

# Vendor Satisfaction with Reference to Sai Deepa Rock Drilling Tools

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**Abstract:** Vendors are usually rated based on their performance by the firm, however, a good buyer organization allows its vendors to rate them too. This can be basically done to have an effective feedback on the performance of a firm towards its vendor. A good vendor base ensures that the end customer's requirements are met quantitatively and qualitatively. There are various parameters that a firm may want itself to be rated on and those were brainstormed and finalized. This paper aims to explore the construct of vendor satisfaction as a factor of buyer-vendor relationship quality. Vendor satisfaction is defined as a vendor's feeling of fairness with regard to buyer organization's incentives and vendor's contributions within an industrial buyer-seller relationship. Vendor satisfaction as a complex construct is operationalised through an index, and its determinants are measured using a survey.

**Keywords:** Vendor, profitability, vendor value chain, SME, vendor satisfaction

## 1. Introduction

Vendors are usually rated based on their performance by the firm, however, a good buyer organization allows its vendors to rate them too. This can be basically done to have an effective feedback on the performance of a firm towards its vendor. A good vendor base ensures that the end customer's requirements are met quantitatively and qualitatively. There are various parameters that a firm may want itself to be rated on and those were brainstormed and finalized.

A collaborative relationship between buyer and vendor is important to achieve efficiency, flexibility and a competitive advantage. In the classical view of marketing, vendors are competing for buyers. Contrary to the classical view of marketing, this paper will focus on buyers competing for vendors, so-called "reverse marketing". Buyers want to achieve a preferred customer status, so they can receive preferential treatment from their vendors. An important condition for achieving preferred customer status is "vendor satisfaction". When the vendors are satisfied with the buyer, they could provide the buyer with their best personnel for joint new product development; customize products, innovations, and privileged treatments if bottlenecks occur. In contrast to this, when vendors are not satisfied they could provide poor quality goods and services to their buyer. 4 Therefore this paper will focus on vendor satisfaction. According to Essig et al. (2009, p. 104) vendor satisfaction can be defined as: "a vendor's feeling of fairness with regard to buyer's incentives and vendor's contributions within an industrial buyer-seller relationship as relates to the vendor's need fulfillment". Schiele et al. (2012, p. 1181) stated that vendor satisfaction could be achieved if the quality of outcomes meets or exceeds the vendor's expectations. So buyers who meet or exceed the vendor's expectations can receive the best resources.

### 1.1 Need of the Study

Vendor satisfaction is essential to the business prosperity. The study aims at understanding whether the vendors of Sai Deepa Rock Drilling tools are satisfied with the existing practices or not. they can understand what are the factors

influencing for the dissatisfaction of vendors, so that they can provide or implement better practice for their vendors, which further lead a vendor to give his best personnel to the buyer organization for new product development, can deliver customize products to the wishes of the buyer or offer his innovations as first to them.

### 1.2 Objectives

- 1) To understand whether the vendors of SDRD are satisfied with the existing practices or not.
- 2) To understand what are the factors vendors are satisfied for.
- 3) To understand what are the factors vendors are not satisfied

## 2. Literature Review

**According to Harshavardhan, (2017):** In his paper he included that long term relationship only exists if the stake holders of the relationship share an output call satisfaction. In any buyer vendor relationship it is mandatory that buying organization or buyer should ensure selling organization's or vendor's satisfaction within the boundaries of the strategic walls. In an integrated vendor relationship management (VRM) cycle vendor satisfaction plays a vital role for the continual and smooth running of the cycle. The changing trend of purchasing and dramatically changing supply chain relationships forcing the buyers to concentrate and ensure the vendor satisfaction.

**According to Jobaer Ahmed, (2016):** In his paper he mentioned that Edotco Bangladesh vendors who are basically the suppliers of different products and Edotco is also doing B2B business in Bangladesh. There are different vendor satisfaction factors which are very important for building relation with the vendors. Those are bill processing, fairness, mode of payment.

### Research Methodology:

#### Primary data

- Direct personal observation

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•Direct oral interviews

**Secondary data**

- Literature Reviews
- Journals
- Text Books

**Sampling Unit:** Vendors of Sai Deepa rock and drills.

**Sample Size:** 30

**Sampling Procedure:** Simple Random Sampling (probability sampling)

**Tools for Data analysis:**

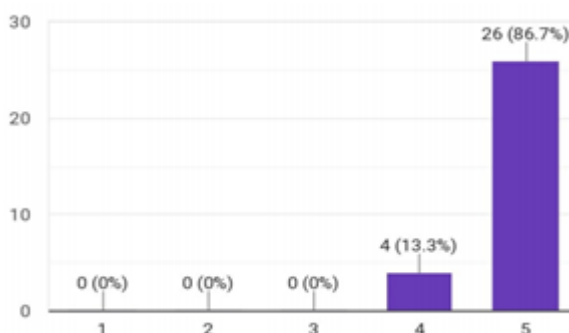
- 1) Basic frequency count
- 2) Pie-chart representation by using Microsoft excel

**3. Data Analysis**

**a) Satisfaction level of vendors**

**Table 1:** Satisfaction levels of vendors

S.No	Particulars	No of respondents	% of respondents
01	5	26	86.7
02	4	4	13.3
03	3	0	0
04	2	0	0
05	1	0	0
06	Total	30	100



**Figure 1:** Graphical representation of satisfaction levels of vendors

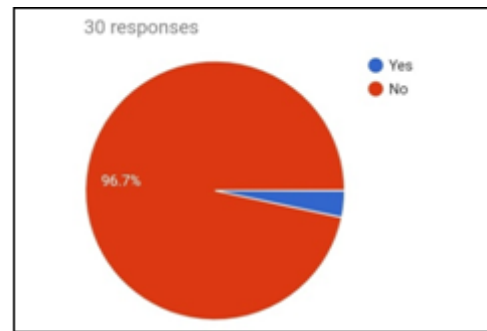
**Data interpretation**

The above analysis states that 86.7% of total vendors are 100% satisfied with Sai Deepa because of timely payments, and the bulk orders that they are getting from Sai Deepa. Whereas 13.3% of vendors are 80% satisfied and the reason for 20% dissatisfaction is that there will be small problems with designs and the time consumption is more for paper work which is required in billing and receiving the materials.

**b) Problems in Timely payment**

**Table 2:** Timely payment

S.No	Particulars	No of respondents	% of respondents
01	Yes	1	3.3
02	No	29	96.7
03	Total	30	100



**Figure 2:** Graphical representation of timely payment

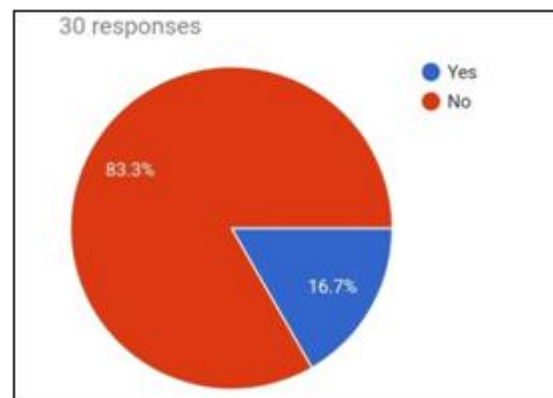
**Data Interpretation**

The above analysis states that 96.7% of total vendors are receiving their payment on-time, where as 3.3% of total vendors are having problems in delaying the payment from past six months.

**c) Problems in design drawings or dimensions:**

**Table 3:** Problems in design drawings or dimensions

S.No	Particulars	No of respondents	% of respondents
01	Yes	5	16.7
02	No	25	83.3
03	Total	30	100



**Figure 3:** Graphical representation of problems in design drawings or dimensions

**Data Interpretation**

The above analysis states that 83.3% of total respondents didn't face any problems regarding design drawings, the drawings were very clear to them, where as 16.7% of total respondents having problems with design drawings due to delaying in sending designs, delaying in resending the designs if there are any corrections in it.

**d) Problems during billing**

**Table 4:** Problems in billing

S.No	Particulars	No of respondents	% of respondents
01	Yes	5	16.7
02	No	25	83.3
03	Total	30	100

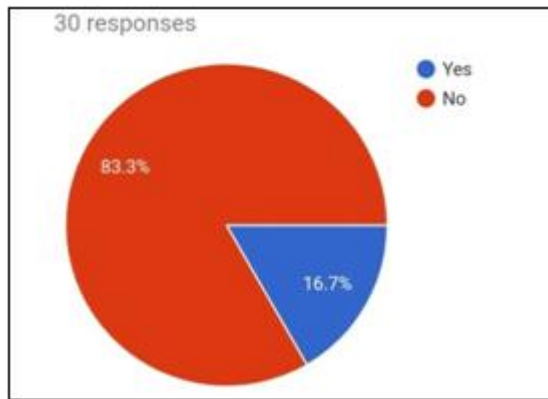


Figure 4: Graphical representation of problems in billing

#### Data Interpretation

The above analysis states that 83.3% of total vendors are not having any problem with Sai Deepa paper work where as 16.7% of total vendors are having problems in with Sai Deepa paper work because it is taking more time while billing, there is no separate computer operator for the vendor's bills.

#### 4. Findings

- 1) Nearly 86.7% of total vendors are 100% satisfied with Sai Deepa because of timely payments, and the bulk orders that they are getting from Sai Deepa. Whereas 13.3% of vendors are 80% satisfied and the reason for 20% dissatisfaction is that there will be small problems with designs and the time consumption is more for paper work which is required in billing and receiving the materials.
- 2) It is observed that 96.7% of total vendors are receiving their payment on time, where as 3.3% of total vendors are having problems in delaying the payment from past six months.
- 3) The study states that 83.3% of total respondents didn't face any problems regarding design drawings, the drawings were very clear to them, where as 16.7% of total respondents having problems with design drawings due to delaying in sending designs, delaying in resending the designs if there are any corrections in it.
- 4) It is observed that 83.3% of total vendors are not having any problem with Sai Deepa paper work where as 16.7% of total vendors are having problems in with Sai Deepa paper work because it is taking more time while billing, there is no separate computer operator for the vendor's bills.

#### 5. Suggestions

- 1) When there are any changes in drawings, the design department needs to intimate the vendors by sending old design copy along with modified design copy, challan slip immediately. So that before starting the work only they can rectify the problem in designs
- 2) It will be good if you can appoint a system operator especially for vendors so that the time consumed for the paper work will be reduced.
- 3) It will also be good if you can able to allot a specific time for vendors to reduce the waiting time

#### 6. Conclusion

We found that majority of vendors of Sai Deepa are very delighted. When compared to other manufacturing companies Sai Deepa is placing bulk orders to the vendors which make them very happy. The study shows that most of the vendors are satisfied with the existing practices at Sai Deepa rock drills, and it reveals the factors that make vendors satisfy i.e. timely payment and bulk orders, and also revealed the factor influenced them to dissatisfy is time taking process of billing and problems in design dimensions.

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