

The Impact of Retailer Relationship Management on Sales Performance in the Ceramic Tiles Industry

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Abstract - This study focuses on understanding Impact of Effective Retailer Relationship on Tiles Sales Performance with the objective of analysing how retailer relationships influence tile sales performance and identifying key factors contributing to retailer satisfaction. The research employed a descriptive research design and utilized both primary and secondary data sources. Primary data was collected through structured questionnaires distributed to 100 retailers using a convenience sampling method within a specified period. Key objectives included evaluating the challenges in maintaining retailer relationships and proposing strategic improvements to enhance sales. The findings revealed that strong brand-retailer relationships significantly impact tile sales, with communication, promotional support, and timely delivery being crucial to retailer engagement. Furthermore, glossy and vitrified tiles were the most preferred types, indicating a trend toward aesthetics and durability. Challenges such as supply delays, poor communication, and competition were notable concerns. The study recommends improvements including dedicated relationship managers, digital marketing tools, and structured incentive programs. These findings provide valuable insights for tile manufacturers and distributors aiming to strengthen market presence through enhanced retailer collaboration and customer-focused strategies.

Key Words: Retailer Relationship, Tiles Sales Performance, Retailer Satisfaction, Brand-Retailer Relationship, Promotional Support.

INTRODUCTION

The ceramic tile industry has witnessed remarkable growth over the last two decades, driven by increasing urbanization, rising disposable incomes, infrastructural development, and evolving consumer preferences. Among the various stakeholders in the supply chain, retailers play a pivotal role in bridging the gap between manufacturers and end consumers. Tiles are no longer considered mere building materials—they are integral to aesthetics, design, and lifestyle. With growing awareness and demand for interior design, customers now look to retailers not only for purchasing tiles but also for advice on trends, quality, and suitability. In this environment, manufacturers increasingly depend on retailers to position their products effectively in the market. This calls for long-term, trust-based relationships that go beyond transactional interactions. The ceramic tile industry plays a significant role in the infrastructure and real estate sector in India. Tiles have become an essential component in modern construction, not only for their functional value but also for their aesthetic appeal. With rapid urbanization, changing consumer lifestyles, and increasing disposable incomes, the demand for quality tiles has grown significantly. In this dynamic market environment, the role of retailers has evolved from mere intermediaries to critical partners in the value chain. Retailers are often the first point of contact for customers and play a key role in influencing purchase decisions, recommending product types, guiding customers based on utility and design, and building trust. Retailer relationship management includes all the activities and strategies that manufacturers adopt to maintain healthy, long-term, and mutually beneficial relationships with their retail partners. These may include timely product deliveries, flexible credit terms, promotional support, dealer training programs, effective communication, grievance redressal, and regular performance reviews. Strong retailer relationships can result in better shelf space, greater brand advocacy, increased sales. The tiles market, especially in urban centers like Chennai, is characterized by a wide range of product options, multiple brands, and a highly informed consumer base. In such a scenario, companies need to go beyond traditional marketing and focus on empowering retailers, who

serve as the brand's voice on the ground. Retailers' perception of a brand, their ease of doing business with the manufacturer, and their trust in the company's policies and support mechanisms directly influence their willingness to push and promote that brand. This study will explore various dimensions of the manufacturer-retailer relationship in the tile industry such as trust, communication, delivery efficiency, credit policy, promotional support, and grievance handling, and how these impacts the retailer's motivation and consequently the sales performance. Understanding these dynamics can help tile manufacturers like Anuj Tiles devise more effective channel strategies, enhance retailer satisfaction, and drive sustained growth in a competitive market

REVIEW OF LITERATURE

Explores how CRM systems enhance sales performance in the retail sector. The study highlights that effective CRM implementation leads to improved customer interaction, streamlined sales processes, and data-driven decision-making. Key success factors include user adoption, system integration, and data quality. These findings suggest that robust CRM systems can positively influence tile sales performance by fostering better retailer-customer relationships. **(Tiwari, 2024)**. Focuses on developing predictive models for sales forecasting in the tiles and marbles e-commerce sector. By leveraging historical sales data and machine learning algorithms, the research aims to optimize inventory management, reduce stockouts, and enhance customer satisfaction.

Efficient inventory management, supported by accurate sales predictions, can strengthen retailer relationships by ensuring product availability and timely delivery. **(Nandihal et al., 2024)**. Emphasized the role of frontline sales executives from tile companies in strengthening retailer relationships. Regular visits, local marketing support, and addressing retailer grievances built a sense of partnership, which in turn reflected in higher sales targets being achieved consistently. **(Agarwal, 2023)**. In their study on supplier-retailer trust in the hardware and tiles sector in South Africa, found that mutual transparency and conflict resolution practices between tile companies and retailers directly influenced revenue generation. Sales grew consistently in markets where supplier representatives engaged regularly with retailers. **(Dlamini & Botha, 2023)**. Examined the impact of retailer-manufacturer collaboration on business performance in the Indian building materials industry. The study revealed that long-term retailer relationships significantly contribute to product visibility, better shelf space, and higher repeat orders—especially in categories like tiles and sanitary ware. Retailer satisfaction was found to be a key mediator between relationship management and sales growth. **(Kumar & Gupta, 2023)**. Explored how interpersonal relations between sales teams and retailers impacted the visibility and consumer preference of tiles. Personalized service, faster claim settlements, and responsive communication from the supplier side helped retailers feel supported, leading to stronger product push at the ground level. **(Mehta & Rajan, 2022)**. Showed that technical training provided to tile retailers and showroom staff helped improve product presentation, accurate customer guidance, and upselling. This was especially crucial for high-value vitrified and digital printed tiles, where dealer portals and mobile apps for order tracking, promotions, and complaint management saw higher retailer satisfaction and fewer disputes. Digital integration enhanced transparency, leading to stronger relationships. **(Desai, 2022)**. Applied the Relationship Marketing Theory to the Indian tile industry. They emphasized that long-term engagement, rather than transactional selling, results in sustained growth. Companies like Kajaria and Somany were noted for deploying channel relationship managers to maintain retailer satisfaction. **(Saxena & Arora, 2021)**

Objectives

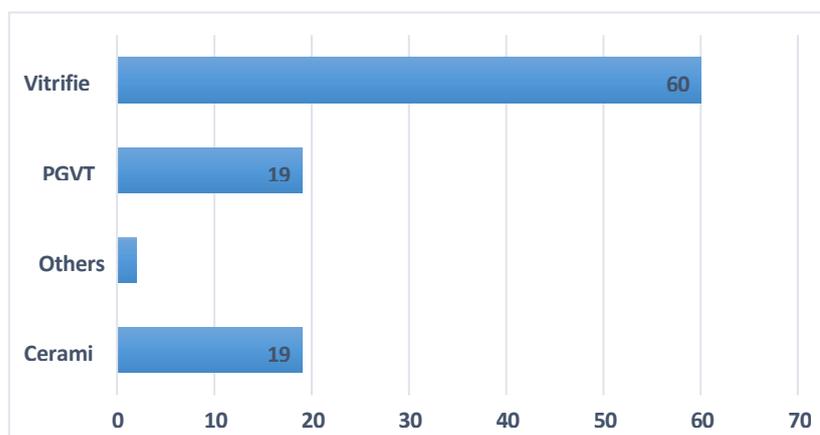
1. To analyse how effective retailer relationships influence tile sales performance.
2. To identify key factors contributing to strong retailer engagement and satisfaction.
3. To evaluate the challenges faced in maintaining retailer relationships.
4. To suggest improvements in retailer relationship strategies to enhance sales.

RESEARCH METHODOLOGY

The research design used in this study is Descriptive in nature. Both primary and secondary data are used for the research. The information required for this research was collected from the retailers of variety of tiles, using a Structured Questionnaire. The Questionnaire contains 5 point scale questions and demographic questions. Secondary data for this research was obtained from the various journals, literature and the company website. The primary data was collected by direct survey method using a questionnaire. Population size is unknown. The sample size is 100, and it is collected from retailers. The sampling period starts from 02/06/2025 to 30/06/2025. The sampling method used in this research is convenience sampling method. Various tools methods are used for the purpose of analyzing the responses towards various factors such as Frequency Analysis, Pie & Bar chart, Regression, and Mean.

DATA ANALYSIS AND INTERPRETATION

Analysis of retailer preferred tiles Classifications



Inference:

Among the different types of tiles, vitrified tiles are the most preferred, with 60 of 100 retailers favoring them, followed by ceramic and PGVT tiles at 19 each. Vitrified tiles are likely preferred due to their superior durability, aesthetics, and low porosity, which make them ideal for both residential and commercial use. The equal preference for ceramic and PGVT indicates that these tiles also have a stable demand, possibly catering to specific price points or interior design trends. The low percentage for ‘Others’ (2) shows a more consolidated market around mainstream tile types. Retailers tend to stock tiles that balance cost, design, and customer satisfaction.

Analysis of the factors influencing tile recommendation Classifications

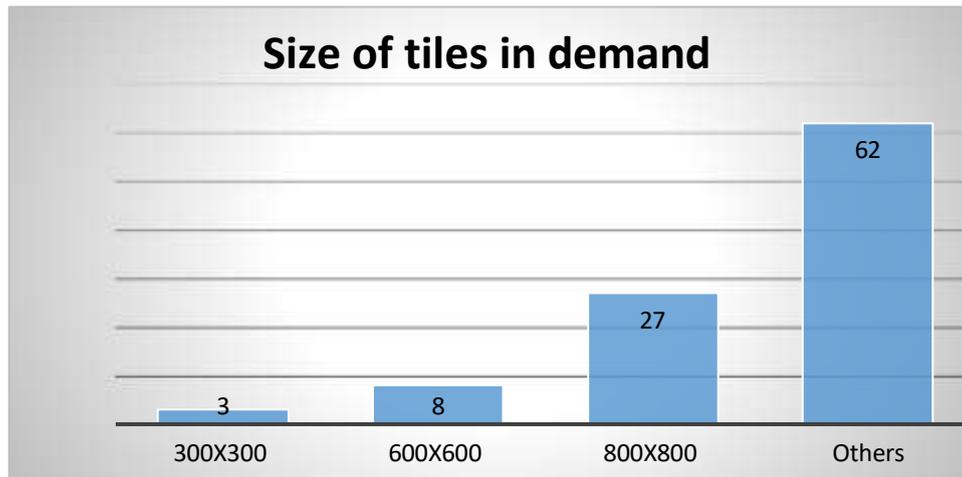
S.No	Top Factors	No. of Respondents
1.	Quality	100
2.	Price	92
3	Design	25
4	Brand	10

Inference:

The data indicates that **quality** is the most important factor for respondents, with **100** individuals prioritizing it, followed closely by **price** with **92** respondents. This suggests that consumers primarily focus on the product's performance and affordability when making decisions. **Design**, with **25** responses, holds moderate importance, while **brand** is the least influential factor, cited by only **10** respondents.

Overall, businesses should concentrate on enhancing product quality and maintaining competitive pricing, as these are the key drivers of consumer preference, whereas design and brand image, though relevant, play a comparatively smaller role.

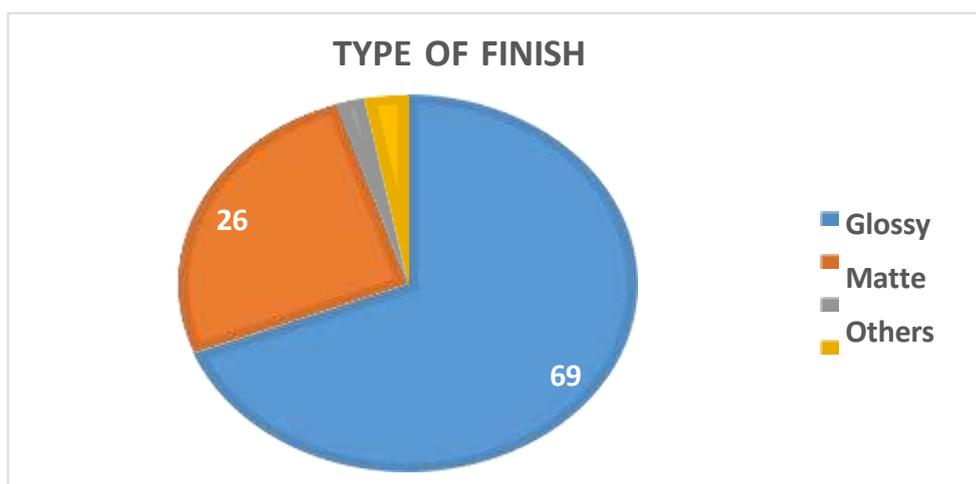
Analysis of the size of tiles Classifications



Inference:

Tile size preferences among retailers are quite varied, with 62 selecting 'other' sizes which means 1200X600 beyond the standard ones listed. Among the given options, 800X800 mm tiles are the most popular (27), likely due to their suitability for modern, spacious interiors. The minimal preference for 300x300 (3) and 600x600 (8) tiles indicates a shift away from traditional sizes towards larger formats that offer a seamless and premium look. The high percentage under 'Others' suggests that retailers are dealing with customized, designer, or large-format tiles like 1200X600 mm depending on local demand. This indicates a growing trend toward personalization and upscale finishes in the tile market.

Analysis of the Type of finish in tiles Classifications



Inference:

Glossy tiles are the most preferred finish, with 69 of respondents choosing them, followed by matte tiles at 26. The high preference for glossy finishes suggests that customers are inclined toward shiny, reflective surfaces that enhance brightness and appeal. Matte finishes still hold a decent share, likely due to their modern look and slip-resistant properties, which are suitable for bathrooms and outdoor areas. Minimal responses for wooden and other finishes indicate niche demand. This inference shows that manufacturers and retailers must focus more on producing and promoting glossy and matte finishes, keeping in mind both style and utility.

Frequency Analysis on the Role of Brand Relationship in Driving Sales

Factor	Frequency
Disagree	2
Neutral	3
Agree	49
Strongly Agree	46
Total	100

Inference:

The frequency analysis of strong relationship reveals that a substantial majority of the respondents expressed a positive agreement with the statement posed. Specifically, 49 of 100 respondents agreed and 46 of 100 were strongly agreed, together making up 95 of the total sample. This clearly indicates a strong favourable perception or satisfaction regarding the subject matter of strong relationship. Only a minimal of respondents were neutral (3), and an even smaller portion (2) disagreed, suggesting very limited opposition or uncertainty. The high frequency of agreement underscores a strong consensus among the respondents, making it evident that the sentiment is overwhelmingly positive and nearly unanimous. This strong agreement may reflect high satisfaction, trust, or confidence, depending on the specific content of the question

Analysis of relationship between Retailer relationship and retailer satisfaction

Null Hypothesis (H0): There is no significant relationship between the variables Retailer relationship, and retailer satisfaction.

Alternative Hypothesis (H1): There is a significant relationship between the variables Retailer relationship and the retailer satisfaction.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Motivation	.056	.068	.068	.825	.410
Pricing Strategy	.039	.062	.045	.631	.529
Quality	-.040	.067	-.046	-.605	.545

Product Variety	-.065	.051	-.087	-1.289	.198
Marketing Material	.108	.049	.142	2.202	.028

Inference:

The analysis indicates that among the variables tested, only has a meaningful impact on specifically, as increases, Satisfaction tends to increase slightly, and this relationship is statistically significant, meaning it is unlikely to be due to chance. The other variables (Motivation, Pricing strategy, Quality, Product variety) do not show a significant effect on Factor of Satisfaction, suggesting they do not have a strong or reliable influence in this model. Overall, the results suggest that Marketing material is the key factor associated with changes in Factor of Satisfaction, while the other factors do not seem to matter much in this context.

Analysis of relationship between Challenges and retailer satisfaction

Null Hypothesis (H0): There is no significant relationship between the variables, Challenges and retailer satisfaction.

Alternative Hypothesis (H1): There is a significant relationship between the variables Challenges and retailer satisfaction.

Coefficients^a

Factor	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Communication	-.137	.051	-.236	-2.699	.007
Delivery	-.089	.046	-.136	-1.907	.057
Support	-.119	.045	-.209	-2.648	.008
Competition	.155	.048	.233	3.224	.001
Engagement	-.125	.043	-.173	-2.926	.004

Inference:

The model as a whole is statistically significant (implied by the significance of the constant and the individual predictors), with some predictors significantly related to satisfaction. Communication, Support, and Engagement have negative coefficients that are statistically significant ($p < 0.01$), indicating that higher scores on these variables are associated with lower satisfaction. Competition has a positive and significant coefficient ($p = 0.001$), suggesting that higher scores on Competition are associated with higher satisfaction. Delivery has a negative coefficient that approaches significance ($p = 0.057$), implying a potential negative relationship, but this is not definitively significant at the 0.05 level. Overall, variables Communication, Support, and Engagement seem to negatively impact satisfaction, while Competition positively influences it. The model explains some variation in satisfaction, with certain factors playing a meaningful role.

Evaluation of the challenges faced in maintaining retailer relationships

Challenges	Mean	Rank
Communication	4.40	1
Delivery	4.35	2
Support	4.34	3
Competition	4.33	4
Engagement	3.18	5

Inference:

In contrast, the second set of descriptive statistics, covering, challenges in communication shows substantially lower mean scores. Communication have a mean of 4.40, while Delivery(4.35),support(4.34),competition(4.33), and Engagement(3.18) reflect even lower levels of agreement. These scores suggest that respondents either agreed or felt neutral towards the statements associated with these questions. When comparing both sets, it is evident that there is a significant difference in respondents' perceptions across the two groups of items being rated more favourable. This variation may indicate that certain aspects of the subject being studied (such as service quality, product satisfaction, or retailer support, depending on the context of the questionnaire) are viewed more positively than others, highlighting key areas for improvement and focus in future strategic or operational planning

Suggestion of improvements in retailer relationship strategies to enhance sales

Suggestion	Mean	Rank
Communication	4.79	1
Availability	4.70	2
Incentives	3.68	3
Promotion	3.66	4
Training	3.31	5

Inference:

The descriptive statistics provide insights into respondents' levels of agreement or perception regarding ten variables each measured on a Likert scale. From the first set, it is observed that "communication" records the highest mean score of 4.79, Followed closely by Product availability (4.70), Promotion (3.66), and Incentives (3.68). These values indicate that respondents showed a relatively high level of agreement or satisfaction with the statements corresponding to these items. Slightly lower but still moderate agreement is observed for Training, which has a mean of 3.31, suggesting a comparatively neutral perception. This overall trend reflects that participants generally responded positively to the themes represented by these five items.

5. FINDINGS:

The study revealed that effective retailer relationships have a significant positive impact on tile sales performance. Retailers who experience better communication, timely support, and trust from manufacturers tend to exhibit stronger loyalty and higher sales outputs. Key factors such as incentives, timely delivery, after-sales support, and regular communication were found to contribute substantially to retailer satisfaction and engagement. However, various challenges were also identified, including supply delays, lack of personalized support, inconsistent communication, and competition from direct-to-consumer channels. Addressing these challenges through strategic improvements such as digital tools, performance-based rewards, and dedicated relationship managers can greatly enhance overall performance and mutual growth between manufacturers and retailers.

Objective 1: To analyse how effective retailer relationships influence tile sales performance

The study found that effective retailer relationships significantly enhance tile sales performance. Retailers who maintained strong ties with manufacturers or suppliers exhibited higher sales volumes and greater consistency in repeat orders. Factors such as regular interaction, transparent communication, timely delivery, and personalized attention from the company representatives fostered trust and loyalty. 95% of respondents (49% agree, 46% strongly agree) stated that strong brand relationships positively influenced their sales, confirming a direct link between relationship strength and sales performance.

Objective 2: To identify key factors contributing to strong retailer engagement and satisfaction

Retailer engagement and satisfaction were found to be driven by several interrelated factors. Timely and consistent product supply, clear pricing policies, margin transparency, and attractive incentive programs emerged as crucial contributors. Retailers valued frequent communication and regular visits from sales representatives, which made them feel informed and connected with the company. Support in marketing activities, training on new product ranges, and responsiveness to service issues also played a significant role in sustaining satisfaction levels. Among multiple factors, marketing material had a statistically significant impact on retailer satisfaction ($p = 0.028$). Additionally, product availability ranked 2nd with a mean score of 4.70, showing it as a critical element of ongoing engagement.

Objective 3: To evaluate the challenges faced in maintaining retailer relationships

The study uncovered several challenges in maintaining strong retailer relationships. A common issue was the inconsistency in supply chain management, leading to delays in product delivery and frequent stockouts. Retailers also expressed frustration over poor communication and lack of responsiveness from company representatives, especially when addressing complaints or service requests. Discrepancies in incentive payments, rigid credit terms, and limited involvement in product or promotional decisions added to their dissatisfaction. Communication (mean = 4.40), support (4.34), and engagement (3.18) were ranked top among relationship challenges. These factors also had statistically significant negative impacts on satisfaction ($p < 0.01$), reflecting consistent issues.

Objective 4: To suggest improvements in retailer relationship strategies to enhance sales

Based on the study findings, several strategic improvements were suggested to strengthen retailer relationships and boost sales performance. Firstly, the adoption of a structured Retailer Relationship Management (RRM) system would allow for better monitoring of engagements and faster resolution of concerns. Customizing incentive schemes to match regional needs and performance levels can increase motivation among retailers. Enhancing logistical efficiency to ensure timely deliveries and consistent stock availability is crucial. Communication had the highest improvement suggestion score (mean = 4.79), followed by availability (4.70) and incentives (3.68). These were identified as the most effective ways to enhance retailer satisfaction and boost performance.

CONCLUSION

The study clearly indicates that effective retailer relationships are a critical factor in enhancing tile sales performance. Retailers who feel valued, supported, and consistently engaged by tile manufacturers are more likely to show brand loyalty, actively promote the products, and maintain long-term partnerships. These positive relationships directly influence the motivation of retailers to achieve better sales targets, participate in marketing efforts, and recommend the brand to end consumers. Therefore, companies that invest in building strong retailer connections stand to gain not only in terms of higher sales but also improved market reach and brand trust.

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