**BIBLIOGRAPHY** 

LUMACHAY, JEANNET S. APRIL. 2011. Relationship of Actors in the Spot Market

Chains for Potato. Benguet State University, La Trinidad Benguet.

Adviser: Leopoldo N. Tagarino, MRSM (Agribusiness)

**ABSTRACT** 

The study was done through personal interview with validated questionnaire used, in the

collection of the data and information. Identified the demographic profile of the different chain

actors. Number of years engaged in vegetable business specifically potato. And to determine the

similarities and differences in the buyer-seller relationships among the actors in the spot market

for potato. A total number of 193 Respondents were interviewed. The study was conducted

following the geographic flow of potato. Stakeholders engaged in business potato from La

Trinidad, Benguet to Metro Manila market outlets. Majority of the respondents were male. The

result showed that majority of male were engaged in the production, assembly and distribution

functions while the other function were dominated by female.

The data revealed that majority of the chain actors significantly differ in terms of dealing

honestly with the buyers that is considered as one of the important criteria of relational trust. The

chain actors were indifferent as the power in trading negotiation but as sellers were indecisive to

depending on the quality classification, quantity and payment term of the buyer.

The actors work cooperatively with their buyer, hence can build a good alliance and have

a good partnership among them.

Moreover, the respondents differ significantly in terms of their commitment with respect to investment to produce or procure the product. As to relational satisfaction, the respondents differ significantly in terms of trading with buyers for a longer period of time and buyers treat sellers fair equitably.



#### INTRODUCTION

## **Rationale**

The highland vegetables from the Cordillera Administrative Region (CAR) traverse long distance routes before it reaches the ultimate consumers as it passes through many invisible hands. Marketing intermediaries plays an important role in the distribution flow of potato.

The potato (Solanum tuberosum L.) is grown as one of the major vegetable produce in cordillera. The farmers harvest and sell their products to commission agents, financer-wholesalers who transport their produced into the "bagsakan" area in La Trinidad Vegetable Trading Post. From the spot market, other truckers and wholesalers transport it into other places like in Metro Manila. They were based at La Trinidad Vegetable Trading Post. They work as assembler-wholesalers, intercepts vegetable deliveries with the promise of a high price so they could gather sufficient volume for delivery to the wholesaler. Financer-wholesalers provide individual farmers with interest free cash advances production inputs with the assurance that the entire harvest will be sold to them.

The fresh vegetable sector supply chain transactions involve the interactions between the buyer and the seller and that there exist relational relationships among them. This support, statement that supply chains as networks addresses all the questions related to inter-organizational relationship (Lazzarini *et al.*, 2001).



## Statement of the Problem

1. What are the similarities and differences in the buyer-seller relationships among the actors in the spot market for potato?

# Objectives of the Study

- 1. To determine the similarities and differences in the buyer-seller relationships of actors in the spot market for potato.
  - a. Trust
  - b. Power
  - c. Dependence
  - d. Communication
  - e. Cooperation
  - f. Commitment
  - g. Relational Satisfaction

# Importance of the Study

Supply chain exist to overcome the gaps created when supplier are some distant away from customers. They allow operations that are best done or can only be done at locations that are away from the customers or source of materials, moving materials between geographically separate operations. Supply chain allows mis-matches between supply and demand. When their excess supply, stocks are build-up in the supply chain (Waters, 2003).



# Scope and Delimitation of the Study

This study focuses on the buying-selling in the production and marketing flow of potato in the spot market. There were 193 respondents intermediaries involve in marketing different selected potato.



#### REVIEW OF LITERATURE

## Supply Chain Management

In recent years, researchers recognized the relevance of supply chain management for the agric-food sector (Fearne 1998, Hobs and Yong 2000, Van der Vorst, 2000) due to the perish ability of products and the need for quality controlled flows of products. This means that the original good quality products can easily deteriorate as cause by the careless actions along the supply chain.

In reality, organization does not work from isolation, but each one acts as a supplier when it delivers the material to its customers. Every product has its own unique supply chain and these can be both long and complicated (Waters, 2003).

Supply chain means the process of planning, implementing and controlling the efficient, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from the point-of-origin to point of final consumption for the purpose of conforming to customer requirements (Council of Logistics Management, 1986). Supply chain is a dual flow of products and information. It is the drive to meet the central needs of the consumer and it stresses the importance of the relationships between participants in the marketing system. However, the tendency is often focus solely on the immediate economic aspects when firms are building supply chains (Champion and Fearne, 2001). Hongze Ma (2005) pointed out that supply chain is a network of organizations from suppliers with the purpose to improve the flow of material and information. Drabenstott (1999) discusses the increasing move toward the development of supply chains and describes supply chain structures where all stages of production,



processing and distribution are bound together tightly to ensure reliable, efficient delivery of high quality products.

# Supply Chain and Networks

One of the key factors in the development of successful supply chain (SC) partnerships/alliances is the development of successful relationships between partners in the supply chain (Bowman, 1997). Recently, social capital argument assumes that forms of collaboration are not the only based on economic motivation. Actors are believed to act on the basis of their functional role in the network, while goal orientation, interests, rules and power relations are determining this role (Uzzi, 1997). The actors in the network will search for alliances, some of them based on trust and loyalty, while others will be based on opportunism. A key factor is the process that takes place overtime in which actors are able to adjust transactions, accommodate routines, transfer activities to other actors and build up common recipes, standards and cognitive maps. In the course of this process the network becomes either sustainable, or stagnates and even collapses. In other words, the behavior and expectations of actors are constrained by the degree to which relationship between the actors are embedded in the network structure.

Successful supply chain management requires integration of all aspects of the supply chain: suppliers, warehouses, factories, distributors, and retail outlets. This requires cooperation among supply chain partners in planning coordination of activities, and information sharing, which, in turn, requires partners to agree on common goals (goal sharing). This requires trust and a willingness to cooperate to achieve the common goals. Coordination and information sharing are critical to the effective operation of a supply chain. Information exchange must be reciprocal. Partners share forecasts and sales data,



as well as information on inventory quantities, impending shortages, breakdowns, delays, and other problems that could impact the timely flow of products and services through the chain. Information has a time value, and the longer it takes to disseminate information once it materializes, the lower its value. Thus, instead of each organization in a supply chain making plans based on a combination of actual orders plus forecasts of demand of its immediate customer, by sharing data on end-customer sales and partner inventory on a real-time basis.

### Chain Relationships

There are much written about the development and maintenance of long-term buyer-seller relationships and the greatest support has emerged for the key constructs of satisfaction and trust (Anderson and Narus, 1990; Anderson and Weitz, 1992; Morgan and Hunt, 1994).

Chain relationships must be truly two-way in nature and equally meaningful for both the buyer and seller (Chadwick and Rajagopal, 1995). As a result, social aspects such as trust, information transfer and learning capability will influence the performance, development and survival of chains. Migchels (2000) sees the aspects of relationship as central to sustained competitive advantage, and the current view that organizations conduct transactions based on autonomous decisions, ignores interdependence with other organizations. Purchasing divisions often had adversarial relationships with their suppliers particularly in the agricultural industries. Each buyer and supplier attempts to get a bigger share of the product value by paying the lowest price (buyers to suppliers) or gaining the highest return possible (supplier to buyers).

The dimension of business to business relation has been identified as cooperation, trust, power, long-term orientation and dependency (Morgan and Hunt, 1994). Matanda and Schroder (2004) used fourteen (14) relationship dimensions to investigate the business-to-business relationships namely: instrumental satisfaction; long-term orientation; cooperation; trust; conflict; commitment; structural bonds; dependence; power; social bonds; communication usefulness; flexibility and adaptation; relationship satisfaction; and communication frequency.

### Trust

Can be understood as the faith, reliance, belief or confidence in the goodwill of other partners, i.e. that no partner to an exchange will behave opportunistic or exploit the vulnerabilities of others (Ring and Van de Ven, 1994). has been defined as "the firm's belief that another company will perform actions that will result in positive actions for the firm, as well as not take unexpected actions that would result negative outcomes for the firm (Anderson and Narus, 1990:45). The capability to establish trust between the partners in a collaborative supply chain becomes a crucial competitive parameter (Schary and Skjøtt-Larsen, 2001). For any potential exchange, trust will be critical if two situational factors are present – risk and incomplete buyer information (Hawes et al., 1989). Most sales transactions present some degree of risk and uncertainty to the buyer; without some degree of trust, the perceived risk maybe too great for the transaction to occur. More specifically, trust becomes important whenever there is a high level of performance ambiguity, and poor product performance will have significant adverse impact on the value derived by the buyer (Singh and Sirdeshmukh, 2000). In such circumstances, trust acts as an information asymmetry and performance ambiguity. In



such relationships, governance mechanisms are not necessary and resources can be devoted to pursue opportunity maximizing behavior beyond the originally intended exchange. Lack of trust increases transaction costs (O'Keeffe, 1994). Mutual trust and dependence can reduce the desire to exercise power and control over other parties, increase the flow of information and reduce risk. Adaptation occurs when buyers and suppliers invest in transaction-specific investments (Heide and John, 1998).

Go and Appelman (1999) suggest that where trust exists there is lower uncertainty speeding up decision making conserving resources that can be put to other uses, like sharing information or learning. Lack of trust increases transaction costs (O'Keeffe, 1994). Mutual trust and dependence can reduce the desire to exercise power and control over other parties, increase the flow of information and reduce risk.

The importance of trust and social capital as a means of reducing risk and facilitating exchange is being increasingly recognized when producers and market intermediaries have limited access to the legal system as a means of redress (Mendoza and Rosegrant, 1995; Fafchamps, 1996; Humphrey and Schmitz, 1998).

#### Power

Defined as the ability to influence relationship partner and dependence or asymmetrical investment in relationship-assets can lead to the exercise of coercive power (Matanda and Schrodder, 2004).

## <u>Dependence</u>

Increased when the outcomes available from the relationship are comparatively better than the outcomes available from alternative relationship. Firms dealing with the



best trader are more dependent because the outcomes associated from dealing with that trader are better than those available from alternative traders. In this context, dependence is a measure of the overall quality of the outcomes available to the focal firm from the best alternative exchange relationship (Anderson and Narus, 1990). According to Heide and John (1988), when the outcomes obtained from the relationship are important or highly valued; when the outcomes from the relationship are better than the outcomes available from alternative suppliers; and when fewer alternative sources of exchange are available to the firm, dependence is said to increase. With greater dependence come greater vulnerability, for the more powerful exchange partner may be in a position to create more favorable terms of trade for itself (Heide and John, 1988). This may include access to markets or capital, farmers are often more dependent upon their preferred trading partner(s). When a channel member controls resources that another channel needs, various power relations emerge that potentially enable the party controlling those resources to exert some influence or power (Andaleeb, 1996).

#### Communication

Naude and Buttle (2000) argue that supply chain relationship quality encompasses the key relational dimensions of trust, adaptation, communication and cooperation. Communication is "the formal as well as informal sharing of meaningful and timely information between firms" (Anderson and Narus, 1990:44). Frequent and timely communication is important because it assists in resolving conflicts and aligning perceptions and expectations (Morgan and Hunt, 1994). Communication is a process whereby information is enclosed in a package and is channeled and imparted by a sender to a receiver via some medium. The receiver then decodes the message and gives the



sender a feedback. All forms of communication require a sender, a message, and an intended recipient; however the receiver need not be present or aware of the sender's intent to communicate at the time of communication in order for the act of communication to occur. Communication requires that all parties have an area of communicative commonality.

## Cooperation

Refers to situations in which firms work together to achieve mutual goals (Anderson and Narus, 1990). Because of conflicting behaviors can co-exist temporarily with cooperative actions, cooperation is not simply the absence of conflict (Frazier and Rody, 1991). Cooperation in exchanging information on production schedules, new products/processes and value analysis can both reduce product costs and improve product/process innovations (Landeros and Monczka, 1989). A major impediment to chain formation can be the lack of willingness of various actors to co-operate effectively and their insufficient knowledge about methods of cooperation which insure "win-win" outcomes (van Beek *et al.*, 1998). Often, chain members bring "philosophical baggage" with respect to the nature of markets and the interactions with them. This can be a problem and slow the process of change management as the change from a traditional to SCM approach

Janzen and de Vlieger (2000) stated that chain success will depend upon the building of relationships with both internal colleagues and other firms. Similarly, Bowman (1997) identified one factor in the development of successful supply chain partnerships/alliances is the development of successful relationships between partners in the supply chain.



Researchers have adopted different frameworks in order to explain the nature of relationships. These include transaction cost theory, political economy theory, social exchange theory and resource dependence theory (Robicheaux and Coleman, 1994) These theoretical frameworks have all contributed to the modeling of supply chain relationships both in their identification of the underlying dimensions of relationships and their selection of appropriate unit of analysis (such as firm, dyad, or network). Adaptation occurs when buyers and suppliers invest in transaction-specific investments (Heide and John, 1988). Forms of collaboration are not based on economic motivations; power and trust are also concepts (Uzzi, 1997). Hanzen and Morrow (1999), suggest that firms enjoy a high level of trust are able to focus on opportunity maximizing behavior. In such relationships, governance mechanisms are not necessary and resources can be devoted to pursue opportunity maximizing behavior beyond the originally intend exchange.

#### Commitment

According to Morgan and Hunt (1994) who defined commitment as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship endures indefinitely and commitment is central to all of the relational exchanges between the firm and its various partners.

#### **Relational Satisfaction**

Frazier (1983) defined satisfaction as a positive affective state resulting from an appraisal of all aspects of a firm's working relationship with another. Satisfaction is derived from the result of a comparison between the preferred supplier's performance and



the customer's expectations (Fornell, 1992). Relationship satisfaction means the extent to which the relational dimensions of the partnership meet expectations.

# **Definition of Terms**

<u>Market</u> is the place where the farmers and the traders transact vegetables.

<u>Marketing</u> is a series of services involved in the moving of product from the point of production to the point of consumption.

<u>Chain actors</u> are the middlemen or traders along the supply chain of vegetables.

Spot market is a wet market, a place where the product are being delivered and sold.



# Conceptual Framework

In this framework, the marketing intermediaries play an important role in the distribution/flow of vegetables. The chain actor's relationship were affected or influenced by the following characteristics: satisfaction, trust, dependence, power, communication and cooperation (Figure 1).

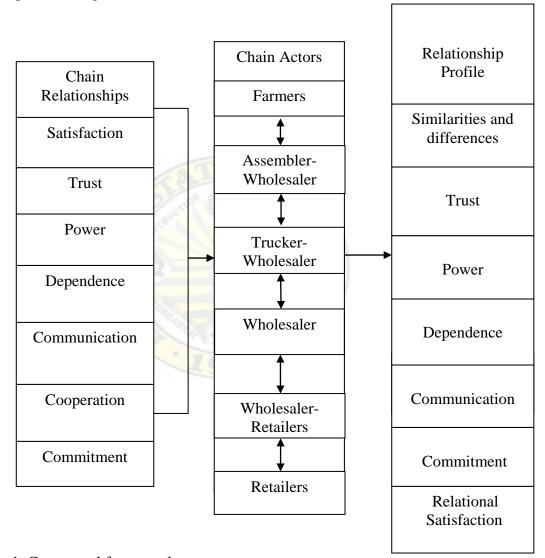


Figure 1. Conceptual framework

#### METHODOLOGY

## Locale and Time of the Study

The research locations follow the flow of potato from the major source (production) to the major market assembly and collection, and the distribution markets. However, the research coverage areas are limited to selected production and marketing areas. The primary markets (assembly/collection) are concentrated in La Trinidad, Benguet. Secondary markets (distribution) are the major vegetables trading centers in Metro Manila such as, Balintawak, Q-mart, Novaliches, Kamuning, Libertad, Dapitan and Urdaneta. While the tertiary markets include the retailers within these trading centers and other retail market outlets. The study was conducted on November 2010 to January, 2011.

# Respondents of the Study

There were 193 respondents intermediaries involve in marketing different selected vegetables. The production group is composed of Cordillera farmers producing potato. The next groups of respondents are the primary buyers representing the assembly collection group. This consists of assembler-wholesalers and the financier-assembler-wholesalers. Most of them are operating in the La Trinidad Vegetable Trading Post, and in the privately owned and managed trading facility. The third group is the distributors consist of the trucker-wholesalers, wholesalers and wholesaler-retailers. The trucker-wholesaler respondents are those responsible in the transportation and distribution of vegetables to various geographic market outlets.



The wholesalers and wholesaler-retailers, on the other hand, are traders on the spot market to whom the trucker-wholesalers supply the vegetables. The last group is the retailers representing the last link in the marketing process. The retailers sell the potato to ultimate users or consumers. Respondents will be selected through purposive sampling.

### **Data Collection**

The data gathered through personal interview with the different chain actors, market observation and pre-testing.

## Data Gathered

The data gathered were the similarities and differences of relationships among the chain actors in the spot market in terms of satisfaction, trust, power, dependence, communication and cooperation.

## **Data Analysis**

The data gathered were tabulated in the excel and analyzed using Statistical Package for the Social Sciences (SPSS) version 16. For descriptive analysis, frequency counts and percentage used while the statistical tests, Kruskal-Wallis was used.



#### RESULTS AND DISCUSSION

## Demographic Profile of the Respondents

Table 1 presents the demographic profile of respondents. This includes the different classification of respondents. The respondents were characterized based on their age, gender, marital status, religious affiliation and educational background.

Age. It shows that most of the respondents were engaged in business at the age of 21-30 and work at the production or procurement of potato (39%) assemblers, distributor and retailers ranging from 31-40 years of age. Some also work as financier-assembler-wholesaler (39%), trucker-wholesalers (42%) and wholesalers and retailers (38%) at the age of 31-40.

Gender. Majority of male work at the production and procurement of potato have (91%), while the female respondents mostly work as retailers (83%). Moreover wholesaler-retailers (67%) and wholesalers have (60%).

Marital status. Most of the respondents were married, but some were single like wholesaler-retailers (43%). And two percent for the separated and widow. It shows that regardless of marital status can engaged into vegetable trading business.

Religion. Mostly of the respondents were Roman Catholic, and the others belong to Protestant and other religious denomination.

Educational background. Majority of the respondents graduated secondary level, most of them work as farmer have (42%) and some of them who finished elementary were engaged in business as farmers (28%.) Few of them took vocational and only one respondent for wholesalers.



Table 1. Demographic profile

	PRODU	CTION		ASSE	MBLY	7		DIS	TRIBU	JTION		RE	TAIL	ING
PARTICULARS	I	7	A	-W	F-A	A-W	T-	-W	1	W	V	V-R	I	2
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Age														
20 and below	4	9	2	11	0	0	0	0	3	30	3	8	2	4
21-30	17	39	6	32	4	22	5	42	4	40	13	35	10	19
31-40	9	21	6	32	7	39	4	33	1	10	14	38	10	189
41-50	9	21	4	21	4	22	2	17	1	10	3	8	21	39
51-60	3	7	1	5	3	17	1	8	1	10	3	8	9	17
60 and above	1	2	0	0	0	0	0	0	0	0	1	3	2	4
TOTAL	43	100	19	100	18	100	12	100	10	100	37	100	54	100
Gender														
Male	39	91	13	68	5	28	8	67	4	40	12	32	9	17
Female	4	9	6	32	13	72	4	33	6	60	25	68	45	83
TOTAL	43	100	19	100	18	100	12	100	10	100	37	100	54	100
Marital Status														
Single	14	33	2	11	1	6	5	42	6	60	16	43	10	19
Married	29	67	17	89	16	89	7	58	4	40	20	54	42	78
Separated	0	0	0	0	1	6	0	0	0	0	0	0	1	2
Widower	0	0	0	0	0	0	0	0	0	0	1	3	1	2
TOTAL	43	100	19	100	18	100	12	100	10	100	37	100	54	100
Religion														
Catholic	32	74	14	74	12	67	12	100	9	90	27	73	47	87
Protestant	6	14	3	16	4	22	0	0	1	10	7	19	6	11
Others	5	12	2	11	2	11	0	0	0	0	3	8	1	2
TOTAL	43	100	19	100	18	100	12	100	10	100	37	100	54	100
Educational background	d													
Elementary	12	28	1	5	2	11	2	17	1	10	4	11	10	19
High School	18	42	9	47	8	44	4	33	3	30	17	46	31	57
College	13	30	9	47	8	44	6	50	5	50	14	38	11	20
Vocational	0	0	0	0	0	0	0	0	1	10	2	5	2	4
TOTAL	43	100	19	100	18	0	12	100	10	100	37	100	54	100
TOTAL Legend: F-farmer	43	100	19	100	18	0	12	100	10	100	37	100	54	_

Legend: F-farmer

A-W-assembler-wholesaler

F-A-W-financier-assembler-wholesaler

T-W-trucker-wholesaler

W-wholesaler

W-R-wholesaler-retailer

R-retailer



# Number of Years Engaged in Vegetable Business

Table 2 shows here the number of years they engaged in production, assembly, distribution and retailing. In here it implies that most of the farmers ranging from 1-5 years in production and procurement work longer have (37%). Moreover some also of the respondents who work longer in retailing in 6-10 years engaged in business have (30%).

# Organizational Affiliation of Respondents

In Table 3 most of the farmers have no organizational affiliation, unlike some of the retailer who join organization like cooperatives. But there were some from different respondent groups were affiliated to other organizations.

Table 2. Number of years engaged in vegetable business

NO OF	PRODU	JCT <mark>ION</mark>		ASSEN	MBLY			@ (F)	DISTRI	BUTION	1		RETA	AILING
NO. OF YEARS		F	A	-W	F-2	A-W	T	-W		W	W	-R		R
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Below 1 year	0	0	1	5	0	0	0	0	4	40	5	14	2	4
1-5 years	16	37	8	42	6	33	4	33	5	50	10	27	15	28
6-10 years	5	12	6	32	3	17	3	25	1	10	11	30	9	17
11-15 years	5	12	3	16	7	39	4	33	0	0	5	14	5	9
16-20 years	9	21	0	0	0	0	0	0	0	0	1	3	11	20
21-25 years	2	5	1	5	2	11	1	8	0	0	1	3	2	4
26-30 years	2	4.65	0	0	0	0	0	0	0	0	1	3	9	17
31 and above	4	9	0	0	0	0	0	0	0	0	3	8	1	2
TOTAL	43	100	19	100	18	100	12	100	10	100	37	100	54	100



Table 3. Organizational affiliation of respondents

	PRODU	JCTION		ASSE	MBLY			I	DISTRII	BUTION			RETA	AILING
ORGANIZATION		F	A	-W	F-A	A-W	Т	-W	V	V	W	/-R		R
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Farmer's Organization	0	0	0	0	0	0	0	0	2	20	0	0	0	0
Cooperative	1	2	2	11	4	22	3	25	0	0	6	16	2	4
Others	3	7	3	16	3	17	4	33	0	0	3	8	5	9
None	39	91	14	74	11	61	5	42	8	80	28	76	47	87
TOTAL	43	100	19	100	18	100	12	100	10	100	37	100	54	100

# Spot market chain and location for potato

Figure 2 presents the different chain actors involving with the procurement and selling of potato in the spot market. It shows here the flow of potato from the source or from the production to its point of consumption.

It shows in the figure that the farmers from La Trinidad Vegetable Trading Post sell their produce of potato to the assembler-wholesalers and financier-assembler-wholesalers in La Trinidad Vegetable Trading Post. Moreover, farmers from La Trinidad Vegetable Trading Post dispose also their produce of potato to the assembler-wholesalers and financier-assembler-wholesalers to Urdaneta Pangasinan, also to the assembler-wholesalers and financier-assembler-wholesalers in Balintawak. The farmers of the private trading center sell their product to assembler-wholesalers of private trading center and it goes to the trucker-wholesalers in La Trinidad Vegetable Trading Post.

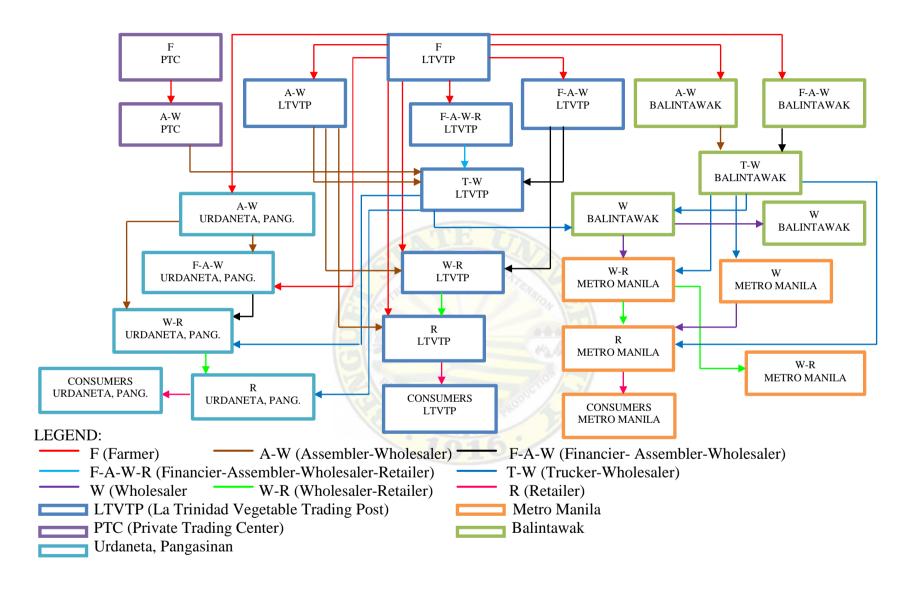


Figure 2. Spot market chain and location for cabbage

The assembler-wholesalers from LTVP dispose their potato to the trucker-wholesalers, wholesaler-retailers and retailers in the same place. Assembler-wholesalers from Balintawak sell their potato to the trucker-wholesalers in the same place.

From the trucker-wholesalers in Balintawak, the product goes to the wholesaler-retailers and wholesalers to Metro Manila, from the wholesalers in the same place it goes to retailers just the same. The wholesaler-retailers from Metro Manila sell also their produce to the retailers and to the other consumers in Metro Manila. Assembler-wholesalers from Urdaneta Pangasinan dispose their potato to financier-assembler-wholesalers and wholesaler-retailers and to the other consumers of potato in Urdaneta Pangasinan.

# Distribution of Respondents According to Trust

The capability to establish trust between the partners in a collaborative supply chain becomes a crucial competitive parameter for any potential exchange, trust will be critical if two situational factors are present–risk and incomplete buyer information (Hawes *et al.*, 1989).

Table 4a showed that majority of the assembler-wholesalers (47%) moderately agree to rely on the buyer's promises in terms of orders, payments and pricing. Forty-two percent of the farmers were undecided while trucker-wholesalers (25%) strongly agree. Majority of the chain actors strongly agree as to honest in dealing with the buyers. Many from the assembler-wholesalers (58%) moderately agree to make important decisions based on buyer's suggestions while (31%) retailers strongly agree. Majority of the assembler-wholesalers (53%) are indecisive to believe on the information shared by the buyers. And most of the wholesalers were undecided if their buyer is fair in negotiation with them.

Table 4a. Distribution of respondents according to trust

CT A TEMENT		1		2	,	3	4	4		5	AVE.
STATEMENT	N	%	N	%	N	%	N	%	N	%	
A.FARMER											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing).	2	5	8	19	18	42	8	19	7	16	3
2. I am always honest dealing with the buyers of potato.	1	2	4	9	7	16	15	35	16	37	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	1	2	7	16	13	30	15	35	7	16	3
4. I always believe on the information shared by the buyer.	0	0	7	16	22	51	9	21	5	12	3
5. The buyer is fair in negotiating with me.	0	0	5	12	20	47	14	33	4	9	3
6. The buyer I deal with has a good reputation.	0	0	4	9	15	35	16	37	8	19	4
7. The buyer and I always consider the best interest in our business.	0	0	2	5	13	30	19	44	9	21	4
B. ASSEMBLER-WHOLESALER		40									
I have much confidence to rely on the buyer's promises (orders, payments, pricing).	0	0	1	5	7	37	9	47	2	11	4
2. I am always honest dealing with the buyers of potato.	1	5	0	0	2	11	4	21	12	63	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	0	0	0	0	5	26	11	58	3	16	4
4. I always believe on the information shared by the buyer.	0	0	2	11	10	53	5	26	2	11	3
<ul><li>5. The buyer is fair in negotiating with me.</li><li>6. The buyer I deal with has a good reputation.</li></ul>	0 0	0 0	1 0	5 0	8 4	42 21	6 10	32 53	4 5	21 26	4 4
7. The buyer and I always consider the best interest in our business.	0	0	0	0	5	26	7	37	7	37	4

Numerical value and descriptive equivalent:

1-Strongly Disagree

2- Moderately Disagree

3-Undecided

4-Moderately Agree

5-Strongly Agree



Table 4a. Continued . . .

STATEMENT		1		2		3	4	4	:	5	AVE.
STATEMENT	N	%	N	%	N	%	N	%	N	%	
C.FINANCIER-ASSEMBLER-WHOLESALE  1. I have much confidence to rely on the	R										
buyer's promises (orders, payments, pricing).	1	6	4	22	5	28	5	28	3	17	3
2. I am always honest dealing with the buyers of potato.	0	0	3	17	0	0	5	28	10	56	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	0	0	4	22	4	22	6	33	4	22	4
4. I always believe on the information shared by the buyer.	0	0	4	22	8	44	5	28	1	6	3
5. The buyer is fair in negotiating with me.	1	6	2	11	7	39	6	33	2	11	3
<ul><li>6. The buyer I deal with has a good reputation.</li><li>7. The buyer and I always consider the best</li></ul>	0	0	3	17	8	44	5	28	2	11	3
interest in our business.	0	0	2	11	2	11	10	56	4	22	4
D.TRUCKER-WHOLESALER		E.	19								
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing).											
	1	8	2	17	3	25	3	25	3	25	3
2. I am always honest dealing with the buyers of potato.	0	0	0	0	0	0	5	42	7	58	5
3. I should not hesitate to make important decisions based on buyer's suggestions.	1	8	1	8	5	42	2	17	3	25	3
4. I always believe on the information shared by the buyer.	1	8	2	17	3	25	2	17	4	33	4
5. The buyer is fair in negotiating with me.	0	0	1	8	4	33	3	25	4	33	4
6. The buyer I deal with has a good reputation.	1	8	1	8	4	33	3	25	3	25	4
7. The buyer and I always consider the best interest in our business.	0	0	1	8	2	17	2	17	7	58	4
E. WHOLESALER											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing).	2	20	2	20	3	30	2	20	1	10	3
2. I am always honest dealing with the buyers of potato.	0	0	0	0	3	30	2	20	5	50	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	2	20	0	0	3	30	1	10	4	40	4



Table 4a. Continued. . .

CT A TEN MENT		1		2	3	3	4	4		5	AVE.
STATEMENT	N	%	N	%	N	%	N	%	N	%	
F.WHOLESALER-RETAILER											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing).	1	3	4	11	12	32	11	30	9	24	4
2. I am always honest dealing with the buyers of potato.	1	3	0	0	4	11	11	30	21	6	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	2	5	3	8	14	38	10	27	8	22	4
4. I always believe on the information shared by the buyer.	3	8	7	19	15	41	8	22	4	11	3
5. The buyer is fair in negotiating with me.	0	0	4	11	13	35	13	35	7	19	4
6. The buyer I deal with has a good reputation.	1	3	1	3	13	35	16	43	6	16	4
7. The buyer and I always consider the best interest in our business.  G. RETAILER	0	0	2	5	5	14	19	51	11	30	4
	Z		10	AF	B						
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing).	1	2	11	20	11	20	22	41	9	17	4
2. I am always honest dealing with the buyers of potato.	0	0	2	4	4	7	11	20	37	69	5
3. I should not hesitate to make important decisions based on buyer's suggestions.	1	2	8	15	15	28	13	24	17	31	4
4. I always believe on the information shared by the buyer.	6	11	11	20	14	26	16	30	7	13	3
5. The buyer is fair in negotiating with me.	0	0	5	9	22	41	14	26	13	24	4
6. The buyer I deal with has a good reputation.	6	11	4	7	21	39	10	19	13	24	3
7. The buyer and I always consider the best interest in our business.	5	9	2	4	12	22	22	41	13	24	4



Majority of the farmers (37%), assembler- wholesalers (53%) and wholesaler-retailers (43%) moderately agree that the buyer they deal with good reputation while financier-assembler-wholesalers (44%), trucker-wholesalers (33%) were indecisive. Moreover, the trucker-wholesalers (58%) strongly agree as to considering the best interest in their business while financier-assembler-wholesalers (56%) moderately agree.

Based from Table 4b, the chain actors were undecided to have much confidence to rely on the buyer's promises in terms of orders, payments and pricing because they have trust towards their buyers. However, some were undecided that they should not hesitate to make important decisions based on buyer's suggestions. Including that actors always believe on the information shared by the buyers.

The test statistics showed significant difference among chain actors with regards to honesty in dealing with the buyers. The result implied that the respondents may or may not be honest thus opportunistic advantage could still be observed.

Table 4b. Descriptive and test statistics

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing).	3.44	2.472	3	0.480
2. I am always honest dealing with the buyers of potato	4.25	8.534	3	0.036*
3. I should not hesitate to make important decisions based on buyer's suggestions.	3.55	1.873	3	0.599
4. I always believe on the information shared by the buyer.	3.25	.075	3	0.995
5. The buyer is fair in negotiating with me.	3.55	1.828	3	0.609
6. The buyer I deal with has a good reputation	3.60	1.899	3	0.594
7. The buyer and I always consider the best interest in our business.	3.86	6.584	3	0.086

\*Significant mean range: 3.25-3.75-undecided 3.76-4.26-moderately agree



# <u>Distribution of Respondents</u> According to Power

The ability to influence relationship partner and dependence or asymmetrical investment in relationship-assets can lead to the exercise of coercive power (Matanda and Schroder, 2004).

Table 5a indicates that most actors from the retailers (20%) strongly disagree that the stakeholders were flexible to choose buyers at any time. And there were only few among the assembler-wholesalers moderately disagree and undecided. Majority of the farmers were undecided whether the respondents always adhere to the buyers demand and more than (50%) from the retailers moderately agree. Many among the farmer-assembler-wholesalers were moderately agree on it. Only (30%) wholesalers strongly agree that the respondents have all the power in trading negotiation with the buyers but the actors also able to control it. Majority of the farmers (58%) were indecisive that the buyers have the best offer interest of pricing. And some of the respondents were also undecided of it. Moreover, there were (50%) among the wholesalers who moderately disagree whether the buyer often controls the market information in terms of demand and price. While there were only (17%) from the trucker-wholesalers who moderately agree. Many of the wholesalers who were undecided that the buyer often acts opportunistically.

Based from the mean statistics (Table 5b) the chain actors were undecided that the respondents were flexible to choose buyers at any time. The actors were moderately agree in adhering the buyers demand and some of them were undecided whether the respondents have all the power in the trading negotiation. Moreover, the actors were undecided whether the buyer has the best offer in price. Including that the buyer often controls the market information in terms of demand and price.



In the statement three, there is highly significant difference between the chain actors in their understanding that they have all the power in trading negotiation.

Moreover, the respondents differ very significantly as to the buyer often control market information. Therefore the results implied that actors would really like to control such information about marketing.

Table 5a. Distribution of respondents according to power

CT A TEMENT		1		2		3	4	4		5	AVE.
STATEMENT	N	%	N	%	N	%	N	%	N	%	
A.FARMER											
1. I am flexible to choose buyers at any time.	8	19	12	28	8	19	9	21	6	14	3
2. I always adhere to the buyer's demand.	0	0	8	19	21	49	12	28	2	5	3
3.I have all the power in the trading negotiation.	8	19	17	40	14	33	3	7	1	2	2
4. Buyer has the best offer (price) relative to alternatives (other buyers).	1	2	6	14	25	58	9	21	2	5	3
5. Buyer often controls the market information (demand, price).	0	0	7	16	15	35	13	30	8	19	4
6. Buyer often acts opportunistically.	3	7	6	14	16	37	14	33	4	9	3
B ASSEMBLER-WHOLESALER.		5.	)								
1. I am flexible to choose buyers at any time.	4	21	5	26	5	26	5	26	0	0	3
2. I always adhere to the buyer's demand.	0	0	2	11	8	42	6	32	3	16	4
3. I have all the power in the trading negotiation.	1	5	4	21	9	47	5	26	0	0	3
4. Buyer has the best offer (price) relative to alternatives (other buyers).	1	5	5	26	5	26	7	37	1	5	3
5. Buyer often controls the market information (demand, price).	5	26	4	21	3	16	3	16	4	21	3
6. Buyer often acts opportunistically.	1	5	4	21	6	32	6	32	2	11	3

Numerical value and descriptive equivalent:

1-Strongly Disagree

2- Moderately Disagree

3-Undecided

4-Moderately Agree

5-Strongly Agree



Table 5a Continued . . .

		1		2		3		4		5	AVE.
STATEMENT	N	%	N	%	N	%	N	%	N	%	
C.FINANCIER-ASSEMBLER-WHOLESALE	λ										
1. I am flexible to choose buyers at any time.	1	6	2	11	6	33	4	22	5	28	4
2. I always adhere to the buyer's demand.	0	0	1	6	6	33	6	33	5	28	4
3. I have all the power in the trading negotiation.	0	0	2	11	2	11	10	56	4	22	4
4. Buyer has the best offer (price) relative to alternatives (other buyers).	1	6	3	17	4	22	6	33	4	22	4
5. Buyer often controls the market information (demand, price).	0	0	3	17	9	50	4	22	2	11	3
6. Buyer often acts opportunistically.	0	0	2	11	7	39	3	17	0	0	2
D.TRUCKER-WHOLESALER		777									
1. I am flexible to choose buyers at any time.	4	33	4	33	1	8	2	17	1	8	2
<ul><li>2. I always adhere to the buyer's demand.</li><li>3. I have all the power in the trading</li></ul>	1	8	1	8	3	25	2	17	5	42	4
negotiation.	0	0	1	8	5	42	3	25	3	25	4
4. Buyer has the best offer (price) relative to alternatives (other buyers).	2	17	2	17	6	50	1	8	1	8	3
5. Buyer often controls the market information (demand, price).	2	17	3	25	2	17	2	17	3	25	3
6. Buyer often acts opportunistically.	0	0	3	25	3	25	4	33	2	17	3
E.WHOLESALER											
1. I am flexible to choose buyers at any time.	3	30	3	30	1	10	1	10	2	20	3
2. I always adhere to the buyer's demand.	0	0	0	0	4	40	2	20	4	40	4
3. I have all the power in the trading negotiation.	1	10	2	20	3	30	1	10	3	30	3
4. Buyer has the best offer (price) relative to alternatives (other buyers).	2	20	3	30	3	30	0	0	2	20	3
5. Buyer often controls the market information (demand, price).	1	10	5	50	3	30	1	10	0	0	2
6. Buyer often acts opportunistically.	0	0	2	20	6	60	2	20	0	0	3



Table 5a. Continued. . .

STATEMENT		1		2	3	3	4	ļ	5	i	AVE.
STATEMENT	N	%	N	%	N	%	N	%	N	%	
F.WHOLESALER-RETAILER											
1. I am flexible to choose buyers at any time.	11	30	4	11	6	16	8	22	8	22	3
2. I always adhere to the buyer's demand.	4	11	3	8	10	27	14	38	6	16	3
3. I have all the power in the trading negotiation.	0	0	5	14	13	35	12	32	7	19	4
4. Buyer has the best offer (price) relative to alternatives (other buyers).	3	8	6	16	19	51	9	24	0	0	3
5. Buyer often controls the market information (demand, price).	9	24	9	24	11	30	7	189	1	3	3
6. Buyer often acts opportunistically.	2	5	9	24	8	22	15	41	3	8	3
G.RETAILER	8	TT									
1. I am flexible to choose buyers at any time	22	41	9	17	5	9	7	13	11	20	3
2. I always adhere to the buyer's demand.	2	4	10	19	11	20	18	33	13	24	4
3. I have all the power in the trading negotiation.	4	7	13	24	19	35	10	19	8	15	3
4. Buyer has the best offer (price) relative to alternatives (other buyers).	9	17	8	15	20	37	13	24	4	7	3
5. Buyer often controls the market information (demand, price).	17	31	10	19	15	28	8	15	4	7	2
6. Buyer often acts opportunistically.	4	7	9	17	16	30	21	39	4	7	3

Table 5b. Descriptive and test statistics

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I am flexible to choose buyers at any time.	2.81	1.386	3	0.709
2. I always adhere to the buyer's demand.	3.49	7.583	3	0.055
3. I have all the power in the trading negotiation.	3.13	30.997	3	0.000**



Table 5b. Continued . . .

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
4. Buyer has the best offer (price) relative to alternatives (other buyers).	3.01	3.526	3	0.317
5. Buyer often controls the market information (demand, price).	2.87	18.801	3	0.000**
6. Buyer often acts opportunistically.	3.28	.719	3	0.869
**Highly significant mean range: 2.81-3.15-undecided	3.16-3.	.50-moderately	agre	e

#### 3.16-3.50-moderately agree

# Distribution of Respondents According to Dependence

Dependence is a measure of the overall quality of the outcomes available to the focal firm from the best alternative exchange relationship (Anderson and Narus, 1990). According to Heide and John (1988), when the outcomes obtained from the relationship are important or highly valued; when the outcomes from the relationship are better than the outcomes available from alternative suppliers; and when fewer alternative sources of exchange are available to the firm, dependence is said to increase.

Table 6a, from the statement one in Table 6a, majority of the assemblerwholesalers moderately agree that the actors depend on the quality classification, quantity and payment term of potato by the buyer. Only few among the wholesaler-retailers were indecisive. Majority of the assembler-wholesalers (42%) were moderately agree whether the stakeholders depend much from the regular buyers of the potato sold. And more (50%) from the financier-assembler-wholesalers strongly agree that the chain depend much from the regular buyers of the potato sold. That's why they give or produce what their buyers needed, for them not to find other sellers. In order to have more regular buyers.



Table 6a. Distribution of respondents according to dependence

STATEMENT		1		2		3		4		5	AVE.
	N	%	N	%	N	%	N	%	N	%	
A. FARMER											
1. I (seller) depend on the quality classification, quantity and payment term of potato by the buyer.	4	9	5	12	13	30	17	340	4	9	3
<ul><li>2. I depend much from the regular buyers of the potato I sold.</li><li>3. I depend on the price dictated by the</li></ul>	2	5	10	23	15	35	10	23	6	14	3
buyer.	2	5	7	16	12	28	12	28	10	23	3
4. I always adhere to the seller's demand.	5	12	10	23	16	37	7	16	5	12	3
5. I depend much from the market information provided by the buyers.	1	2	11	26	20	47	5	12	6	14	3
B. ASSEMBLER-WHOLESALER											
1. I (seller) depend on the quality classification, quantity and payment term of potato by the buyer.	1	5	2	11	6	32	8	42	2	11	3
2. I depend much from the regular buyers of the potato I sold.	0	0	1	5	8	42	8	42	2	11	4
3. I depend on the price dictated by the buyer.	2	11	6	32	7	37	2	11	2	11	3
4. I always adhere to the seller's demand.	1	5	3	16	8	42	6	32	1	5	3
5. I depend much from the market information provided by the buyers.	1	5	6	32	5	26	5	26	2	11	3
C. FINANCIER-ASSEMBLER-WHOLESAL						20				- 11	
1. I (seller) depend on the quality classification, quantity and payment term of potato by the buyer.	0	0	2	11	7	39	3	17	6	33	4
2. I depend much from the regular buyers of the potato I sold.	0	0	5	28	3	17	5	28	5	28	4
3. I depend on the price dictated by the buyer.	0	0	4	22	7	39	5	28	2	11	3
4. I always adhere to the seller's demand.	2	11	6	33	6	33	4	22	0	0	3
5. I depend much from the market information provided by the buyers.	0	0	4	22	7	39	6	33	1	6	3

Numerical value and descriptive equivalent:

1-Strongly Disagree

2- Moderately Disagree

3-Undecided

4-Moderately Agree

5-Strongly Agree



Table 6a Continued . . .

STATEMENT		1		2		3		4		5	AVE.
	N	%	N	%	N	%	N	%	N	%	
D. TRUCKER-WHOLESALER											
I (seller) depend on the quality classification, quantity and payment term of potato by the buyer.	0	0	3	25	1	8	3	25	5	42	4
<ul><li>2. I depend much from the regular buyers of the potato I sold.</li><li>3. I depend on the price dictated by the</li></ul>	2	17	1	8	2	17	3	25	4	33	4
buyer.	3	25	1	8	5	42	1	8	2	17	3
4. I always adhere to the seller's demand.	0	0	3	25	1	8	5	42	3	25	4
5. I depend much from the market information provided by the buyers.	4	33	2	17	2	17	3	25	1	8	3
E. WHOLESALER											
I (seller) depend on the quality classification, quantity and payment term of potato by the buyer.	0	0	0	0	4	40	4	40	2	20	4
<ul><li>2. I depend much from the regular buyers of the potato I sold.</li><li>3. I depend on the price dictated by the</li></ul>	1	10	0	0	4	40	2	20	3	30	4
buyer.	0	0	6	60	1	10	0	0	3	30	3
4. I always adhere to the seller's demand.	1	10	10	10	4	40	0	0	4	40	4
5. I depend much from the market information provided by the buyers.	1	10	3	30	2	20	2	20	2	20	3
F.WHOLESALER-RETAILER	1	6									
1. I (seller) depend on the quality classification, quantity and payment term of potato by the buyer.	2	5	4	11	11	30	8	22	6	16	3
2. I depend much from the regular buyers of the potato I sold.	3	8	5	14	12	32	10	27	7	19	3
3. I depend on the price dictated by the buyer.	5	14	16	43	7	19	6	16	3	8	3
4. I always adhere to the seller's demand.	1	3	5	14	14	38	13	35	4	11	3
5. I depend much from the market information provided by the buyers.	5	14	11	30	14	38	3	8	4	11	3



Table 6a Continued . . .

STATEMENT	1			2		3		4		5	AVE.
	N	%	N	%	N	%	N	%	N	%	
G. RETAILER											
1. I (seller) depend on the quality classification, quantity and payment term of potato by the buyer.	4	7	11	20	9	17	13	24	17	31	4
2. I depend much from the regular buyers of the potato I sold.	2	4	12	22	11	20	16	30	13	24	3
3. I depend on the price dictated by the buyer.	11	20	17	31	14	26	7	13	5	9	3
4. I always adhere to the seller's demand.	6	11	16	30	14	26	9	17	9	17	3
5. I depend much from the market information provided by the buyers.	15	28	17	31	10	19	8	15	4	7	2

Most of the wholesalers moderately agree to depend on the price dictated by the buyers. From the statement five, many of the farmers undecided that the respondents depend much from the market information provided by the buyers, and only (30%) among the wholesalers were moderately disagree.

Based from the mean statistics (Table 6b) most of them were undecided whether the actors depend on the price dictated by the buyer and depend much from the market information provided by the buyers, because some information either they knew it already or the person who informed it not that much trusted. The stakeholders were moderately agree that the actors depend on the quality classification, quantity and payment term of potato by the buyers. Moreover, the respondents also were moderately agree that most of them adhere to the sellers demand.

From the test statistics, we can see in statement three, that there is highly significant difference among the respondents, it implies that they are trying to influence the others that the actors depend on the price dictated by the buyer.

In statement five, there is highly significant between the actors to depend much from the market information provided by the buyers. It proves that the stakeholders specifically farmers depend on price dictated by the buyer, the actors have more freedom, they can dictate price but they also control it. However, these statements have significant difference from other actors or have different understanding on it.

Table 6b. Descriptive and test statistics

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
I. I (seller) depend on the quality classification, quantity     and payment term of potato by the buyer.	3.48	1.904	3	0.593
2. I depend much from the regular buyers of the potato I sold.	3.38	2.756	3	0.593
3. I depend on the price dictated by the buyer.	2.87	15.042	3	0.002**
4. I always adhere to the seller's demand.	3.15	5.928	3	0.115
5. I depend much from the market information provided by the buyers.	2.80	7.958	3	0.047*

<sup>\*</sup>Significant mean range: 2.80-3.14-undecided 3.15-3.49-moderately agree



## <u>Distribution of Respondents</u> According to Communication

Communication is a process whereby information is enclosed in a package and is channeled and imparted by a sender to a receiver via some medium. The receiver then decodes the message and gives the sender a feedback. All forms of communication require a sender, a message, and an intended recipient; however the receiver need not be present or aware of the sender's intent to communicate at the time of communication in order for the act of communication to occur. Communication requires that all parties have an area of communicative commonality. Frequent and timely communication is important because it assists in resolving conflicts and aligning perceptions and expectations (Morgan and Hunt, 1994).

Table 7a, showed that most of the financier-assembler-wholesalers were undecided that the actors can directly dictate the price while there were only (32%) among the wholesaler-retailers strongly agree with it. In statement two, majority of the respondents from trucker-wholesalers were undecided that the stakeholders usually share production and marketing in terms of volume, quality and price information to buyers. And there were only fifty percent from the respondents of retailers who moderately agree.

Most of the assembler-wholesalers (47%) were indecisive whether the buyer and the actor use other people in sharing information to farmers or sellers. (50%) from the wholesaler-retailers were also undecided. And majority of the respondents of assembler-wholesalers moderately agree that the chain actors always share information about the production or procurement targets to the buyer in able for their buyers to know if they can produce the amount volume of potato they needed. While there were only (25%) respondents from trucker-wholesalers were undecided of it.



Majority of them also indecisive whether the stakeholders share the production or marketing decisions the actors made with the buyer, but only (17%) of the financier-assembler-wholesalers moderately disagree.

The respondents were undecided whether the actors used other people in sharing other information to farmers. And most of them share the production or marketing decisions the actor made with the buyer. In dictating directly the price, the stakeholders were moderately agree of it. Moreover, the respondents also were moderately agree that most of them share production and marketing in terms of volume, quality and price information to buyers.

Table 7a. Distribution of respondents according to communication

STATEMENT	1		"STO	2	3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
A.FARMER			(4)	A	2						
1. I can directly dictate price.	17	40	15	35	8	19	3	7	0	0	2
2. I usually share production and marketing (volume. quality, price) information to buyers.	4	9	9	21	15	35	10	23	5	12	3
3. As buyer, I use other people in sharing other information to farmers/sellers.	9	21	9	21	10	23	10	23	5	12	3
<ol> <li>I always share information about production/procurement/marketing targets to the buyer.</li> </ol>	4	9	10	23	16	37	7	16	6	14	3
5. I share the production or marketing decisions I made with the buyer.	7	16	8	19	15	35	8	19	5	12	3

Numerical value and descriptive equivalent:

- 1-Strongly Disagree
- 2- Moderately Disagree
- 3-Undecided
- 4-Moderately Agree
- 5-Strongly Agree



Table 7a.Continued . . .

STATEMENT		1		2		3		4		5	AVE.
	N	%	N	%	N	%	N	%	N	%	
B. ASSEMBLER-WHOLESALER											
1. I can directly dictate price.	0	0	3	16	8	42	5	26	3	16	3
2. I usually share production and marketing (volume. quality, price) information to buyers.	0	0	3	16	9	47	5	26	2	11	3
3. As buyer, I use other people in sharing other information to farmers/sellers.	1	5	2	11	9	47	5	26	2	11	3
<ol> <li>I always share information about production, procurement/marketing targets to the buyer.</li> </ol>	2	11	2	11	5	26	8	42	2	11	3
5. I share the production or marketing decisions I made with the buyer.	2	11	3	16	7	37	5	26	2	11	3
C.FINANCIER-ASSEMBLER-WHOLESAI	LER	U									
1. I can directly dictate price.		6	1	6	9	50	4	22	3	17	3
2. I usually share production and marketing (volume. quality, price) information to buyers.	0	0	3	17	4	22	8	44	3	17	4
3. As buyer, I use other people in sharing other information to farmer/sellers.	1	6	4	22	5	28	5	28	3	17	3
<ul><li>4. I always share information about production, procurement/marketing targets to the buyer.</li><li>5. I share the production or marketing decisions I made with the buyer.</li></ul>	0	0	1	6	9	50	5	28	3	17	4
D.TRUCKER-WHOLESALER	0	0	3	17	9	50	3	17	3	17	3
I. I can directly dictate price.	1	8	1	8	4	33	4	33	2	17	3
2. I usually share production and marketing (volume. quality, price) information to buyers.	1	8	0	0	6	50	2	17	3	25	4
3. As buyer, I use other people in sharing other information to farmer/sellers.	2	17	1	8	3	25	3	25	3	25	3
4. I always share information about production, procurement/marketing targets to the buyer.	1	8	0	0	3	25	5	42	3	25	4
5. I share the production or marketing decisions I made with the buyer.	1	8	0	0	5	42	4	33	2	17	4



Table 7a.Continued . . .

STATEMENT		1		2	3	3	4	ļ	5	;	AVE.
	N	%	N	%	N	%	N	%	N	%	
E.WHOLESALER											
1. I can directly dictate price.	2	20	3	30	2	20	0	0	3	30	3
2. I usually share production and marketing (volume. quality, price) information to buyers.	1	10	3	30	2	20	0	0	4	40	3
3. As buyer, I use other people in sharing other information to farmer/sellers.	1	10	3	30	2	20	1	10	3	30	3
4. I always share information about production, procurement/marketing targets to the buyer.	1	10	1	10	3	30	1	10	4	40	4
5. I share the production or marketing decisions I made with the buyer.	1	10	2	20	2	20	2	20	3	30	3
F.WHOLESALER-RETAILER	13	A.	V								
1. I can directly dictate price.	0	0	5	14	8	22	12	32	12	32	4
2. I usually share production and marketing (volume. quality, price) information to buyers.	1	3	6	16	10	27	11	30	9	24	4
3. As buyer, I use other people in sharing other information to farmer/sellers.	8	22	3	8	10	27	9	24	7	19	3
4. I always share information about production, procurement/marketing targets to the buyer.		3	3	8	15	41	8	22	10	27	4
5. I share the production or marketing decisions I made with the buyer.	6	16	3	8	10	27	10	27	8	22	3
G.RETAILER											
1. I can directly dictate price.	2	4	5	9	16	30	18	33	13	24	4
2. I usually share production and marketing (volume. quality, price) information to buyers.	11	20	10	19	7	13	14	26	12	22	3
3. As buyer, I use other people in sharing other information to farmer/sellers.	19	35	9	17	10	19	11	20	5	9	3
4. I always share information about production, procurement/marketing targets to the buyer.	14	26	8	15	12	22	15	28	5	9	3
5. I share the production or marketing decisions I made with the buyer.	19	35	7	13	7	13	15	28	6	11	3



Table 7b showed that the chain actors usually share production and marketing in terms of volume, quality and price information to buyers. There is highly significant difference among the respondents in influencing the other actors, in directly dictating the price. From the statement four, the actors differ from their perception that the respondents always share information about the production and procurement/marketing. It further justify that the actors can directly dictate price in their business transactions between other actors and buyers. Furthermore, proves that there is highly significant among the actors.

Table 7b. Descriptive and test statistics

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I can directly dictate price.	3.20	52.147	3	0.000**
2. I usually share production and marketing (volume. quality, price) information to buyers.	3.27	3.468	3	0.325
3. As buyer, I use other people in sharing other information to farmers/sellers.	2.95	7.327	3	0.062
4. I always share information about production, procurement/marketing targets to the buyer.	3.26	12.218	3	0.007**
5. I share the production or marketing decisions I made with the buyer.	3.03	6.672	3	0.083

\*\*Highly Significant mean range: 2.95-3.11- undecided 3.12-3.28-moderately agree

## <u>Distribution of Respondents</u> <u>According to Cooperation</u>

Cooperation in exchanging information on production schedules, new products/processes and value analysis can both reduce product costs and improve product/process innovations (Landeros and Monczka, 1989).

Table 8a presents that majority of the respondents from financier- assembler-wholesalers and trucker- wholesalers were observe that strongly agree that the actors work cooperatively with the buyer to improve their potato trading operation, while there were only (33%) of the retailers were also agree with it. Most of the respondents among the trucker-wholesalers strongly agree, whether the stakeholders usually buy good quality of potato from suppliers as needed by the buyer's.

From the farmers there were also (33%) strongly agree with it. In statement three, majority of respondents from the trucker wholesalers strongly agree whether the chain actor build up buyer- seller relationship (alliances/ partnership) with their colleagues. And more than (50%) of it from wholesalers were moderately disagree. Most of the assembler-wholesalers were moderately agree if the respondents cooperate with other actors in pricing and quality determination of potato.

Table 8a. Distribution of respondents according to cooperation

STATEMENT		1	/	2	,	3	4	4	4	5	AVE.
	N	%	N	%	N	%	N	%	N	%	
A.FARMER											
1. I work cooperatively with the buyer to improve our potato trading operation.	3	7	1	2	10	23	11	26	18	42	4
2. I usually buy good quality of potato from suppliers and as needed by the buyers.	4	9	4	9	8	19	13	30	14	33	4



Table 8a. Continued. . .

STATEMENT		1	,	2	,	3	4	4	4	5	AVE.
BTTTEMENT.	N	%	N	%	N	%	N	<u>.</u> %	N	%	11 ( 2).
A.FARMER		70		70		70	11	,,,	11	70	
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	4	9	5	12	8	19	16	37	10	23	4
4. I cooperate with other actors in pricing and quality determination of potato.	3	7	5	12	14	33	16	37	5	12	3
B.ASSEMBLER-WHOLESALER											
1. I work cooperatively with the buyer to improve our potato trading operation.	0	0	3	16	1	5	8	42	7	37	4
2. I usually buy good quality of potato from suppliers and as needed by the buyers.	0	0	0	0	3	16	10	53	6	32	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	0	0	1	5	4	21	5	26	9	47	4
4. I cooperate with other actors in pricing and quality determination of potato.	0	0	1	5	4	21	9	47	5	26	4
C.FINANCIER-ASSEMBLER-WHOLESALE	R		- 4	1	1						
I work cooperatively with the buyer to improve our potato trading operation.	0	0	1	6	2	11	6	33	9	50	4
2. I usually buy good quality of potato from suppliers and as needed by the buyers.	0	0	0	0	3	17	7	39	8	44	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	0	0	1	6	4	22	6	33	7	39	4
4. I cooperate with other actors in pricing and quality determination of potato.	0	0	0	0	5	28	7	39	6	33	4
D.TRUCKER-WHOLESALER											
I work cooperatively with the buyer to improve our potato trading operation.     I usually buy good quality of potato from	1	8	1	8	2	17	2	17	6	50	4
suppliers and as needed by the buyers.	0	0	0	0	2	17	3	25	7	58	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	2	17	0	0	1	8	2	17	7	58	4
4. I cooperate with other actors in pricing and quality determination of potato.	1	8	1	8	1	8	4	33	5	42	4

Numerical value and descriptive equivalent:

1-Strongly Disagree

2- Moderately Disagree

3-Undecided

4-Moderately Agree

5-Strongly Agree



Table 8a. Continued. . .

STATEMENT		1	,	2		3	4	4		5	AVE.
	N	%	N	%	N	%	N	%	N	%	
E.WHOLESALER											
1. I work cooperatively with the buyer to improve our potato trading operation.	0	0	1	10	2	20	4	40	3	30	4
2. I usually buy good quality of potato from suppliers and as needed by the buyers.	0	0	2	20	1	10	3	30	4	40	34
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	1	10	3	30	1	10	2	20	3	30	3
4. I cooperate with other actors in pricing and quality determination of potato.	1	10	1	10	2	20	3	30	3	30	4
F.WHOLESALER-RETAILER											
I work cooperatively with the buyer to improve our potato trading operation.	2	5	3	8	5	14	11	30	16	43	4
2. I usually buy good quality of potato from suppliers and as needed by the buyers.	0	0	1	3	4	11	17	46	15	41	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	4	11	0	0	5	14	16	43	12	32	4
4. I cooperate with other actors in pricing and quality determination of potato.	1	3	8	22	7	19	11	30	10	27	4
G.RETAILER .											
I work cooperatively with the buyer to improve our potato trading operation.	12	22	7	13	6	11	11	20	18	33	3
2. I usually buy good quality of potato from suppliers and as needed by the buyers.	0	0	1	2	8	15	23	43	22	41	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	5	9	4	7	3	6	20	37	22	41	4
4. I cooperate with other actors in pricing and quality determination of potato.	9	17	13	24	5	9	15	28	12	22	3

In statement two, the respondents were moderately agree that the actors usually buy good quality of potato from suppliers and as needed by the buyers. Moreover, the actors build up buyer-seller relationship. It implies in statement four, that there is a



significant difference among the chain actors that the respondents cooperate with other actors especially in pricing and quality determination of potato.

Table 8b showed that the respondents were undecided whether the chain actors work cooperatively with the buyer to improve their potato trading operation. It further justify that the different stakeholders cooperate with the other actors in pricing and quality determination of potato. It shows that this statement is the most important to measure cooperation. There is significant difference between and among the actors. Some of the respondents were moderately agree that the actors usually buy good quality of potato from suppliers and as needed by the buyers. And work cooperatively with the buyer to improve vegetable trading negotiation.

Table 8b. Descriptive and test statistics

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
I. I work cooperatively with the buyer to improve our potato trading operation.	3.80	5.978	3	0.113
2. I usually buy good quality of potato from suppliers and as needed by the buyers.	4.08	5.432	3	0.143
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	3.82	4.842	3	0.184
4. I cooperate with other actors in pricing and quality determination of potato.	3.51	8.436	3	0.038*

<sup>\*</sup>Significant mean range: 3.51-3.80-undecided, 3.90-4.19-moderately agree

## <u>Distribution of Respondents</u> According to Commitment

Commitment as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship endures indefinitely and commitment is central to all of the relational exchanges between the firm and its various partners. (Morgan and Hunt, 1994).

Table 9a, presents that most of the assembler-wholesalers moderately agree that the actors keep the promises the stakeholders make with the buyer for their buyers to stay with them and trade in a longer period of time. Moreover, (35%) from the farmers strongly agree with it. From the statement two, many of the respondents from wholesalers strongly agree in making extra effort to meet the buyers demand requirements. And fifty percent from the farmers moderately agree.

Majority of the respondents among trucker-wholesalers strongly agree whether the chain actors invest large amount to produce/procure the potato because they also include other factors when the actors engaged in business partnership. Fifty percent from the farmers strongly agree in statement four, that majority from trucker-wholesalers strongly agree in continuing trading with the buyers for a longer period of time. It implies here that the chain actors have their good relationship that makes their trading operation longer.

Table 9a. Distribution of respondents according to commitment

STATEMENT		1	,	2		3		4		5	AVE.
	N	%	N	%	N	%	N	%	N	%	
A. FARMER		,,		7,0		,,		,,,		7,0	
1. I keep the promises I make with the buyer.	2	5	4	9	8	19	14	33	15	35	4
2. I make extra effort to meet the buyer's demand requirement.	1	2	4	9	9	21	17	40	12	28	4
3. I invest large amount to produce/procure the potato	6	14	5	12	8	19	11	26	13	30	3
4. I always continue trading with the buyer for a longer period of time.	1	2	3	7	8	19	15	35	16	37	4
B.ASSEMBLER-WHOLESALER											
1. I keep the promises I make with the buyer.	0	0	0	0	5	26	10	53	4	21	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	0	0	4	21	7	37	8	42	4
3. I invest large amount to produce/procure the potato.	0	0	4	21	3	16	7	37	5	26	4
4. I always continue trading with the buyer for a longer period of time.	0	0	0	0	3	16	7	37	9	47	4
C.FINANCIER-ASSEMBLER-WHOLESALE	R		(4)	4 9	2)						
1. I keep the promises I make with the buyer.	0	0	0	0	4	22	7	39	7	39	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	1	6	3	17	6	33	8	44	4
3. I invest large amount to produce/procure the potato.	0	0	2	11	9	50	5	28	2	11	3
4. I always continue trading with the buyer for a longer period of time.	0	0	0	0	4	22	7	39	7	39	4
D.TRUCKER-WHOLESALER											
1. I keep the promises I make with the buyer.	0	0	0	0	1	8	5	42	6	50	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	0	0	2	17	5	42	5	42	4
3. I invest large amount to produce/procure the potato.	0	0	1	8	3	25	0	0	8	67	4
4. I always continue trading with the buyer for a longer period of time.	0	0	0	0	1	8	3	25	8	67	5

Numerical value and descriptive equivalent:

1-Strongly Disagree

2- Moderately Disagree

3-Undecided

4-Moderately Agree

5-Strongly Agree



Table 9a.Continued . . .

STATEMENT		1		2	<u> </u>	3	4	ļ	5	5	AVE.
	N	%	N	%	N	%	N	%	N	%	
E.WHOLESALER											
1. I keep the promises I make with the buyer.	0	0	2	20	1	10	2	20	5	50	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	0	0	4	40	0	0	6	60	4
3. I invest large amount to produce/procure the potato.	0	0	3	30	2	20	2	20	3	30	4
4. I always continue trading with the buyer for a longer period of time.	0	0	0	0	2	20	3	30	5	50	4
F.WHOLESALER-RETAILER											
1. I keep the promises I make with the buyer.	1	3	0	0	3	8	16	43	17	46	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	0	0	4	11	17	46	16	43	4
3. I invest large amount to produce/procure the potato.	0	0	5	14	3	8	15	41	14	38	4
4. I always continue trading with the buyer for a longer period of time.	0	0	2	5	2	5	14	38	19	51	4
G.RETAILER	d		10	40							
1. I keep the promises I make with the buyer.	3	6	3	6	10	19	17	31	21	39	4
2. I make extra effort to meet the buyer's demand requirement.	3	6	3	6	13	24	13	24	22	41	4
3. I invest large amount to produce/procure the potato.	2	4	8	15	18	33	18	33	8	15	3
<ol> <li>I always continue trading with the buyer for a longer period of time.</li> </ol>	1	2	2	4	11	20	21	39	19	35	4

Majority from the farmers were undecided that the relational trust established with the buyer is very satisfactory. And most of the assembler-wholesalers moderately agree that the stakeholders were happy on the business alliances with the buyers. Majority of the respondents from wholesalers undecided that the trading with the buyers is self-fulfilling.



Table 9b showed that the respondents agree that the actors have a longer period of time trading with their buyers, there is a significant difference among the stakeholders on their understanding, that the respondents invest large amount to produce or procure the potato. This statement is the most important criteria to measure commitment between and among the different chain actors in the spot market. The actors also make extra effort to produce or procure the potato.

So that they can able to produce their buyers needed or to produce stock whenever there's a shortage of supplies. It proves that the actors invest large amount to produce or procure the vegetables specifically potato. This statement is the most important criteria to measure commitment between and among the different chain actors in the spot market. It further justify that there is significant difference among the respondents.

Table 9b. Descriptive and test statistics

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I keep the promises I make with the buyer.	4.03	5.127	3	0.163
2. I make extra effort to meet the buyer's demand requirement.	4.05	6.364	3	0.095
3. I invest large amount to produce/procure the potato.	3.64	8.793	3	0.032*
4. I always continue trading with the buyer for a longer period of time.	4.16	5.982	3	0.112

\*Significant mean range: 3.64-3.90-Undecided 4.0-4.26-moderately agree

## <u>Distribution of respondents</u> according Relational Satisfaction

Frazier (1983), defined satisfaction as a positive affective state resulting from an appraisal of all aspects of a firm's working relationship with another. Satisfaction is derived from the result of a comparison between the preferred supplier's performance and the customer's expectations.

Table 10a indicates that majority of the respondents from the wholesaler-retailers were moderately agree that the actors in terms of trading with the preferred buyer is less risky, and more than a half of the respondents among the Wholesaler strongly agree with it. There were (63%) among the assembler-wholesalers who moderately agree whether the stakeholders trading with the buyer is satisfactory because there were sometimes that disappointment occur among the buyers. From the statement three, most of the assembler-wholesalers moderately agrees that the actors were satisfied trading with the buyer for a longer time. But some also of the respondents were indecisive.

Many of the trucker-wholesalers in statement four moderately agree whether the buyer meet the stakeholder's expectations in trading with them. And there were (63%) of the respondents from assembler –wholesalers were moderately agree if the buyer treats them fairly. In statement six, (60%) of the wholesalers were undecided that the actors adequately rewarded trading with the buyer. Among wholesaler-retailers (46%) of them were undecided that the actors always have conflict or misunderstanding with the buyer.

Table 10a. Distribution of respondents according to relational satisfaction

STATEMENT		1		2		3		4		5	AVE.
	N	%	N	%	N	%	N	%	N	%	
A. FARMER											
1. Trading with the preferred buyer is less risky.	5	12	7	16	14	33	11	26	6	14	3
2. My trading relationship with the buyer is satisfactory.	1	2	2	5	17	40	15	35	8	19	4
3. I'm satisfied trading with the buyer for a longer time.	2	5	0	0	17	40	17	40	7	16	4
4. The buyer meets my expectations in trading with them.	0	0	5	12	17	40	15	35	6	14	4
5. The buyer treats me fairly and equitably.	0	0	6	14	22	51	10	23	5	12	3
6. I am adequately rewarded trading with the buyer.	0	0	7	16	15	35	13	30	8	19	4
7. I always have conflict/misunderstanding with the buyer.	7	16	8	19	18	42	6	14	4	9	3
8. The relational trust established with the buyers is very satisfying.	0	0	10	2	24	56	11	26	7	16	4
9. I am happy on the business alliances with the buyers.	0	0	3	7	14	33	20	47	6	14	4
10. Trading with the buyer is self-fulfilling.	1	2	2	5	20	47	13	30	7	16	4
B.ASSEMBLER-WHOLESALER											
1. Trading with the preferred buyer is less risky.	1	5	1	5	4	21	7	37	6	32	4
2. My trading relationship with the buyer is satisfactory.	0	0	0	0	1	5	12	63	6	32	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	0	0	2	11	11	58	6	32	4
4. The buyer meets my expectations in trading with them.	0	0	0	0	4	21	11	58	4	21	4
5. The buyer treats me fairly and equitably.	0	0	1	5	4	21	12	63	2	11	4
6. I am adequately rewarded trading with the buyer.	0	0	0	0	6	32	10	53	3	16	4

Numerical value and descriptive equivalent:

1-Strongly Disagree

2- Moderately Disagree

3-Undecided

4-Moderately Agree

5-Strongly Agree



Table 10a. Continued . . .

STATEMENT		1		2		3	4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
C.FINANCIER-ASSEMBLER-WHOLESALE	ER										
1. Trading with the preferred buyer is less risky.	1	6	3	17	6	33	3	17	5	28	3
2. My trading relationship with the buyer is satisfactory.	0	0	3	17	1	6	7	39	7	39	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	2	11	1	6	8	44	7	39	4
4. The buyer meets my expectations in trading with them.	0	0	0	0	4	22	10	56	4	22	4
5. The buyer treats me fairly and equitably.	0	0	1	6	3	17	9	50	5	28	4
6. I am adequately rewarded trading with the buyer.	101	6	1	6	4	22	10	56	2	11	4
7. I always have conflict/misunderstanding with the buyer.	1	6	2	11	8	44	3	17	4	22	3
8. The relational trust established with the buyers is very satisfying.	0	0	NSION 1	6	10	56	4	22	3	17	4
9. I am happy on the business alliances with the buyers.	1	6	2	11	4	22	8	44	3	17	4
10. Trading with the buyer is self-fulfilling.	0	0	0	0	8	44	6	33	4	22	4
D.TRUCKER-WHOLESALER											
Trading with the preferred buyer is less risky.	1	8	2	17	0	0	5	42	4	33	4
2. My trading relationship with the buyer is satisfactory.	0	0	0	0	2	17	6	50	4	33	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	0	0	2	17	6	50	4	33	4
4. The buyer meets my expectations in trading with them.	0	0	1	8	1	8	8	67	2	17	4
5. The buyer treats me fairly and equitably.	1	8	1	8	4	33	3	25	3	25	4
6. I am adequately rewarded trading with the buyer.	2	17	0	0	3	25	5	42	2	17	3
7. I always have conflict/misunderstanding with the buyer.	1	8	6	50	4	33	1	8	0	0	2
8. The relational trust established with the buyers is very satisfying.	0	0	1	8	6	50	4	33	1	8	3
9. I am happy on the business alliances with the buyers.	0	0	0	0	5	42	6	50	1	8	4
10. Trading with the buyer is self-fulfilling.	0	0	1	8	5	42	6	50	0	0	3



Table 10a. Continued. . .

STATEMENT		1		2	,	3	4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
E.WHOLESALER											
1. Trading with the preferred buyer is less risky.	1	10	2	20	2	20	2	20	3	30	3
2. My trading relationship with the buyer is satisfactory.	0	0	1	10	1	10	5	50	3	30	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	1	10	2	20	4	40	3	30	4
4. The buyer meets my expectations in trading with them.	0	0	0	0	6	60	0	0	4	40	4
5. The buyer treats me fairly and equitably.	1	10	1	10	5	50	2	20	1	10	3
F.WHOLESALER-RETAILER	190	9/									
Trading with the preferred buyer is less risky.	1	3	5	14	10	27	16	43	5	14	4
2. My trading relationship with the buyer is satisfactory.	0	0	ï	3	11	30	13	35	12	32	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	0	0	9	24	16	43	12	32	4
4. The buyer meets my expectations in trading with them.	0	0	3	8	12	32	18	49	4	11	4
5. The buyer treats me fairly and equitably.	0	0	1	3	13	35	20	54	3	8	4
6. I am adequately rewarded trading with the buyer.	0	0	1	3	8	22	23	62	5	14	4
7. I always have conflict/misunderstanding with the buyer.	4	11	5	14	17	46	8	22	3	8	3
8. The relational trust established with the buyers is very satisfying.	0	0	1	3	12	32	16	43	8	22	4
9. I am happy on the business alliances with the buyers.	0	0	1	3	11	30	19	51	6	16	4
10. Trading with the buyer is self-fulfilling.	1	3	2	5	12	32	13	35	9	24	4



Table 10a. Continued. . .

STATEMENT		1		2	<i>.</i>	3	2	4	<u>.</u>	5	AVE.
	N	%	N	%	N	%	N	%	N	%	
G.RETAILER											
1. Trading with the preferred buyer is less risky.	3	6	7	13	14	26	18	33	12	22	4
2. My trading relationship with the buyer is satisfactory.	2	4	6	11	9	17	20	37	17	31	4
3. I'm satisfied trading with the buyer for a longer time.	1	2	3	6	10	19	21	39	18	33	4
4. The buyer meets my expectations in trading with them.	0	0	7	13	16	30	19	35	12	22	4
5. The buyer treats me fairly and equitably.	2	4	3	6	16	30	22	41	11	20	4
6. I am adequately rewarded trading with the buyer.	5	9	2	4	12	22	23	43	12	22	34
7. I always have conflict/misunderstanding with the buyer.	8	15	9	17	19	35	11	20	7	13	3
8. The relational trust established with the buyers is very satisfying.	0	0	5	9	24	44	13	24	12	22	4
9. I am happy on the business alliances with the buyers.	3	6	3	6	16	30	22	41	10	19	4
10. Trading with the buyer is self-fulfilling.	4	7	2	4	16	30	22	41	10	19	4

Majority of the retailers were moderately agree in terms of the trading with the preferred buyer is less risky and also their trading relationship with the buyer is satisfactory. Moreover, the retailers were satisfied trading with their buyer for a longer period of time. However, there are some retailers who were indecisive that they have always conflict or misunderstanding with the buyer, because they can't avoid some situations that can cause conflicts, especially in pricing of the products.

Table 10b showed that the mean statistics implied that the chain actors were undecided in trading relationship with the buyer is satisfactory, and have conflict or misunderstanding with the buyer. In statement one, the respondents moderately agree in trading with the preferred buyer is less risky. The respondents also moderately agree that the actors satisfied trading with the buyer for a longer time, and whether the buyer meets their expectations in trading with them.

Furthermore, the respondents moderately agree that the buyer treats them fairly and equitably. Including the relational trust established with the buyers is very satisfying. The chain actors also happy on the business alliances with the buyers.

Table 10b. Descriptive and test statistics

DESCRIPTIVE STATISTICS	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. Trading with the preferred buyer is less risky.	3.47	5.105	3	0.164
2. My trading relationship with the buyer is satisfactory.	3.89	7.283	3	0.063
3. I'm satisfied trading with the buyer for a longer time.	3.94	9.238	3	0.026*
4. The buyer meets my expectations in trading with them.	3.69	5.137	3	0.162
5. The buyer treats me fairly and equitably.	3.59	9.504	3	0.023*
6. I am adequately rewarded trading with the buyer.	3.64	1.961	3	0.580
7. I always have conflict/misunderstanding with the buyer.	2.91	2.440	3	0.486
8. The relational trust established with the buyers is very satisfying.	3.64	1.936	3	0.586
9. I am happy on the business alliances with the buyers.	3.72	2.096	3	0.553
10. Trading with the buyer is self-fulfilling.	3.62	4.676	3	0.197

\*Significant mean range: 2.91-3.41-undecided 3.42-3.92-moderately agree



It justify that the actors were self-fulfilled with their trading operation among the buyers. There is a significant difference among the respondents that actors are satisfied trading with the buyer for a longer time. In statement five, the actors differ from their understanding that the buyer treats them fairly and equitably.



### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## **Summary**

The study was conducted to determine what are the similarities and differences in the buyer-seller relationships of the different actors in the spot market chain for potato in La Trinidad Benguet and Manila market outlets such as, Balintawak, Q-mart, Novaliches, Kamuning, Libertad, Dapitan and Urdaneta City.

The chain actors differ significantly in terms of trust, with regards to honesty in dealing with the buyers. The result implied that the respondents may or may not be honest thus opportunistic advantage could still be observed.

The actors differ in having the power most likely in having the power in trading negotiation. Moderately among the actors agree in adhering the buyers demand. Moreover, the actors were undecided whether the buyer has the best offer in price. Including that the buyer often controls the market information in terms of demand and price.

Most of the wholesalers moderately agree to depend on the price dictated by the buyers. There is highly significant between the actors to depend much from the market information provided by the buyers. The chain actors usually share production and marketing in terms of volume, quality and price information to buyers.

The actors differ significantly in terms of communication in influencing the other actors, specifically in directly dictating the price. Moreover, the actors differ from their perception that the respondents always share information about the production and procurement/marketing.



The different stakeholders work cooperatively with the other actors in pricing and quality determination of potato. It implies that this statement is the most important to measure cooperation. Between and among the different chain actors in the spot market.

It proves that the actors invest large amount to produce or procure the vegetables specifically potato. This statement is the most important criteria to measure commitment It further justify that there is significant difference among the respondents based from their understanding.

There is a significant difference among the respondents that actors are satisfied trading with the buyer for a longer time. And they also differ from their understanding that the buyer treats them fairly and equitably.

#### **Conclusions**

Based on the findings of the study the following conclusions were made:

- 1. As to trust, majority of the respondents, have much confidence to rely on the buyers promises especially in terms of their volume of orders of the potato procured, the payments if the stakeholders pay it on a given time and the right amount of pricing.
  - 2. The chain actors differ as to power in trading negotiation.
- 3. The respondents were mostly dependent on the quality and classification of potato to be disposed. And majority of the stakeholders were dependent much from the regular buyers of the potato sold.
- 4. The respondents work cooperatively with their buyer especially in potato, because through this they can build a good alliance and have a good partnership among them. And most of them agree that the stakeholders usually buy good quality of potato from their suppliers so that they can achieve what their buyers specifically needed.

5. The chain actors have differ significantly in terms of their commitment established between the actors and the buyers in dealing with their business relationship. The stakeholders were flexible to choose buyers at any time, and have the power in trading negotiation.

6. As to relational satisfaction, the respondents differ significantly in terms of trading with the buyers for a longer period time and buyers treat sellers fair equitably.

#### Recommendations

The chain actors should set standards in terms of packaging the product, so that there would be a continuity of business transactions, and through this, it can able to establish and improve the relationship between and among the actors in the spot market.

The potato traders also give more value on their performance according to relational satisfaction in able for them to meet the desired needed of the buyer and to meet their consumer's expectations.

The different chain actors should have commonality of communication. For them to share formal or informal information to buyers and it also assist in resolving conflicts or misunderstanding and aligning relationships and expectations.

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APPENDIX A

Letter to the Respondents

Benguet State University
COLLEGE OF AGRICULTURE

La Trinidad, Benguet

November, 2010

Sir/Madam,

Warm greetings!

I am a graduating student of Benguet State University taking up Bachelor of

Science in Agribusiness major in Enterprise Management. As part of the course

requirement, I am presently conducting an undergraduate research study entitled

"RELATIONSHIP OF ACTORS IN THE SPOT MARKET CHAINS FOR POTATO"

In connection with this, may I ask you to fill up or answer the questionnaire made

for this purpose? Rest assured that all the information you will provide will be treated with

outmost confidentiality. Your favorable approval is highly appreciated.

Sincerely yours,

JEANNET S. LUMACHAY

Researcher

Noted by:

LEOPOLDO N. TAGARINO

Adviser

# APPENDIX B

#### Interview Schedule

This research aims to investigate the cabbage supply networks. All information solicited will be treated with confidentiality. Please answer the questions honestly by putting X mark in the appropriate space provided for. Thank you very much!

Respondent's Name:		No
Respondent's Group:		
1. Production Group:	[] Farmers	
2. Assembly (Collection) Group	: [ ] Assembler-Wholesale	r [ ] Financier-Assembler- Wholesaler
3. Distribution Group :	[] Trucker-Wholesaler	[] Wholesaler [] Wholesaler-Retailer
4. Retailing Group:	[] Retailers	
A. RESPONDENTS PROFIL  1. Age:  2. Gender: Male		
3. Marital status: [] Single	[] Married [] Se	parated [] Widowed
4. Religion: [] Catholic	[] Protestant [] ot	hers, specify
5. Educational background: []]	Elementary [] High School	ol [] College [] Vocational
6. Number of years engages in v	egetable farming business:	<u>/~j</u> /
[]Potato []Cabbage []Ch	inese Cabbage [] Carrots	and sell in the market?Please check the boxes  [] Broccoli [] Lettuce [] Bell Pepper  [] SnapBeans [] Garden Peas
C.SUPPLY NETWORK RELA	ΓΙΟΝSHIP	
Assess the nature of satisfaction	with the buyers of your ve	getables.
C.1 Trust:Trust can be understoo Assess the nature of relational tr		f or confidence in the goodwill of other partners. vegetables.  1 2 3 4 5
I have much confidence to rel     I am always honest dealing w	• • •	Strongly Disagree Strongly Agree Strongly Disagree Strongly Agree

3. I should not hesitate to make important decisions based on buy	
	Strongly Disagree CCC Strongly Agree
4. I always believe on the information shared by the buyer.	Strongly Disagree Strongly Agree
5. The buyer is fair in negotiating with me.	Strongly Disagree Strongly Agree
6. The buyer I trade with has a good reputation.	Strongly Disagree Strongly Agree
7. The buyer and I always consider the best interest.	Strongly Disagree Strongly Agree
C.2 Power:Power is defined as the ability to influence a	
asymmetrical investment in relationship-assets can lead to the exc	ercise of coercive power. Assess the nature
of relational power with the buyers of your vegetables.	
4.7 (0.21)	12345
1. I am flexible to choose buyers at any time.	Strongly Disagree Strongly Agree
2. I always adhere to the buyer's demand.	Strongly Disagree Strongly Agree
3. I have all the power in the trading negotiation	Strongly Disagree
4. Buyer has the best offer relative to alternatives.	Strongly Disagree
5. Buyer often controls the market information.	Strongly Disagree
6. Buyer often acts opportunistically.	Strongly Disagree $\square\square\square\square\square$ Strongly Agree
C.3 Dependence: Dependence is increased when the outcome in the outcome in the outcome is increased.	_
comparatively better than the outcomes available from alternatively	native relationship. Assess the nature of
relational dependence with the buyers of your vegetables.	10245
	12345
1. I am flexible to choose buyers at any time.	Strongly Disagree Strongly Agree
<ul><li>2. I always adhere to the buyer's demand.</li><li>3. I have all the power in the trading negotiation.</li></ul>	Strongly Disagree Strongly Agree Strongly Disagree Strongly Disagree
4. Buyer has the best offer relative to alternatives.	Strongly Disagree Strongly Agree
5. Buyer often controls the market information.	Strongly Disagree Strongly Agree
6. Buyer often acts opportunistically.	Strongly Disagree Strongly Agree
o. Bayer often acts opportunisaciany.	Strongly Disagree
C.3 Communication: Communication is "the formal as well as i	nformal sharing of meaningful and timely
information between firms". Assess the nature of communication	
1. I can directly dictate price	Strongly Disagree Strongly Agree
2. I usually share information	Strongly Disagree CCC Strongly Agree
3. As buyer, I use other people to communicate with the farmers	Strongly Disagree Strongly Agree
C.4 Cooperation: Cooperation refers to situations in which firm	ns work together to achieve mutual goals
Assess the level of cooperation between you and the buyer of you	
Assess the level of cooperation between you and the buyer of you	ii vegetables
1. I work cooperatively with the buyer to effectively improve my	operation 1 2 3 4 5
	Strongly Disagree CCC Strongly Agree
2. I usually share information's to my suppliers, buyers	Strongly Disagree CCC Strongly Agree
3. I build up relationships (alliances/partnership) with my colleag	ues'
	Strongly Disagree Strongly Agree
4. I always share information about production/marketing targets	to the buyer
	Strongly Disagree CONStrongly Agree



5 .I share the production or marketing decisions I made with the b	uyer
·	Strongly Disagree Strongly Agree
C.5 Commitment: commitment as "an exchange partner believing is so important as to warrant maximum efforts at maintaining it. you and the buyer of your vegetables	
	1 2 3 4 5
1. I keep the promises I make with the buyer.	Strongly Disagree Strongly Agree
3. I make signifiant investment to produce/procure cabbage.	Strongly Disagree Strongly Agree StronglyDisagree Strongly Agree
4. I work cooperatively with the buyer to effectively improve my	
	Strongly Disagree Strongly Agree
5. I expect to continue trading with the buyer for a long time.	StronglyDisagree CCC Strongly Agree
6. I invest large amount of capital in my business operation.	Strongly Disagree Strongly Agree
C.6 Relationship satisfaction: Satisfaction is derived from the result which the relational dimensions of the partnership meet expectation	
	1 2 3 4 5
1. Trading with the preferred buyer is less risky.	StronglyDisagree Strongly Agree
2. My trading relationship with the buyer is satisfactory.	$Strongly Disagree \\ \square \\ \square \\ \square \\ Strongly \ Agree$
3. I am satisfied to continue to trading with the buyer for a longer	time.
	Strongly Disagree CCC Strongly Agree
4. The buyer meets my expectations in trading with them.	Strongly Disagree CCC Strongly Agree
5. The buyer treats me fairly and equitably.	Strongly Disagree CCC Strongly Agree
6. I am adequately receiving better income trading with the buyer.	Strongly Disagree Strongly Agree
7. I have much conflict with the buyer.	Strongly Disagree Strongly Agree
8. The relational trust established with the buyers is very satisfying	g.
	Strongly Disagree CCC Strongly Agree
9. I am happy on the business alliances with the buyers.	Strongly Disagree CCC Strongly Agree
10. Trading with the buyers is self fulfilling	Strongly Disagréé Control Strongly Agree