important factor that influencing a manufacturer service request performance in the distributor's perspective

4.2.2. Responsiveness

Table 10 and **Figure 9** show the SPSS frequency table and the bar chart print out of the 93 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a manufacturer's reliability rating from a distributors' perspective.

Table 10. SPSS Responsiveness frequency table print out.

		Responsiveness			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maintaining product stock	19	20.0	20.4	20.4
	A clear product return policy	12	12.6	12.9	33.3
	Meet base target for incentive	18	18.9	19.4	52.7
	Customer services	44	46.3	47.3	100.0
	Total	93	97.9	100.0	
Missing	System	2	2.1		
Total		95	100.0		

**Figure 9.** SPSS Responsiveness bar chart print out.

The survey result shows that 46.3% are of the view that a manufacturer that can maintain a good customer service is rated high in responsiveness in a distributor's perspective. 20% of the distributor's responses also consider maintaining product stock as an important influencing factor for responsiveness.

4.2.3. Transparency

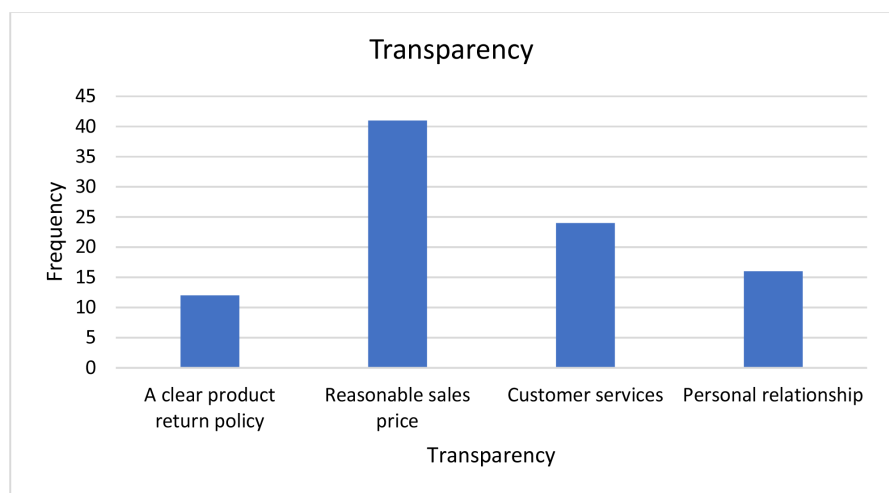
Table 11 and **Figure 10** show the SPSS frequency table and the bar chart print out of the 93 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a manufacturer's reliability rating from a distributors' perspective

The three highest ranked factors that are considered to influence manufacturers rating of transparency quality by the distributors from the survey responses respectively are:

- 1) Reasonable price (43.2%);
- 2) Customer services (25.3%);
- 3) Personal relationship (16.8%).

Table 11. SPSS Transparency frequency table print out.

		Transparency			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A clear product return policy	12	12.6	12.9	12.9
	Reasonable sales price	41	43.2	44.1	57.0
	Customer services	24	25.3	25.8	82.8
	Personal relationship	16	16.8	17.2	100.0
	Total	93	97.9	100.0	
Missing	System	2	2.1		
Total		95	100.0		

**Figure 10.** SPSS Transparency bar chart print out.

4.2.4. Empathy

Table 12 and **Figure 11** show the SPSS frequency table and the bar chart print out of the 93 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a manufacturer's reliability rating from a distributors' perspective

The three highest ranked factors that are considered to influence manufacturers rating of Empathy quality by the distributors from the survey responses respectively are:

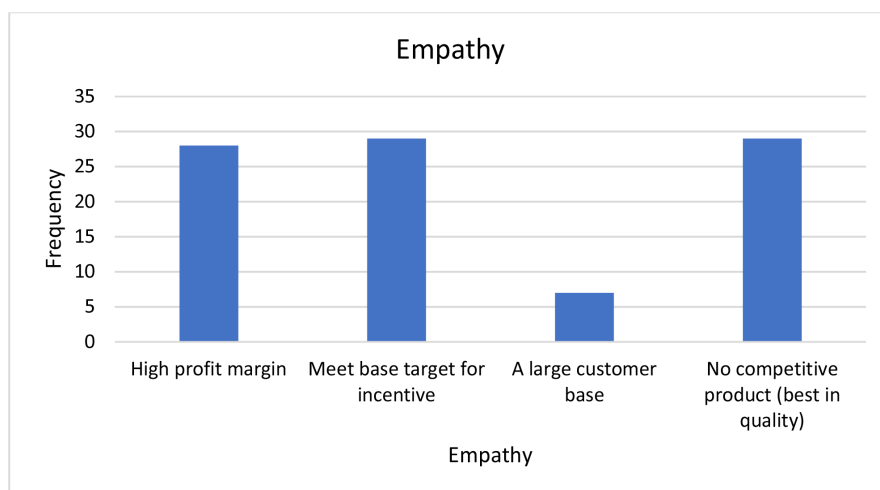
- 1) No competitive product (best in quality) (30.5%);
- 2) Meet base target for incentives (30.5%);
- 3) High profit margin (29.5%).

4.2.5. Fairness

Table 13 and **Figure 12** show the SPSS frequency table and the bar chart print out of the 93 responses received on the ranking of the ten factors listed in the survey questionnaire that influences a manufacturer's reliability rating from a

Table 12. SPSS Empathy frequency table print out.

		Empathy			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High profit margin	28	29.5	30.1	30.1
	Meet base target for incentive	29	30.5	31.2	61.3
	A large customer base	7	7.4	7.5	68.8
	No competitive product (best in quality)	29	30.5	31.2	100.0
	Total	93	97.9	100.0	
Missing System		2	2.1		
Total		95	100.0		

**Figure 11.** SPSS Empathy bar chart print out.**Table 13.** SPSS Fairness frequency table print out.

		Fairness			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High profit margin	21	22.1	22.6	22.6
	A clear product return policy	12	12.6	12.9	35.5
	Reasonable sales price	26	27.4	28.0	63.4
	Customer services	15	15.8	16.1	79.6
	No competitive product (best in quality)	19	20.0	20.4	100.0
	Total	93	97.9	100.0	
Missing System		2	2.1		
Total		95	100.0		

distributors' perspective

The three highest ranked factors that are considered to influence manufacturers rating of Fairness quality by the distributors from the survey responses respectively are:

- 1) Reasonable sales price (27.4%);
- 2) High profit margin (22.1%);
- 3) No competitive product (best in quality) (20.0%).

In summary, influencing factors to measure a distributor's performances per service request quality is shown in **Table 14**.



Figure 12. SPSS Fairness bar chart print out.

Table 14. A manufacturer's service request performance factors ranking (Distributors perspective).

s/n	Service request quality	Influencing factors	Percentage	Ranking
1.	Reliability	large customer bases	47.4	HIGH
		Maintaining product stock	26.3	MEDIUM
2.	Responsiveness	Customer services	46.3	HIGH
		Maintaining product stock	20.0	LOW
3.	Transparency	Reasonable sales price	43.2	HIGH
		Customer services	25.3	--
		Personal relationship	16.8	LOW
4.	Empathy	No competitive product (quality)	30.5	MEDIUM
		Meet base target for incentives	30.5	MEDIUM
		High profit margin	29.5	MEDIUM
5.	Fairness	Reasonable sales price	27.4	--
		High profit margin	22.1	LOW
		No competitive product (best in quality)	20.0	LOW

The survey summary in the distributor's perspective shows what factors ranking highest as influencing factors of manufacturer's service request quality are:

- 1) Large customer base;
- 2) Customer services;
- 3) Reasonable sales price.

This means that a manufacturer with a large customer base; like having produced different products and a distributor can be a channel to multiple products at one stop or where a manufacturer's product is used by customers in a large sale greatly influence a manufacturer's rating. Distributor attention is drawn to manufacturers having the above-listed factors. Also ranked in the medium category are other factors a manufacturer should take note of that can equally draw the attention of distributors. These factors are: maintaining minimum product stock, quality, incentives schemes and distributor's profit margin.

To show the validity of the survey result and proof that the composition of data received from the focus group is a broad representation of a larger population of an interest group, **Table 15** shows the SPSS Descriptive Bootstrap statistic table which shows that the standard deviation error based on 1000 bootstrap samples is less than 0.16 for all the service request qualities at 95% confidence interval.

5. Research Limitation

Many factors can influence the choice of distributors by a manufacturer. This research only focuses on small scale manufacturers and their product distributors via an open market scenario in Lagos Nigeria. It is not all product that has to get to the final consumer through a distributor chain. Some products also have an international or global brand and must be distributed through an international supply chain channel. The factors that influence the choice of distributors and their service request performance might be different and requires further studies.

6. Conclusion and Recommendations

Getting the attention of a product distributor by a small-scale manufacturer is imperfectly competitive, a manufacturer that has created consumer preference for its brand has a bargaining advantage in its dealings with distributors (Butaney & Wortzel, 1988). Similarly, a product manufacturer who benefits from customer preference, because of the distributor's unique resources or position in the marketplace, is strengthened in bargaining. The outcome of this research supports this statement.

From the research outcome, the following recommendations can directly help in the choice of manufacturers and distributors relationship.

- 1) The research outcome confirms that a manufacturer attracts a distributor that will sell products at a reasonable sales price and can make high sales volume.

Table 15. SPSS descriptive bootstrap statistic table print out.

		Descriptive Statistics				
		Statistic	Bootstrap ^a			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
Reliability	N	93	0	0	93	93
	Minimum	3.00				
	Maximum	10.00				
	Mean	7.1505	0.0026	0.2631	6.6132	7.6667
	Std. Deviation	2.65783	-0.01432	0.12469	2.36021	2.85816
Responsiveness	N	93	0	0	93	93
	Minimum	3.00				
	Maximum	7.00				
	Mean	5.4086	0.0022	0.1669	5.0753	5.7524
	Std. Deviation	1.64341	-0.01252	0.05768	1.50651	1.73596
Transparency	N	93	0	0	93	93
	Minimum	4.00				
	Maximum	8.00				
	Mean	6.3441	0.0003	0.1183	6.1075	6.5806
	Std. Deviation	1.16558	-0.00449	0.08252	.98317	1.31802
Empathy	N	93	0	0	93	93
	Minimum	1.00				
	Maximum	10.00				
	Mean	5.6559	0.0035	0.3647	4.9355	6.3438
	Std. Deviation	3.67865	-0.02137	0.12792	3.38578	3.89663
Fairness	N	93	0	0	93	93
	Minimum	1.00				
	Maximum	10.00				
	Mean	5.5914	-0.0007	0.3077	5.0108	6.2148
	Std. Deviation	3.08656	-0.01632	0.15642	2.75359	3.37023
Valid N (listwise)	N	93	0	0	93	93

NOTE. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples.

- 2) Distributors are attracted to manufacturers producing different products.
- 3) Distributors are attracted to manufacturers whose products are a large customer base. That is the products have a large customer spread.
- 4) This research outcome shows that in the manufacturer's perspective high-

profit margin, keeping stock levels by a distributor is considered as a low influence. These factors form the distributor's perspectives which are important. It is when both interests are aligned that there can be mutual performance in service request quality.

5) The research outcome supports the fact that good customer service is a factor that influences a product distributor ranking of a manufacturer. After-sales services, timely responses to customer requests are considered in a manufacturer's performance measurement.

6) The research outcome shows that while "personal relationship" is ranked "medium" as an influencing factor in manufacturers, it is ranked "low" by the distributor.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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