

## **BIBLIOGRAPHY**

BONIL, GINA C. APRIL 2011. Relationship of Actors in the Spot Market Chains for Cabbage. Benguet State University, La Trinidad, Benguet.

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## **ABSTRACT**

The study aimed to find out the similarities and differences among chain actors in the spot market for cabbage.

The study was done through personal interview with validated questionnaire used in the collection of the data and information. A total number of 193 respondents were interviewed. The study was conducted following the geographic flow of vegetables (cabbage). From the data gathered, the respondent's ages ranging from 20-40 years starts already playing the role as actors in the spot market chain. Majority of the production groups are male while female are in retailing groups. Mostly the respondents are married, Roman Catholic, literate, engaging one year up to five years in vegetable trading business and none affiliated in such organization.

The different chain actors differed significantly as to honesty in dealing to buyers greatly affects relational trust and satisfaction. Similarly, the same results were observed from power, dependence, communication and commitment in relation to pricing of vegetable (cabbage). On the other hand, the chain actors have no significant difference in cooperation given the criteria. Based from the recommendation, mutual trust and dependence should be established between chain actors as well as commitment in order to build-up satisfactory relationship and to achieve common goals.

## INTRODUCTION

### Rationale

The highland vegetables from the Cordillera Administrative Region 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 vegetables.

In Benguet, farmers sold their vegetable to commission agents, financier-wholesaler, (input supplier), assembler-wholesaler. The commission agents were based at La Trinidad Vegetable Trading Post/Baguio Hanger Market. They work as assembler-wholesaler, intercepts vegetable deliveries with the promise of a high price so they could gather sufficient volume for delivery to the wholesaler. According to research, 256 tons of cabbage, carrots and potatoes were sold by the respondents in 1999 (Piadozo, 1999). Financer-wholesalers provide individual farmers with interest free cash advances/production inputs with the assurance that the entire harvest will be sold to them.

Vegetable trading is a complex process. These involved the participation of so many people who perform various services before it can reach the ultimate consumers. The farmers' role is to produce products like vegetables and bring them to the market with expectation of a good price. Traders take the goods as they buy the products and resell the same to other traders for a profit. They buy and sell transaction of middlemen involve cost and set mark-up price for the products. In addition, the performance of marketing services also affects the product like decrease in weight in which is considered as loss, packaging to containers and even the transportation. Marketing does not involve the buying price but also includes other items like labor, packaging, materials,



transportation and others. The cost should mean added value to the product as it transform one buyer to another (Daplian, 2001).

The fresh vegetable sector supply chain transactions involve the interactions between the buyer and the seller and that there exist relational relationships among them. Woods (1999) stated that supply chain management provides the framework to analyze the supply chain relationships. This support Lazzarini *et al* (2001) statement that supply chains as networks addresses all the questions related to inter-organizational relationships. Within this premise, this study analyzes the relationships between the buyer and seller with particular focus on relational satisfaction, trust and power-dependence.

### Statement of the Problem

1. What are the similarities and differences in the chain relationships of the actors in the spot market for cabbage?

### Objectives of the study

1. To determine the similarities and differences in the chain relationships among the actors in the spot market for cabbage:

- 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 there is excess in supply, stocks are build-up in the supply chain (Waters, 2003).

### Scope and Delimitation of the Study

The study focuses on the buying-selling of cabbage in the spot market. There were 193 intermediaries involve in marketing of the different selected vegetables such as 46 producers, 34 assemblers or collectors, 58 distributors and 55 retailers.



## **REVIEW OF LITERATURE**

### Supply Chain Management

In recent years, researchers recognized the relevance of supply chain management for the agri-food sector (Fearne, 1998, Hobs and Young, 2000, Van der Vorst, 2000) due to the perishability 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.

People use different names for chains of activities and organization. When they emphasize the operations, they refer to process; when they emphasized marketing, they call it logistic channel; when they look at the value added, they call it value chain; when they say how customer demands are satisfied and they call it demand chain. And when emphasizing the movement and will use the general term of supply chain. A supply chain consists of series of activities and organization that materials move through on their journey from the initial supplier to final customer. 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 efficiently, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from the point-of-origin to the 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 a 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 Fearn, 2000). Hongze Ma (2005) pointed out that the supply chain is a network of organizations from suppliers with the purpose to improve the flow of material and information. Dranbenstott (1999), discusses the increasing move towards the development of supply chains and describes supply chain structures where all stages of production, processing and distribution are bond together tightly to ensure reliable and efficient delivery of high quality products.

### Supply Chain and Networks

One of the key factors in the development of successful supply chains' (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 only based on economic motivation. Actors are believed to act as a basis of their functional role in the network; while goal orientation, interest, rules and power 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 a process that takes place over time 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 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. Partner's shares and forecasts the 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 emerge for key contracts of satisfaction and trust (Anderson and Narus, 1990; Anderson and Wietz, 1992; Morgan and Hunt, 1994).

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





with the agricultural industries. Each buyer and supplier attempts to get 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 (1987) 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

Trust can be understood as a faith, reliance, belief or confidence in the goodwill of other partners, e.i., that no partner to an exchange will behave opportunistic or exploit the vulnerabilities of others (Ring and Van de Ven, 1994). Trust has been defined as “the firm’s belief that another company will perform actions that will result in positive actions for the firms, as well as not to take unexpected actions that would result negative outcomes for the firm (Anderson and Narus, 1990). The capability to establish trust between the partners in a collaborative supply chain becomes a crucial competitive parameter (Schary and Skjott-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 perceive 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 mechanism is not necessary and resources can be devoted to pursue opportunity maximizing behavior beyond the originally intended exchange. Lack of trust increases transactions cost (O Keefee, 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, 1988).

Go and Appelman (1999), suggest that where trust exist there is lower uncertainty speeding up decision making conversing resources that can be put to other uses, like sharing information or learning.

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 Rosengrant, 1995; Fafchamps, 1996; Humphrey and Schmitz, 1998).

### Power

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

### Dependence

Dependence is 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 independent 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 relationships 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 comes greater vulnerability, for the more powerful exchange partner maybe 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). Frequently and timely communication is important because it assist in resolving conflicts and aligning perceptions (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

Cooperation refers to situations in which firms work together to achieve mutual goals (Anderson and Narus, 1990). Cooperation in exchanging information on production schedules, new products/processes and value analysis can both reduce product costs and improve product/processes innovations (Landeros and Monczka, 1989). A major impediment to chain information can be the lack of willingness various actors to cooperate 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 the 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 successful supply chain partnerships between partners in the supply chain.

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

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 effective state resulting from an appraisal of all aspects of a firms working relationship with another. Satisfaction is derived from the result of a satisfaction means the extent to which the relational dimensions of the partnership meet expectations.

### Definition of Terms

Market – the place where the farmers and the traders transact vegetables.

Marketing – is a series of services involve in the moving of product from the point of production to the point of consumption.

Chain actors – these were the middlemen or traders along the supply chain of vegetables.

Spot market – this is a wet market, a place where the products are being delivered and sold.

Production group – the producers or the farmers



Assembly group – the assemblers/collectors

Distribution group – the trucker-wholesaler, wholesaler and wholesaler-retailer

Retailing group – the retailers

### Conceptual Framework

In this framework (Figure1), 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.

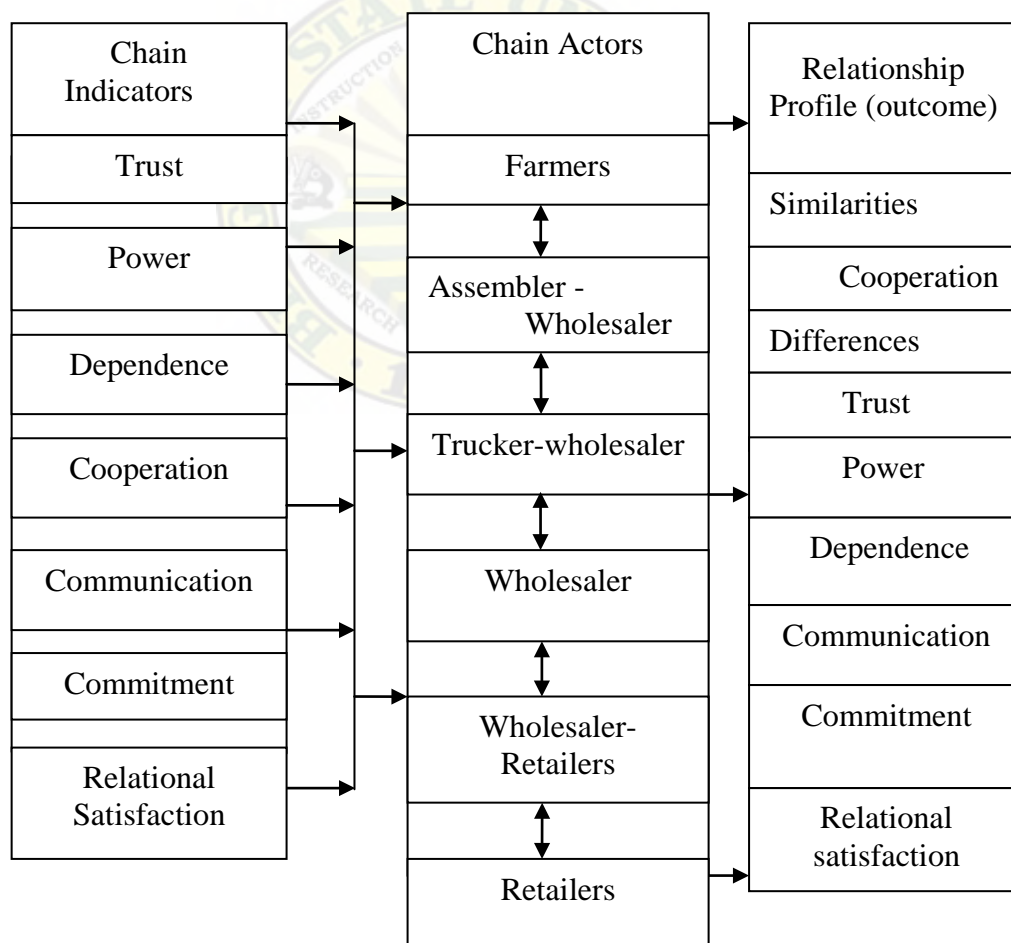


Figure 1. Conceptual framework



## **METHODOLOGY**

### Locale and Time of the Study

The research locations follow the flow of fresh semi-temperate vegetables from the major source (production) to the major market assemble, collection, and the distribution markets. However, the research average 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 (commonly called “bagsakan”) in Metro Manila such as Balintawak, Nepa Q, Libertad, Novaliches, Kamuning, Dapitan. While the tertiary markets include the retailers within these trading centers and other retail market outlets. The study was conducted from November 2010-January 2011.

### Respondents of the Study

The respondents represent the major actors in the fresh vegetables supply chain. There were 193 intermediaries involve in marketing of cabbage such as 46 producers, 34 assemblers or collectors, 58 distributors and 55 retailers.

The production group is composed of Cordillera farmers producing semi-temperate vegetables. The next groups of despondent 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 privately owned and managed trading facility. The third groups are the distributors consist of the trucker-wholesalers, wholesalers and wholesaler-retailers. The trucker-wholesaler respondents are those responsible in the transportation of vegetables



to various geographic market outlets. The wholesalers and wholesaler-retailers, on the other hand, are traders in the spot market to whom the trucker –wholesalers supply the vegetables. The last groups are the retailers representing the last link in the marketing process. The retailers sell the vegetables to ultimate users or consumers.

### Data Collection

The data gathered done 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, cooperation and commitment.

### Data Analysis

The data collected were tabulated in the Excel program and analyzed using SPSS version 16 for the descriptive analysis, frequency count and percentage was used while in the statistical analysis, Kruskal-Wallis was used.





## RESULTS AND DISCUSSION

### Demographic Profile of the Respondents'

Demographic profile of the respondents is on Table 1 represents the different classification of the respondents as to their age, gender, marital status, religion and their educational background.

Age. This indicates that mostly the respondent's starts at young age ranging from 20-40 years of age they work as farmers (39%), assembler-wholesalers (32%), distributors and retailers. However, financier-assembler-wholesalers (47%) and trucker-wholesalers (33%) are at the age of 31-40 years of age.

Gender. Majority of the male respondents work as farmers (91%), financier-assembler-wholesaler and trucker-wholesaler with 67% while female respondents mostly retailers (84%), wholesaler-retailers (67%), and wholesalers (60%) but there were also female farmers (9%). Hence, ability varies among men and women.

Marital status and religion. Mostly respondents were married excluding on the distribution part wherein 60% of wholesalers were single while 4% of retailers were separated and 2% widow. Engaging in vegetable business doesn't matter whether you are single or married. Majority of the respondents were Roman Catholic, while some of them belong to other dominated religion.

Educational background. The respondents mostly graduated secondary level wherein 43% of farmers, wholesaler-retailers (44%) and retailers (56%) while 50% of the trucker-wholesalers and wholesalers took college level, 47% of F-A-W and A-W. Fewer of them took vocational courses on wholesaling and retailing part. Thus, it entails that majority of the market intermediaries in the spot market are literate.



Table1. Demographic profile of the respondents'

CHARACTERISTICS	PRODUCTION		ASSEMBLY				DISTRIBUTION				RETAILING			
	F		A-W		F-A-W		T-W		W		W-R		R	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
<b>Age</b>														
20 and below	5	11	2	11	0	0	0	0	4	40	3	8	2	4
21-30	18	39	6	32	1	7	5	42	3	30	12	33	12	22
31-40	10	22	6	32	7	47	4	33	1	10	14	39	10	18
41-50	9	20	4	21	4	27	2	17	1	10	3	8	21	38
51-60	3	7	1	5	3	20	1	8	1	10	3	8	8	15
61 and above	1	2	0	0	0	0	0	0	0	0	1	3	2	4
<b>TOTAL</b>	<b>46</b>	<b>100</b>	<b>19</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>36</b>	<b>100</b>	<b>55</b>	<b>100</b>
<b>Gender</b>														
Male	42	91	13	68	5	33	8	67	4	40	12	33	9	16
Female	4	9	6	32	10	67	4	33	6	60	24	67	46	84
<b>TOTAL</b>	<b>46</b>	<b>100</b>	<b>19</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>36</b>	<b>100</b>	<b>55</b>	<b>100</b>
<b>Marital Status</b>														
Single	16	35	2	11	1	7	5	42	6	60	15	42	9	16
Married	30	65	17	89	13	87	7	58	4	40	20	56	43	78
Separated	0	0	0	0	1	7	0	0	0	0	0	0	2	4
Widow	0	0	0	0	0	0	0	0	0	0	1	3	1	2
<b>TOTAL</b>	<b>46</b>	<b>100</b>	<b>19</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>36</b>	<b>100</b>	<b>55</b>	<b>100</b>
<b>Religion</b>														
Catholic	33	72	14	74	11	73	12	100	9	90	23	64	45	82
Protestant	8	17	3	16	3	20	0	0	1	10	9	25	6	11
Others	5	11	2	11	1	7	0	0	0	0	4	11	4	7
<b>TOTAL</b>	<b>46</b>	<b>100</b>	<b>19</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>36</b>	<b>100</b>	<b>55</b>	<b>100</b>
<b>Educational Background</b>														
Elementary	13	28	1	5	2	13	2	17	1	10	4	11	10	18
High School	20	43	9	47	6	40	4	33	4	40	16	44	31	56
College	13	28	9	47	7	47	6	50	5	50	14	39	12	22
Vocational	0	0	0	0	0	0	0	0	0	0	2	6	2	4
<b>TOTAL</b>	<b>46</b>	<b>100</b>	<b>19</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>36</b>	<b>100</b>	<b>55</b>	<b>100</b>

Legend: F = farmer

A-W = assembler-wholesaler; F-A-W = financier-assembler-wholesaler

T-W = trucker-wholesaler; W-R = wholesaler-retailer; W =wholesaler

R = (retailer)



### Number of Years Engaged in vegetable business

In the production, assembly, distribution and retailing group in Table 2 implies that mostly respondents covers 1-5 years engaged in vegetable business but there were some of the A-W (5%) and retailers (4%) takes one year and below. It is observed that in the production wherein there still farming and retailing takes a long time.

### Organizational Affiliation

Represented in Table 3 are the different organizational affiliations of each respondent. This indicates whether they belong to as farmers' association, cooperative, other organization or none at all. The respondents mostly have no organization fewer of them like farmers (2%) and wholesalers (20%) affiliated with the farmers association while some them were in the cooperative organization like F-A-W (27%) and 25% from the trucker-wholesalers.

Table 2. Number of years engaged in vegetable business

NO. OF YEARS	PRODUCTION		ASSEMBLY				DISTRIBUTION				RETAILING			
	F		A-W		F-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	1	10	0	0	2	4
1-5	17	37	9	47	4	27	4	33	6	60	32	89	17	31
6-10	6	13	5	26	2	13	3	25	3	30	4	11	9	16
11-15	6	13	3	16	7	47	4	33	0	0	0	0	5	9
16-20	9	20	0	0	0	0	0	0	0	0	0	0	11	20
21-25	2	4	1	5	2	13	1	8	0	0	0	0	2	4
26-30	2	4	0	0	0	0	0	0	0	0	0	0	8	15
31 and above	4	9	0	0	0	0	0	0	0	0	0	0	1	2
TOTAL	46	100	19	100	15	100	12	100	10	100	36	100	55	100



Table 3. Organizational affiliation

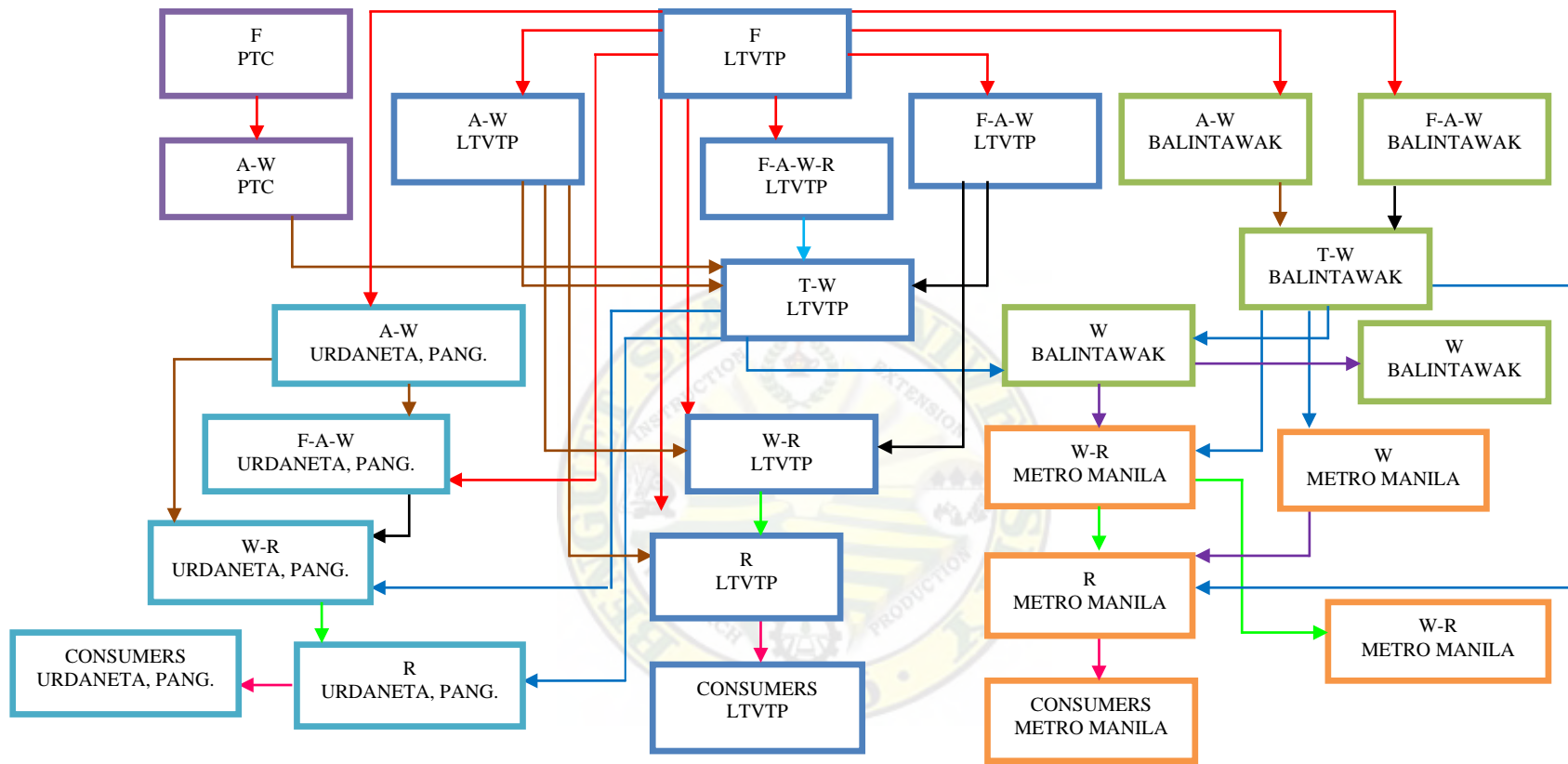
ORGANIZATIONS	PRODUCTION		ASSEMBLY				DISTRIBUTION				RETAILING			
	F		A-W		F-A-W		T-W		W		W-R		R	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Farmer's Association	1	2	0	0	0	0	0	0	2	20	0	0	0	0
Cooperatives	1	2	2	11	4	27	3	25	1	10	8	22	2	4
Others	3	7	3	16	3	20	4	33	0	0	3	8	5	9
None	41	89	14	74	8	53	5	42	7	70	25	69	48	87
TOTAL	46	100	19	100	15	100	12	100	10	100	36	100	55	100

### Spot Market Chain and location for Cabbage

In the Figure 2 shows the different chain actors playing in the cabbage spot market. It shows whom the different market intermediaries' trade within the procurement and selling of cabbage. This shows the flow of cabbage in the spot market from its point of production to the final consumer.

It indicates that farmers have access to the different buyers in the spot market. Farmers sell their cabbage to assembler-wholesalers and the least of them sell to wholesalers and wholesaler-retailers. Only few of the farmers have direct access to other buyers other than that of the assembler-wholesalers. Of the total respondents of assembler-wholesaler, most of them sell their product to the wholesaler-retailers and trucker-wholesalers. It therefore indicates that most buyers of the assembler-wholesalers are from wholesaler-retailers and trucker-wholesalers. Financier-assembler-wholesalers sell their cabbage to wholesaler-retailers and goes to the trucker-wholesalers. The rest of the financier-assembler-wholesalers sell to assembler-wholesalers and wholesaler-retailers. While wholesaler-retailers sell their cabbage to retailers.





LEGEND:

- F (Farmer)
- F-A-W-R (Financier-Assembler-Wholesaler-Retailer)
- W (Wholesaler)
- LTVTP (La Trinidad Vegetable Trading Post)
- PTC (Private Trading Center)
- Urdaneta, Pangasinan
- A-W (Assembler-Wholesaler)
- W-R (Wholesaler-Retailer)
- Balintawak
- F-A-W (Financier- Assembler-Wholesaler)
- T-W (Trucker-Wholesaler)
- R (Retailer)
- Metro Manila

Figure 2. Spot market chain and location for cabbage

Moreover, wholesaler-retailers sell cabbage to trucker-wholesalers and sell to others which could be restaurants or the final consumers. The respondents on retailing group are the most who serves as front-line of the different market intermediaries to the final consumer.

Almost all farmers interviewed were from the La Trinidad Vegetable Trading Post at La Trinidad, Benguet. The rest of them were from the different private trading center in La Trinidad and from Balintawak Market in Metro Manila.

On the assembler-wholesalers, most of them were from Balintawak market in Metro Manila, La Trinidad Vegetable Trading Post at La Trinidad, Benguet and Nepa-Q public market in Quezon City. The rest of them were from the private trading centers in La Trinidad, Benguet and other market place in Urdaneta, Pangasinan.

Financier-assembler-wholesalers (F-A-W) from La Trinidad Vegetable Trading Post at La Trinidad, Benguet and Nepa-Q public market in Quezon City. The rest of them were from Balintawak market in Metro Manila and other market like in Urdaneta, Pangasinan.

Most of the trucker-wholesalers (T-W) were interviewed at Balintawak Market in Metro Manila and in Urdaneta, Pangasinan. We have also encountered T-W's in Nepa-Q market in Quezon City and the rest of them were from La Trinidad Vegetable Trading Post.

All the respondents from the wholesaling group were interviewed at Balintawak market in Metro Manila. The respondents from wholesaler-retailers were interviewed at the different market places in Metro manila and in La Trinidad.



Wholesaler-retailers were interviewed at Nepa-Q market in Quezon City and other market like in Urdaneta, Pangasinan and Balintawak market in Metro Manila. The rest of them were from the different market places such as in Kamuning market, Dapitan Market and Libertad Market in Pasay City.

The retailers were interviewed from the different market places. They were the one selling cabbage in small quantities. Large numbers of the retailers were taken from Balintawak market and Nepa-Q in Metro Manila. The rest of them were from La Trinidad Vegetable Trading Post at La Trinidad, Suzzano market in Novaliches, Dapitan, Kamuning, and Libertad in Pasay City.

#### Relationship of Chain Actors According to Trust

Trust as the firm's belief that another company will perform actions that will result in positive actions for the firms, as well as not to take unexpected actions that would result negative outcomes for the firm as stated by Anderson and Narus, 1990.

Table 4a showed the different indicators to determine trust between and among actors in the spot market, as to the degree or level of confidence with respect to buyer's promises.

Majority of assembler-wholesalers (41%), financier-assembler-wholesalers (27%), trucker-wholesalers (25%) and retailers (40%) moderately agree that they have much confidence to rely from buyers promises in terms of orders, pricing of cabbage while famers (41%) and wholesaler-retailers are indecisive. It is observed that almost all of the chain actors strongly agree as to dealing honestly with other actors in the spot market.





Table 4a. Relationship of chain actors according to trust

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>A. FARMER</b>											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing)	2	4	9	20	19	41	10	22	6	13	3
2. I am always honest dealing with the buyers of cabbage.	1	2	4	9	7	15	17	37	17	37	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	1	2	7	15	14	30	15	33	9	20	4
4. I always believe on the information shared by the buyer.	0	0	8	17	24	52	9	20	5	11	3
5. The buyer is fair in negotiating with me.	0	0	6	13	22	48	14	30	4	9	3
6. The buyer I deal with has a good reputation.	0	0	4	9	16	35	17	37	9	20	4
7. The buyer and I always consider the best interest in our business.	0	0	2	4	13	28	20	43	11	24	4
<b>B. ASSEMBLER-WHOLESALE</b>											
1. 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 cabbage.	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
5. The buyer is fair in negotiating with me.	0	0	1	5	8	42	6	32	4	21	4
6. The buyer I deal with has a good reputation.	0	0	0	0	4	21	10	53	5	26	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 and descriptive value: 1-strongly disagree    2-disagree    3-undecided    4 -moderately agree 5-strongly agree											



Table 4a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>C. FINANCIER-ASSEMBLER-WHOLESALE</b>											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing)	1	7	4	27	4	27	4	27	2	13	3
2. I am always honest dealing with the buyers of cabbage.	0	0	3	20	0	0	4	27	8	53	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	0	0	3	20	7	47	4	27	1	7	3
4. I always believe on the information shared by the buyer.	0	0	1	7	7	47	5	33	2	13	4
5. The buyer is fair in negotiating with me.	0	0	2	13	6	40	5	33	2	13	3
6. The buyer I deal with has a good reputation.	0	0	1	7	2	13	8	53	4	27	4
7. The buyer and I always consider the best interest in our business.	0	0	2	12	2	12	9	53	4	24	4
<b>D. TRUCKER-WHOLESALE</b>											
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 cabbage.	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



Table 4a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>E. WHOLESALER</b>											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing)	2	20	1	10	3	30	2	20	2	20	3
2. I am always honest dealing with the buyers of cabbage.	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
4. I always believe on the information shared by the buyer.	0	0	3	30	5	50	0	0	2	20	3
5. The buyer is fair in negotiating with me.	0	0	1	10	7	70	0	0	2	20	3
6. The buyer I deal with has a good reputation.	0	0	0	0	4	40	3	30	3	30	4
7. The buyer and I always consider the best interest in our business.	0	0	0	0	4	40	3	30	3	30	4
<b>F. WHOLESALER-RETAILER</b>											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing)	1	3	3	8	12	33	11	31	9	25	4
2. I am always honest dealing with the buyers of cabbage.	1	3	0	0	4	11	11	31	20	56	4
3. I should not hesitate to make important decisions based on buyer's suggestions.	2	6	3	8	13	36	10	28	8	22	4
4. I always believe on the information shared by the buyer.	3	8	6	17	15	42	8	22	4	11	3
5. The buyer is fair in negotiating with me.	0	0	3	8	13	36	13	36	7	19	4
6. The buyer I deal with has a good reputation.	1	3	1	3	13	36	15	42	6	17	4
7. The buyer and I always consider the best interest in our business.	0	0	2	6	5	14	19	53	10	28	4



Table 4a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>G. RETAILER</b>											
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing)	1	2	11	20	11	20	22	40	10	18	4
2. I am always honest dealing with the buyers of cabbage.	0	0	2	4	4	7	11	20	38	69	5
3. I should not hesitate to make important decisions based on buyer's suggestions.	1	2	8	15	15	27	13	24	18	33	4
4. I always believe on the information shared by the buyer.	6	11	11	20	14	25	17	31	7	13	3
5. The buyer is fair in negotiating with me.	0	0	5	9	22	40	14	25	14	25	4
6. The buyer I deal with has a good reputation.	6	11	4	7	21	38	10	18	14	25	3
7. The buyer and I always consider the best interest in our business.	5	9	2	4	12	22	22	40	14	25	4

Majority of the financier-wholesalers (27%) and retailers (33%) strongly agree in making decisions without hesitation as suggested by buyers in terms of quality that is mostly procured in the market. It is indicated that almost all of the chain actors are indecisive in believing on the information shared by buyers in terms of price changes and payments of procured cabbage.

Moreover, as to the level of fair trading negotiation by buyers, majority of the famers (48%), assembler-wholesalers (42%), wholesalers (70%) and financier-assembler-wholesalers (47%) are indecisive since that opportunistic buyer cannot be avoided in trading negotiation. In dealing to buyers/sellers with good reputation implies increase of regular buyers or suki proves that wholesaler-retailers (42%) and assembler-wholesalers



(53%) moderately agree while some of the chain actors are also indecisive. As to considering the best interest in trading operation revealed that almost all of the chain actors are considerable for the good results in venturing vegetable trading business

Based on the average, the chain actors were indecisive in the following criteria of having confidence in relying on buyers had promise, making decisions regarding by buyers suggested, believing on the information shared by other actors in the spot market chain; have good reputation and fair negotiation in dealing with the buyer. However, the respondents deal with the buyer honestly and consider the vegetable business for best outcome. Moreover, there is significant different among chain actors in dealing with the other actors, since that being honest is important criteria in measuring trust.

Table 4b. Descriptive analysis and test statistics

STATEMENT	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I have much confidence to rely on the buyer's promises (orders, payments, pricing)	3.42	3.416	3	0.332
2. I am always honest dealing with the buyers of cabbage.	4.31	10.767	3	0.013*
3. I should not hesitate to make important decisions based on buyer's suggestions.	3.59	1.612	3	0.657
4. I always believe on the information shared by the buyer.	3.21	0.202	3	0.977
5. The buyer is fair in negotiating with me.	3.57	3.27	3	0.352
6. The buyer I deal with has a good reputation.	3.63	2.688	3	0.442
7. The buyer and I always consider the best interest in our business.	3.9	2.984	3	0.394
significant*	Mean range: 3.21-3.76= undecided; 3.77-4.32= moderately agree			



Relationship of Chain Actors  
According to Power

Power is the ability to influence a relationship partner and dependence or asymmetrical investment in relationship-assets can lead to the exercise of coercive power by Matanda and Schroder, 2004.

In Table 5a, as to the level of being flexible in choosing buyers majority of the farmers (24%), assembler-wholesalers (26%), trucker-wholesalers (33%), wholesaler-retailers (31%) and retailers (40%) strongly disagree in choosing buyers any time. While some of them can choose their buyers like wholesalers who offers good price but mainly to their preferred buyers (disposers) in producing and procuring cabbage. Retailers serve as the front line to the individual consumers.

In adhering buyers demand, wholesalers (50%) strongly agree since that they can procure cabbage by order/volume in order to fulfill buyers demand. However chain actors such farmers (48%), financier-assembler-wholesalers (33%) and trucker-wholesalers (25%) were indecisive for the reason that there are instances that shortage of supply of cabbage in the market exists.

There are farmers (43%) disagree in having all relational power in the vegetables trading negotiation but in contrast majority of the chain actors are indecisive of having power in all trading negotiations for the reason that this chain actors try to dominate each other in order to fulfill their self interest. As to buyers having the best offer in terms of price, almost all of the chain actors are indecisive since that offering good price varies from the quality of cabbage being produced in the market. Farmers (26%), trucker-wholesalers (25%) and wholesalers (50%) disagree since they have no power to control market information such as price, demand and supply needed.



Table 5a. Relationship of chain actors according to power

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>A. FARMER</b>											
1. I am flexible to choose buyers at any time.	9	20	11	24	8	17	10	22	8	17	3
2. I always adhere to the buyer's demand.	0	0	8	17	22	48	13	28	3	7	3
3. I have all the power in the trading negotiation.	7	15	20	43	15	33	3	7	1	2	2
4. Buyer has the best offer (price) relative to alternatives (other buyers).	1	2	6	13	28	61	9	20	2	4	3
5. Buyer often controls the market information (demand, price).	0	0	7	15	15	33	15	33	9	20	4
6. Buyer often acts opportunistically.	2	4	6	13	17	37	16	35	5	11	3
<b>B. ASSEMBLER-WHOLESALE</b>											
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    4-moderately agree  
 2-disagree            5-strongly agree  
 3-undecided





Table 5a. Continued...

STATEMENT	1		2		3		4		5		AVE.	
	N	%	N	%	N	%	N	%	N	%		
<b>C. FINANCIER-ASSEMBLER-WHOLESALE</b>												
1. I am flexible to choose buyers at any time.	1	7	2	13	5	33	4	27	3	20	3	
2. I always adhere to the buyer's demand.	0	0	1	7	5	33	5	33	4	27	4	
3. I have all the power in the trading negotiation.	0	0	2	13	2	13	8	53	3	20	4	
4. Buyer has the best offer (price) relative to alternatives (other buyers).	1	7	2	13	4	27	4	27	4	27	4	
5. Buyer often controls the market information (demand,price).	0	0	1	7	9	60	3	20	2	13	3	
6. Buyer often acts opportunistically.	0	0	1	7	6	40	3	20	5	33	4	
<b>D. TRUCKER-WHOLESALE</b>												
1. I am flexible to choose buyers at any time.	4	33	4	33	1	8	2	17	1	8	2	
2. I always adhere to the buyer's demand.	1	8	1	8	3	25	2	17	5	42	4	
3. I have all the power in the trading 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	



Table 5a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>E. WHOLESALER</b>											
1. I am flexible to choose buyers at any time.	3	30	2	20	1	10	1	10	3	30	3
2. I always adhere to the buyer's demand.	0	0	0	0	4	40	1	10	5	50	4
3. I have all the power in the trading negotiation.	1	10	1	10	4	40	1	10	3	30	3
4. Buyer has the best offer (price) relative to alternatives (other buyers).	2	20	2	20	4	40	0	0	2	20	3
5. Buyer often controls the market information (demand, price).	1	10	5	50	3	30	0	0	1	10	3
6. Buyer often acts opportunistically	0	0	2	20	7	70	1	10	0	0	3
<b>F. WHOLESALER-RETAILER</b>											
1. I am flexible to choose buyers at any time.	11	31	4	11	6	17	8	22	7	19	3
2. I always adhere to the buyer's demand.	4	11	3	8	10	28	13	36	6	17	3
3. I have all the power in the trading negotiation.	0	0	4	11	13	36	12	33	7	19	4
4. Buyer has the best offer (price) relative to alternatives (other buyers).	3	8	5	14	19	53	9	25	0	0	3
5. Buyer often controls the market information (demand, price).	9	25	9	25	11	31	6	17	1	3	2
6. Buyer often acts opportunistically	2	6	9	25	8	22	14	39	3	8	3



Table 5a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>G. RETAILER</b>											
1. I am flexible to choose buyers at any time.	22	40	9	16	6	11	7	13	11	20	3
2. I always adhere to the buyer's demand.	2	4	10	18	12	22	18	33	13	24	4
3. I have all the power in the trading negotiation.	4	7	13	24	19	35	10	18	9	16	3
4. Buyer has the best offer (price) relative to alternatives (other buyers).	10	18	8	15	20	36	13	24	4	7	3
5. Buyer often controls the market information (demand, price).	17	31	11	20	15	27	8	15	4	7	2
6. Buyer often acts opportunistically	5	9	9	16	16	29	21	38	4	7	3

Majority of the chain actors assembler-wholesalers (32%), trucker-wholesalers (33%), wholesaler-retailers (39%) and retailers (38%) moderately agree that they are being acted by the buyers opportunistically in terms of negotiation on pricing, packaging, payment terms and quality classification.

It is indicated further that chain actors agree that they are being acted opportunistically by the buyers. Moreover, looking into the test statistics, there is highly significant differences among chain actors as to having power in trading negotiations, therefore it implies that there is an influence of power and in the relationship of the chain actors.



The average shows (Table 5b) that majority of the chain actors were indecisive in the following criteria such as flexibility in choosing of buyers anytime; having power in vegetable (cabbage) trading negotiation; some buyers that offers good price relative to other actors in the spot market chain and buyers that controls market information. However, the respondents moderately agreed in adhering buyers demand and on the buyers that acts opportunistically.

Furthermore, there is significant difference among chain actors of power in trading negotiation since that the actors were trying to dominate each other as to pricing of cabbage. While chain actors significantly differ on the market information being controlled by buyers as to price changes and demand of cabbage.

Based on the descriptive analysis and statistical test, the result shows that the chain actors has power in the vegetable trading negotiation that sometimes they often control the market information in terms of price, payment term and quality classification.

Table 5b. Descriptive analysis and test statistics

STATEMENT	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I am flexible to choose buyers at anytime.	2.78	2.645	3	0.450
2. I always adhere to the buyer's demand.	3.49	4.856	3	0.183
3. I have all the power in the trading negotiation.	3.10	31.081	3	0.000**
4. Buyer has the best offer (price) relative to alternatives (other buyers).	3.00	4.296	3	0.231
5. Buyer often controls the market information (demand, price).	2.90	22.182	3	0.000**
6. Buyer often acts opportunistically.	3.26	2.138	3	0.544

highly significant\*\* Mean range: 2.78-3.14=undecided; 3.15-3.51=moderately agree



Relationship of Chain Actors  
According to Dependence

Table 6a showed that majority of the farmers (39%), trucker-wholesalers (42%), assembler-wholesalers (42%) and retailers (31%) moderately agree as to dependence on the quality, quantity and payment terms of cabbage by the buyers. However, wholesalers (40%) and wholesaler-retailers (33%) are indecisive indicates that procure cabbage regardless of its quality and quantity in order to give immediate needs of the buyers.

It indicates that chain actors are indecisive as to being dependent to their regular buyers only proves that they could trade with the other buyers who offers best price other than other actors.

Being dependent on the price dictated, 28% of farmers moderately agree that they depend much on the price dictated by buyers they are said to be the price takers. But in contrast wholesalers (50%), wholesaler-retailers (49%) and retailers (33%) disagree for the reason that they are the price setters in the vegetable business trading.

Majority of the farmers (39%), assembler-wholesalers (42%), financier-assembler-wholesalers (33%), wholesalers (40%) and retailers (39%) are undecided for the reason that there are instances that shortage of supply in the market exists.

Majority of the chain actors are not dependent on the market information provided by the buyers. However as to price chain actors differ for the reason that production groups are price takers and the rest are price makers.



Table 6a. Relationship of chain actors according to dependence

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>A. FARMER</b>											
1. I (seller) depend on the quality classification, quantity and payment term of cabbage by the buyer.	3	7	5	11	14	30	18	39	6	13	3
2. I depend much from the regular buyers of the cabbage I sold.	2	4	10	22	16	35	10	22	8	17	3
3. I depend on the price dictated by the buyer.	2	4	7	15	12	26	13	28	12	26	4
4. I always adhere to the seller's demand.	4	9	10	22	18	39	8	17	6	13	3
5. I depend much from the market information provided by the buyers.	1	2	12	26	21	46	5	11	7	15	3
<b>B. ASSEMBLER-WHOLESALE</b>											
1. I (seller) depend on the quality classification, quantity and payment term of cabbage by the buyer.	1	5	2	11	6	32	8	42	2	11	3
2. I depend much from the regular buyers of the cabbage 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
Numerical value and descriptive equivalent:											
	1-strongly disagree		4-moderately agree								
	2-disagree		5-strongly agree								
	3-undecided										



Table 6a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>C. FINANCIER-ASSEMBLER-WHOLESALER</b>											
1. I (seller) depend on the quality classification, quantity and payment term of cabbage by the buyer.	0	0	5	33	3	20	3	20	4	27	3
2. I depend much from the regular buyers of the cabbage I sold.	0	0	4	24	6	35	5	29	2	12	3
3. I depend on the price dictated by the buyer.	0	0	3	20	6	40	4	27	2	13	3
4. I always adhere to the seller's demand.	2	12	5	29	6	35	4	24	0	0	3
5. I depend much from the market information provided by the buyers.	0	0	4	27	5	33	5	33	1	7	3
<b>D. TRUCKER-WHOLESALER</b>											
1. I (seller) depend on the quality classification, quantity and payment term of cabbage by the buyer.	0	0	3	25	1	8	3	25	5	42	4
2. I depend much from the regular buyers of the cabbage I sold.	2	17	1	8	2	17	3	25	4	33	4
3. I depend on the price dictated by the 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





Table 6a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>E. WHOLESALER</b>											
1. I (seller) depend on the quality classification, quantity and payment term of cabbage by the buyer.	0	0	1	10	4	40	3	30	2	20	4
2. I depend much from the regular buyers of the cabbage I sold.	2	20	0	0	3	30	2	20	3	30	3
3. I depend on the price dictated by the buyer.	0	0	5	50	1	10	1	10	3	30	3
4. I always adhere to the seller's demand.	1	10	0	0	4	40	1	10	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
<b>F. WHOLESALER-RETAILER</b>											
1. I (seller) depend on the quality classification, quantity and payment term of cabbage by the buyer.	2	6	4	11	12	33	11	31	7	19	3
2. I depend much from the regular buyers of the cabbage I sold.	3	8	5	14	12	33	9	25	7	19	3
3. I depend on the price dictated by the buyer.	5	14	16	44	7	19	5	14	3	8	3
4. I always adhere to the seller's demand.	1	3	5	14	14	39	13	36	3	8	3
5. I depend much from the market information provided by the buyers.	5	14	10	28	14	39	3	8	4	11	3



Table 6a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>G. RETAILER</b>											
1. I (seller) depend on the quality classification, quantity and payment term of cabbage by the buyer.	4	7	11	20	10	18	13	24	17	31	4
2. I depend much from the regular buyers of the cabbage I sold.	2	4	12	22	12	22	16	29	13	24	3
3. I depend on the price dictated by the buyer.	11	20	18	33	14	25	7	13	5	9	3
4. I always adhere to the seller's demand.	6	11	16	29	15	27	9	16	9	16	3
5. I depend much from the market information provided by the buyers.	15	27	18	33	10	18	8	15	4	7	2

The average shows that majority of the chain actors were dependent on the quality and quantity of cabbage being produced and procured while the rest of the criteria that mostly chain actors were indecisive. Furthermore, there is significant different among chain actors on the market information as to pricing of cabbage since it depends on the actors trading negotiation. Hence, as revealed in Table 6b that being dependent on provided market information as to pricing of cabbage was considered important criteria in measuring dependence.



Table 6b. Descriptive analysis and test statistics

STATEMENT	MEAN	CHI-SQUARE	DF	ASYMP.SIG.
1. I (seller) depend on the quality classification quantity and payment term of cabbage by the buyer.	3.47	0.443	3	0.931
2. I depend much from the regular buyers of the cabbage I sold.	3.39	1.229	3	0.746
3. I depend on the price dictated by the buyer.	2.90	18.279	3	0.000**
4. I always adhere to the seller's demand.	3.19	6.371	3	0.095
5. I depend much from the market information provided by the buyers.	2.81	9.783	3	0.021*

highly significant\*\*      significant\*      Mean range: 2.81-3.47=undecided; 3.48-4.14=moderately agree

#### Relationship of Chain Actors According to Communication

Table 7a showed the different indicators to determine communication among actors in the spot market chain. Frequently and timely communication is important because it assist in resolving conflicts and aligning perceptions as stated by Morgan and Hunt, 1994.

In Table 7a, majority of farmers (39%) strongly disagree that they can directly price their produced however farmers use other people to negotiate for them. While the assembly and distributor groups are indecisive except retailers since there are times that these actors can dictate price. As to sharing production and marketing information with the buyers regarding on the volume, physical quality and pricing they share information.

However, farmers (26%), trucker-wholesalers (25%) and (20%) of retailers moderately agree that they share information with each other regarding on the price and demand needed in the market.



Table 7a. Relationship of chain actors according to communication

STATEMENT	1		2		3		4		5		AVE	
	N	%	N	%	N	%	N	%	N	%		
<b>A.FARMER</b>												
1. I can directly dictate price.	18	39	16	35	9	20	3	7	0	0	2	
2. I usually share production and marketing (volume, quality, price) information to buyers.	3	7	9	20	18	39	11	24	5	11	3	
3. As buyer, I use other people in sharing other information to farmers/sellers.	8	17	10	22	11	24	12	26	5	11	3	
4. I always share information about production, marketing targets to the buyer.	4	9	10	22	18	39	8	17	6	13	3	
5. I share the production or marketing decisions I made with the buyer.	6	13	9	20	17	37	9	20	5	11	3	
<b>B. ASSEMBLER-WHOLESALER</b>												
1. I can directly dictate price.	0	0	3	16	8	42	5	26	2	11	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	4	21	3	16	3	
4. I always share information about production, marketing targets to the buyer.	2	11	2	11	5	26	9	47	1	5	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	

Numerical value and descriptive equivalent:

1-strongly disagree    4 -moderately agree  
 2-disagree            5-strongly agree  
 3-undecided



Table 7a. Continued...

STATEMENT	1		2		3		4		5		AVE.	
	N	%	N	%	N	%	N	%	N	%		
<b>C. FINANCIER- ASSEMBLER-WHOLESALE</b>												
1. I can directly dictate price.	0	0	1	7	8	53	4	27	2	13	3	
2. I usually share production and marketing (volume, quality, price) information to buyers.	0	0	2	13	3	20	7	47	3	20	4	
3. As buyer, I use other people in sharing other information to farmers/sellers.	1	7	3	20	5	33	4	27	2	13	3	
4. I always share information about production, marketing targets to the buyer.	0	0	1	7	6	40	5	33	3	20	4	
5. I share the production or marketing decisions I made with the buyer.	0	0	3	20	6	40	3	20	3	20	3	
<b>D. TRUCKER-WHOLESALE</b>												
1. 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 farmers/sellers.	2	17	1	8	3	25	3	25	3	25	3	
4. I always share information about production, 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		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>E. WHOLESALER</b>											
1. I can directly dictate price.	2	20	2	20	2	20	0	0	4	40	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 farmers/sellers.	1	10	3	30	2	20	1	10	3	30	3
4. I always share information about production, marketing targets to the buyer.	1	10	1	10	4	40	0	0	4	40	4
5. I share the production or marketing decisions I made with the buyer.	2	20	2	20	2	20	1	10	3	30	3
<b>F. WHOLESALER-RETAILER</b>											
1. I can directly dictate price.	0	0	4	11	8	22	12	33	12	33	4
2. I usually share production and marketing (volume, quality, price) information to buyers.	1	3	6	17	10	28	10	28	9	25	4
3. As buyer, I use other people in sharing other information to farmers/sellers.	8	22	3	8	10	28	8	22	7	19	3
4. I always share information about production, marketing targets to the buyer.	1	3	3	8	15	42	7	19	10	28	4
5. I share the production or marketing decisions I made with the buyer.	6	17	3	8	9	25	10	28	8	22	3



Table 7a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>G.RETAILER</b>											
1. I can directly dictate price.	2	4	5	9	17	31	18	33	13	24	4
2. I usually share production and marketing (volume, quality, price) information to buyers.	11	20	10	18	8	15	14	25	12	22	3
3. As buyer, I use other people in sharing other information to farmers/sellers.	19	35	9	16	10	18	11	20	6	11	3
4. I always share information about production, marketing targets to the buyer.	14	25	8	15	12	22	15	27	6	11	3
5. I share the production or marketing decisions I made with the buyer.	19	35	7	13	8	15	15	27	6	11	3

There were assembler-wholesalers (47%), financier-assembler-wholesalers (33%) and wholesaler-retailers (28%) are indecisive to these criteria in measuring communication.

Majority of the chain actors farmers (39%), financier-assembler-wholesalers (40%), and wholesalers (42%) are indecisive in terms of sharing production and procurement targets with other actors while assembler-wholesalers (47%) and trucker-wholesalers (42%) moderately agree since that they can share procurement and marketing information to meet the delivery targets as needed by the buyers.

As to sharing production and marketing decisions the chain actors like farmers, assembler-wholesalers (37%) financier-assembler-wholesalers (40%), and trucker-wholesalers (42%) are indecisive.





There are 35% of retailers who strongly disagree on using other people in sharing information as to marketing decision since retailers can make their own decision in procuring cabbage in order to cater the needs of buyers. While 25% of them moderately agree since sometimes they share information. It implies that these actors differ in marketing decisions that is needed to share in order to meet desired volume, quality and price in the market.

Table 7b shows that majority of the chain actors were indecisive in pricing and using other people in sharing production and marketing information to the buyers. Moreover based on test statistics implied highly significant difference among chain actors in terms of pricing and sharing production and or marketing information for the reason that chain actors differs on pricing and quality classification strategy. Thus, these are the important criteria in measuring communication.

Table 7b. Descriptive analysis and test statistics

STATEMENT	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I can directly dictate price.	3.21	59.729	3	0.000**
2. I usually share production and marketing (volume, quality, price) information to buyers.	3.30	3.87	3	0.276
3. As buyer, I use other people in sharing other information to farmers/sellers.	2.95	7.257	3	0.064
4. I always share information about production, marketing targets to the buyer.	3.22	11.781	3	0.008*
5. I share the production or marketing decisions I made with the buyer.	3.05	7.681	3	0.053

highly significant\*\*    significant\*    Mean range: 2.95-3.13=undecided; 3.14-4.31=moderately agree



Relationship of Chain Actors  
According to Cooperation

Cooperation refers to situations in which firms work together to achieve mutual goals by Anderson and Narus, 1990. Cooperation in exchanging information on production schedules, new products/processes and value analysis can both reduce product costs and improve product/processes innovations by Landeros and Monczka, 1989.

Based on the findings in Table 8a shows that the farmers (43%), financier-assembler-wholesalers (53%), trucker-wholesalers (50%) extremely agree that they work or cooperate with the buyers in order to improve their business trading operation.

Majority of the assembler-wholesalers (53%) and wholesaler-retailers (47%) agree that they buy quality cabbage as needed by the buyers. Moreover, financier-assembler-wholesalers (53%), trucker wholesalers (58%) extremely agree in this criteria.

As to buyer and seller relationship chain actors differs for the reason that some of them established good buyer-seller relationship for the purpose of meeting their common goals. However some of them disagree that they established relationship with each other.

There are assembler-wholesalers (47%) and financier-assembler-wholesalers (40%) agree as to cooperating with other actors in sharing criteria in pricing and quality determination.

Moreover extreme number of trucker-wholesalers (58%), wholesalers (40%) strongly agreed that they cooperate with other chain actors in terms of quality determination and pricing.



Table 8a. Relationship of chain actors according to cooperation

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>A. FARMER</b>											
1. I work cooperatively with the buyer to improve our trading operation.	3	7	1	2	10	22	12	26	20	43	4
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	4	9	5	11	7	15	14	30	16	35	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	4	9	5	11	8	17	18	39	11	24	4
4. I cooperate with other actors in pricing and quality determination of cabbage.	3	7	5	11	14	30	16	35	8	17	3
<b>B. ASSEMBLER-WHOLESALE</b>											
1. I work cooperatively with the buyer to improve our trading operation.	0	0	3	16	1	5	8	42	7	37	4
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	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 cabbage.	0	0	1	5	4	21	9	47	5	26	4
<b>C. FINANCIER-ASSEMBLER-WHOLESALE</b>											
1. I work cooperatively with the buyer to improve our trading operation.	0	0	0	0	2	13	5	33	8	53	4
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	0	0	0	0	2	13	5	33	8	53	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	0	0	1	7	4	27	4	27	6	40	4
4. I cooperate with other actors in pricing and quality determination of cabbage.	0	0	0	0	4	27	6	40	5	33	4
Numerical value and descriptive equivalent:											
1-strongly disagree      2-disagree      3-undecided											
4 -moderately agree      5-strongly agree											



Table 8a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>D. TRUCKER-WHOLESALER</b>											
1. I work cooperatively with the buyer to improve our trading operation.	1	8	1	8	2	17	2	17	6	50	4
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	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 cabbage.	2	17	0	0	1	8	2	17	7	58	4
<b>E. WHOLESALER</b>											
1. I work cooperatively with the buyer to improve our trading operation.	0	0	1	10	2	20	3	30	4	40	4
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	0	0	3	30	1	10	2	20	4	40	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	1	10	4	40	1	10	1	10	3	30	3
4. I cooperate with other actors in pricing and quality determination of cabbage.	1	10	1	10	2	20	2	20	4	40	4
<b>F. WHOLESALER-RETAILER</b>											
1. I work cooperatively with the buyer to improve our trading operation.	2	6	3	8	5	14	10	28	16	44	4
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	0	0	1	3	4	11	17	47	14	39	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	4	11	0	0	4	11	16	44	12	33	4
4. I cooperate with other actors in pricing and quality determination of cabbage.	1	3	8	22	7	19	11	31	9	25	4



Table 8a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>G. RETAILER</b>											
1. I work cooperatively with the buyer to improve our trading operation.	12	22	7	13	6	11	11	20	19	35	3
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	0	0	1	2	8	15	23	42	23	42	4
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	5	9	4	7	4	7	20	36	22	40	4
4. I cooperate with other actors in pricing and quality determination of cabbage.	9	16	13	24	5	9	15	27	13	24	3

In Table 8b, the average implies that all of the chain actors extremely agree which implies that cooperation is important on the relationship established between them.

This proves that most of the respondents established cooperative relationship on doing the business to fulfill and improve their business trading for the fulfillment of their common goal. This confirmed the definition of Anderson and Narus, (1990) that cooperation refers to situations in which firms work together to achieve mutual goals.

The finding entails that chain actor's work or cooperates with each other for the purpose of meeting their common goals and to improve their relationship on their trading operation. However some actors such wholesalers do not build up relationship with other actors.



Table 8b. Descriptive analysis and test statistics

STATEMENT	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I work cooperatively with the buyer to improve our trading operation.	3.82	6.925	3	0.074
2. I usually buy good quality cabbage from suppliers and as needed by the buyer.	4.10	4.410	3	0.220
3. I build up buyer-seller relationships (alliances/partnership) with my colleagues.	3.82	3.975	3	0.264
4. I cooperate with other actors in pricing and quality determination of cabbage.	3.55	6.948	3	0.074

Mean range: 3.55-3.83=undecided; 3.84-4.40=moderately agree

#### Relationship of Chain Actors According to Commitment

Commitment according to Morgan and Hunt 1994 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.

Majority of the farmers (35%), trucker-wholesalers (50%), wholesalers (60%) and retailers (40%) strongly agree that most of them fulfill the promises they made. However, assembly and wholesaler-retailers group moderately agree. On the assembly, distribution and retailers (42%) strongly agree that having extra effort in meeting the buyers demand is important to satisfy and strengthen the established relationship.



Table 9a. Relationship of chain actors according to commitment

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>A. FARMER</b>											
1. I keep the promises I make with the buyer.	2	4	4	9	9	20	15	33	16	35	4
2. I make extra effort to meet the buyer's demand requirement.	1	2	4	9	9	20	18	39	14	30	4
3. I invest large amount to produce/procure the cabbage.	7	15	7	15	9	20	10	22	13	28	3
4. I always continue trading with the buyer for a longer period of time.	1	2	3	7	10	22	17	37	15	33	4
<b>B. ASSEMBLER-WHOLESALE</b>											
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 cabbage.	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
<b>C. FINANCIER-ASSEMBLER-WHOLESALE</b>											
1. I keep the promises I make with the buyer.	0	0	0	0	3	20	7	47	5	33	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	1	7	3	20	4	27	7	47	4
3. I invest large amount to produce/procure the cabbage.	0	0	2	13	7	47	4	27	2	13	3
4. I always continue trading with the buyer for a longer period of time.	0	0	0	0	4	27	5	33	6	40	4

Numerical value and descriptive equivalent:

1-strongly disagree    4 -moderately agree  
 2-disagree            5-strongly agree  
 3-undecided





Table 9a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>D. TRUCKER-WHOLESALE</b>											
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 cabbage.	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
<b>E. WHOLESALE</b>											
1. I keep the promises I make with the buyer.	0	0	2	20	1	10	1	10	6	60	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	0	0	4	40	1	10	5	50	4
3. I invest large amount to produce/procure the cabbage.	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	2	20	6	60	4
<b>F. WHOLESALE-RETAILER</b>											
1. I keep the promises I make with the buyer.	1	3	0	0	3	8	16	44	16	44	4
2. I make extra effort to meet the buyer's demand requirement.	0	0	0	0	4	11	17	47	15	42	4
3. I invest large amount to produce/procure the cabbage.	0	0	4	11	3	8	15	42	14	39	4
4. I always continue trading with the buyer for a longer period of time.	0	0	2	6	2	6	13	36	19	53	4



Table 9a. Continued...

STATEMENT	1		2		3		4		5		AVE.	
	N	%	N	%	N	%	N	%	N	%		
<b>G. RETAILER</b>												
1. I keep the promises I make with the buyer.	3	5	3	5	10	18	17	31	22	40	4	
2. I make extra effort to meet the buyer's demand requirement.	3	5	3	5	13	24	13	24	23	42	4	
3. I invest large amount to produce/procure the cabbage.	2	4	8	5	1	19	35	18	33	8	15	3
4. I always continue trading with the buyer for a longer period of time.	1	2	2	4	11	20	21	38	20	36	4	

Majority of the farmers (28%) and trucker-wholesalers (50%), wholesalers (60%) and retailers (40%) strongly agree that most of them invest large amount of capital in order to produce or procure cabbage that is needed in the market while assembler-wholesalers (50%) and wholesaler-retailers (42%) moderately agree.

Majority of the assembler-wholesalers (42%) and distribution groups strongly agree in the criteria of continue trading with the buyer since most of them continue their trading operation for a long time.

On the average, most of the respondents moderately agree to commitment to various undertakings like negotiations to orders, quality, payment term, and price. In support, respondents signify commitment to investment large amount of capital in order to meet requirements/demand.



Table 9b. Descriptive analysis and test statistics

STATEMENT	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. I keep the promises I make with the buyer.	4.03	4.645	3	0.200
2. I make extra effort to meet the buyer's demand requirement.	4.03	2.692	3	0.442
3. I invest large amount to produce/procure the cabbage.	3.62	14.11	3	0.003**
4. I always continue trading with the buyer for a longer period of time.	4.12	6.84	3	0.077

highly significant\*\*      Mean range: 3.62-3.87=undecided; 3.88-4.13=moderately agree

#### Relationship of Chain Actors According to Relational Satisfaction

Frazier (1983) defined satisfaction as a positive effective state resulting from an appraisal of all aspects of a firms working relationship with another. Satisfaction is derived from the result of a satisfaction means the extent to which the relational dimensions of the partnership meet expectations.

It is indicated in Table 10a that wholesalers (40%) strongly agree that their trading relationship with the buyer is risky. While the groups of assembler-wholesalers (63%), trucker-wholesalers (42%), wholesaler-retailers (42%) and retailers (36%) moderately agree since on the business trading they receive higher profit.

Majority of farmers (46%) were indecisive while assembler-wholesalers (63%), distribution and retailers (36%) moderately agree that trading with the buyers is satisfactory.



Table 10a. Relationship of chain actors according to relational satisfaction

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>A.FARMER</b>											
1. Trading with the preferred buyer is less risky.	4	9	8	17	16	35	12	26	6	13	3
2. My trading relationship with the buyer is satisfactory.	1	2	2	4	21	46	14	30	8	17	4
3. I'm satisfied trading with the buyer for a longer time.	2	4	0	0	18	39	19	41	7	15	4
4. The buyer meets my expectations in trading with them.	0	0	5	11	18	39	16	35	7	15	4
5. The buyer treats me fairly and equally	0	0	7	15	24	52	11	24	4	9	3
6. I am adequately rewarded trading with the buyer.	0	0	7	15	17	37	15	33	7	15	3
7. I always have conflict with the buyer.	8	17	8	17	19	41	7	15	4	9	3
8. The relational trust established with the buyers is very satisfying.	0	0	1	2	28	61	10	22	7	15	4
9. I am happy on the business alliances with the buyers.	0	0	3	7	17	37	20	43	6	13	4
10. Trading with the buyer is self-fulfilling.	1	2	2	4	22	48	14	30	7	15	4

Numerical value and descriptive equivalent:

1-strongly disagree    4 -moderately agree  
 2-disagree            5-strongly agree  
 3-undecided



Table 10a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>B. ASSEMBLER-WHOLESALER</b>											
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 equally	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
7. I always have conflict with the buyer.	1	5	6	32	8	42	3	16	1	5	3
8. The relational trust established with the buyers is very satisfying.	0	0	1	5	6	32	7	37	5	26	4
9. I am happy on the business alliances with the buyers.	0	0	0	0	3	16	11	58	5	26	4
10. Trading with the buyer is self-fulfilling.	0	0	0	0	3	16	11	58	5	26	4
<b>C. FINANCIER-ASSEMBLER-WHOLESALER</b>											
1. Trading with the preferred buyer is less risky.	1	7	3	20	4	27	3	20	4	27	3
2. My trading relationship with the buyer is satisfactory.	0	0	3	20	1	7	6	40	5	33	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	2	13	1	7	7	47	5	33	4
4. The buyer meets my expectations in trading with them.	0	0	0	0	3	20	8	53	4	27	4
5. The buyer treats me fairly and equally	0	0	0	0	3	20	8	53	4	27	4



Table 10a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
<b>C. FINANCIER-ASSEMBLER-WHOLESALER</b>											
6. I am adequately rewarded trading with the buyer.	1	7	0	0	3	20	10	67	1	7	4
7. I always have conflict with the buyer.	0	0	2	13	6	40	2	13	5	33	4
8. The relational trust established with the buyers is very satisfying.	0	0	1	7	7	47	4	27	3	20	4
9. I am happy on the business alliances with the buyers.	0	0	2	13	3	20	7	47	3	20	4
10. Trading with the buyer is self-fulfilling.	0	0	0	0	5	33	6	40	4	27	4
<b>D. TRUCKER-WHOLESALER</b>											
1. 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 equally	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 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	%	
<b>E.WHOLESALE</b>											
1. Trading with the preferred buyer is less risky.	1	10	2	20	2	20	1	10	4	40	4
2. My trading relationship with the buyer is satisfactory.	0	0	1	10	1	10	4	40	4	40	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	1	10	2	20	3	30	4	40	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 equally	1	10	1	10	5	50	2	20	1	10	3
6. I am adequately rewarded trading with the buyer.	0	0	0	0	6	60	2	20	2	20	4
7. I always have conflict with the buyer.	2	20	2	20	5	50	0	0	1	10	3
8. The relational trust established with the buyers is very satisfying.	0	0	0	0	5	50	2	20	3	30	4
9. I am happy on the business alliances with the buyers.	0	0	1	10	3	30	3	30	3	30	4
10. Trading with the buyer is self-fulfilling.	0	0	0	0	5	50	2	20	3	30	4
<b>F. WHOLESALE-RETAILER</b>											
1. Trading with the preferred buyer is less risky.	1	3	5	14	10	28	15	42	5	14	4
2. My trading relationship with the buyer is satisfactory.	0	0	1	3	10	28	13	36	12	33	4
3. I'm satisfied trading with the buyer for a longer time.	0	0	0	0	9	25	15	42	12	33	4
4. The buyer meets my expectations in trading with them.	0	0	3	8	12	33	17	47	4	11	4
5. The buyer treats me fairly and equally	0	0	0	0	13	36	20	56	3	8	4





Table 10a. Continued...

STATEMENT	1		2		3		4		5		AVE.
	N	%	N	%	N	%	N	%	N	%	
6. I am adequately rewarded trading with the buyer.	0	0	1	3	8	22	22	61	5	14	4
7. I always have conflict with the buyer.	4	11	5	14	17	47	7	19	3	8	3
8. The relational trust established with the buyers is very satisfying.	0	0	1	3	11	31	16	44	8	22	4
9. I am happy on the business alliances with the buyers.	0	0	1	3	10	28	19	53	6	17	4
10. Trading with the buyer is self-fulfilling.	1	3	2	6	12	33	12	33	9	25	4
<b>G. RETAILER</b>											
1. Trading with the preferred buyer is less risky.	3	5	7	13	14	25	18	33	13	24	4
2. My trading relationship with the buyer is satisfactory.	2	4	6	11	10	18	20	36	17	31	4
3. I'm satisfied trading with the buyer for a longer time.	1	2	3	5	10	18	21	38	19	35	4
4. The buyer meets my expectations in trading with them.	0	0	7	13	16	29	19	35	13	24	4
5. The buyer treats me fairly and equally	2	4	3	5	16	29	22	40	12	22	4
6. I am adequately rewarded trading with the buyer.	5	9	2	4	12	22	23	42	13	24	4
7. I always have conflict with the buyer.	8	15	9	16	20	36	11	20	7	13	3
8. The relational trust established with the buyers is very satisfying.	0	0	5	9	24	44	13	24	13	24	4
9. I am happy on the business alliances with the buyers.	3	5	3	5	16	29	22	40	11	20	4
10. Trading with the buyer is self-fulfilling.	4	7	2	4	17	31	22	40	10	18	4



Majority of the chain actors moderately agree that trading with buyer for a longer time is satisfactory however wholesalers (40%) strongly agree. Farmers (35%) and wholesalers (60%) are indecisive in meeting the buyer's expectation while assembler-wholesalers (58%), financier-assembler-wholesalers (53%) and trucker-wholesalers (67%) moderately agree in the criteria of relational satisfaction.

Moreover, farmers (52%), trucker-wholesalers (33%) and wholesalers (50%) are indecisive if buyers fairly or equally treated them. While assembler-wholesalers (63%), wholesaler-retailers (56%) and retailers (40%) are moderately agree.

Majority of the assembler-wholesalers (53%), distribution group strongly agree except wholesalers (60%) are indecisive that they receive adequate reward from the buyer.

However, financier-assembler-wholesalers (60%) moderately agree of having conflict to the other actors in the spot market. While the other actors are indecisive that conflicts arises between them.

Majority of the chain actors are indecisive as to satisfaction that received on the established relational trust between them since that sometimes they broke their commitment as to delaying payments of procured cabbage that chain actors experience in trading business. Furthermore, trading with the buyer working with each other improves their business alliances and performance as well.

Farmers (48%), wholesalers (50%) and wholesaler-retailers (33%) are indecisive to trade with the buyer that is self-fulfilling while the rest of the actors moderately agree. Some of the sellers and buyers achieved relational satisfaction as trading partners.



The average showed that most of the respondents moderately agree in the criteria on relational satisfaction. The chain actors achieved relational satisfaction. However, the respondents were indecisive that conflicts arises between for the reason that in vegetable trading misunderstanding is still existing in terms of pricing, quality classification, delivery period and payment term between the chain actors (Table 10b).

Furthermore, based on the test statistics, there is significant difference among chain actors in terms of their relational satisfactory in vegetable trading relationship.

Table 10b. Descriptive analysis and test statistics

STATEMENT	MEAN	CHI-SQUARE	DF	ASYMP. SIG.
1. Trading with the preferred buyer is less risky.	3.51	5.878	3	0.118
2. My trading relationship with the buyer is satisfactory.	3.88	9.990	3	0.019*
3. I'm satisfied trading with the buyer for a longer time.	3.95	8.497	3	0.037*
4. The buyer meets my expectations in trading with them.	3.72	6.330	3	0.097
5. The buyer treats me fairly and equitably.	3.59	13.507	3	0.004**
6. I am adequately rewarded trading with the buyer.	3.64	3.384	3	0.336
7. I always have conflict with the buyer.	2.95	2.206	3	0.531
8. The relational trust established with the buyers is very satisfying.	3.65	3.356	3	0.340
9. I am happy on the business alliances with the buyers.	3.74	3.569	3	0.312
10. Trading with the buyer is self-fulfilling.	3.68	5.916	3	0.116

highly significant\*\* significant\* Mean range: 2.95-3.52= undecided,3.53-4.10= moderately agree



## SUMMARY CONCLUSIONS AND RECOMMENDATIONS

### Summary

This research aimed to determine the similarities and differences of chain actors in the spot market chain for cabbage in terms of trust, power, dependence, cooperation, communication, commitment and relational satisfaction. There were 193 respondents divided into 46 producers, 34 assemblers, 58 distributors and 55 retailers.

The respondents were described as to their age, gender, marital status, religion and their educational background. Majority of the respondent's starts ranging from 20-40 years of age work as farmers (39%), assemblers, distributors, retailers while some of them work as financier-assembler-wholesalers (47%) and trucker-wholesalers (33%) at the age of 31-40 years of age.

Majority of the male respondents were farmers at about 91% while 84% were female retailers. Mostly married, literate, and engaged in vegetable business covers one year up to five years and none affiliated in such organization.

The respondents differ in terms of trust, whereas majority of them agree that honestly in dealing with buyer as one of the important criteria of trust to lower uncertainty with various partners as traders. There were 69% of retailers, wholesaler-retailers (56%), wholesalers (50%), trucker-wholesalers (58%), assembler-wholesalers (63%), while farmers (37%) agree considering honesty in measuring trust. Majority of the respondents significantly differ in terms of power in the trading negotiation, some of them wants to dominate over the power of the other. Majority of them were not flexible in choosing their buyer at anytime that leads other actors to depend on their regular buyer.



The chain actors have similarities in terms of cooperation as to pricing and quality classification of cabbage and in building up buyer-seller relationship.

Majority of the farmers disagree in terms of pricing cabbage whereas farmers were dependent on the market prevailing price while retailers agree in dictating price directly to the buyer since they were the frontline to the final consumer. Same as farmers disagreed in sharing about production targets to the buyer for the reason that it is their own decision in the production.

The respondents significantly differs as to their investments while common understanding arise in keeping promises, making extra effort to meet the buyer's requirements and continues trading for a longer period of time. Majority of the respondents agreed that trading with the preferred buyer is less risky, the buyers with good reputation, trusted buyer. Satisfaction is fulfilled by fair and equal treatment and giving buyer's expectations.

### Conclusions

Based on findings of the study, the following conclusions are made:

1. The respondent's starts from 20-40 years of age in engaging into vegetable trading business. There are more male on the production while on wholesaling, retailing rather female falls. From the total respondents, mostly they are married and single. Several are widow and separated. The respondents are literate. Engaging in vegetable business falls one year to five years trading with the different intermediaries in the spot market chain. Several numbers of them affiliated with such organization.

2. The chain actors significantly differ in terms of trust as to dealing honestly to buyer and considering buyer's suggestions.



3. The respondents significantly differ as to power in the trading negotiation and on controlling market information. Since some of the chain actors wants to dominate over the other intermediaries.

4. The different chain actors differ significantly on being dependent on the price dictated as that of the farmer and on the market information provided by the buyer.

5. The chain actors differs significantly as to pricing directly of cabbage and on sharing about producing or procuring targets to the buyer, considering it as one important criteria in measuring communication.

6. There chain actors have similarities in terms of cooperation as to pricing and quality determination of cabbage, building up alliances or partnership among traders in the spot market. The respondents also differ on the investment for producing or procuring cabbage.

7. The relational satisfaction among chain actors differs significantly as to trading with the buyer for a longer time and giving what is the buyer's expected. Thus, satisfaction considered important criteria in measuring relational satisfaction.

### Recommendations

In line with the findings of the study, the following recommendations were made:

1. The different chain actors should have mutual trust and dependence that help can help in reducing risk of exercising power in the vegetable trading business.
2. The chain actors should have relational commitment to each other in order to fulfill the functions with respect to meet common goals.
3. In order to minimize risk and conflicts and to provide the needs of the market, chain actors must established and share proper communication that is available always.



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APPENDIX A

Letter to the Respondents

Benguet State University  
COLLEGE OF AGRICULTURE  
La Trinidad, Benguet

November 2010

Sir/ Madam:

The undersigned fourth year student taking up Bachelor of Science in Agribusiness majoring in Enterprise Management at Benguet State University is conducting a research entitled “RELATIONSHIP OF ACTORS IN THE SPOT MARKET CHAINS FOR CABBAGE”.

In connection to this, I’m soliciting for your full cooperation by answering this questionnaire honestly and completely. I assure you that your answers will be kept strictly confidential. Your honest and complete response will make the study successful.

Thank you very much and God bless.

Very truly yours,

GINA C. BONIL  
Researcher

Noted:

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-Wholesaler  Financier-Assembler- Wholesaler
3. Distribution Group :  Trucker-Wholesaler  Wholesaler  Wholesaler-Retailer
4. Retailing Group :  Retailers

#### A. RESPONDENTS PROFILE

1. Age: \_\_\_\_\_
2. Gender: \_\_\_\_\_ Male \_\_\_\_\_ Female
3. Marital status:  Single  Married  Separated  Widowed
4. Religion:  Catholic  Protestant  others, specify \_\_\_\_\_
5. Educational background:  Elementary  High School  College  Vocational
6. Number of years engages in vegetable farming business: \_\_\_\_\_

B. What are the vegetables you frequently produce/procure and sell in the market? Please check the boxes

- Potato  Cabbage  Chinese Cabbage  Carrots  Broccoli  Lettuce  Bell Pepper  
 Tomato  Celery  Chayote  Cucumber  SnapBeans  Garden Peas

#### C. SUPPLY NETWORK RELATIONSHIP

Assess the nature of satisfaction with the buyers of your vegetables.

C.1 Trust: Trust can be understood as a faith, reliance, belief or confidence in the goodwill of other partners.

Assess the nature of relational trust with the buyers of your vegetables.

1 2 3 4 5

1. I have much confidence to rely on the buyer's promises Strongly Disagree  Strongly Agree
2. I am always honest dealing with the buyers of cabbage. Strongly Disagree  Strongly Agree
3. I should not hesitate to make important decisions based on buyer's suggestions  
Strongly Disagree  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 relationship partner and dependence or asymmetrical investment in relationship-assets can lead to the exercise of coercive power. Assess the nature of relational power with the buyers of your vegetables.

1 2 3 4 5

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  Strongly Agree
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





C.3 Dependence: Dependence is increased when the outcomes available from the relationship are comparatively better than the outcomes available from alternative relationship. Assess the nature of relational dependence with the buyers of your vegetables.

	1	2	3	4	5
1. I am flexible to choose buyers at any time.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
2. I always adhere to the buyer's demand.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
3. I have all the power in the trading negotiation.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
4. Buyer has the best offer relative to alternatives.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
5. Buyer often controls the market information.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
6. Buyer often acts opportunistically.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree

C.3 Communication: Communication is "the formal as well as informal sharing of meaningful and timely information between firms". Assess the nature of communication, between you and the buyer

1. I can directly dictate price	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
2. I usually share information	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
3. As buyer, I use other people to communicate with the farmers	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree

C.4 Cooperation: Cooperation refers to situations in which firms work together to achieve mutual goals. Assess the level of cooperation between you and the buyer of your vegetables

	1	2	3	4	5
1. I work cooperatively with the buyer to effectively improve my operation	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
2. I usually share information's to my suppliers, buyers	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
3. I build up relationships (alliances/partnership) with my colleagues'	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
4. I always share information about production/marketing targets to the buyer	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
5. I share the production or marketing decisions I made with the buyer	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree

C.5 Commitment: commitment as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it. Assess the level of commitment between you and the buyer of your vegetables

1. I keep the promises I make with the buyer.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
2. I make extra effort to meet the buyers demand requirement.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
3. I make significant investment to produce/procure cabbage.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
4. I work cooperatively with the buyer to effectively improve my operation.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
5. I expect to continue trading with the buyer for a long time.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
6. I invest large amount of capital in my business operation.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree

C.6 Relationship satisfaction: Satisfaction is derived from the result of a satisfaction means the extent to which the relational dimensions of the partnership meet expectation.

	1	2	3	4	5
1. Trading with the preferred buyer is less risky.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
2. My trading relationship with the buyer is satisfactory.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
3. I am satisfied to continue to trading with the buyer for a longer time.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
4. The buyer meets my expectations in trading with them.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
5. The buyer treats me fairly and equitably.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
6. I am adequately receiving better income trading with the buyer.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
7. I have much conflict with the buyer.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
8. The relational trust established with the buyers is very satisfying.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
9. I am happy on the business alliances with the buyers.	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree
10. Trading with the buyers is self fulfilling	Strongly Disagree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strongly Agree

