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Physical Distribution of Strabo Import and Export Incorporated

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ABSTRACT

This study aimed to solve the problem of the company which entails the effectiveness and efficiency of physical distribution issues. The physical distribution issues of Strabo Import and Export, Inc. have affected its reputation by becoming inefficient for distributing or delivering products to its customers. This study shall be anchored on Distribution Management focusing on the Information flow, Customer Service and Order-processing; Transportation and Delivery by Bert Rosenbloom (2016). Any logistics system consists of three basic components: Information flow, Customer Service and Order processing which includes transportation and Delivery. The quality of the physical distribution service industrial purchasers receive from suppliers has been shown to be an important consideration in industrial purchasing decisions. To better understand the criteria used to assess physical distribution service quality, the researcher examined the literature on physical distribution and service quality and surveyed purchasing managers. Based on the results of the literature reviews and survey, plus a two-step data gathering process, a valid and reliable measurement instrument for perceptions of physical distribution service quality (PSDQ) was developed and refined. Findings reveal that: (1) The overall Information Flow factor average was 2.91 and interpreted as Satisfied. The total factor average for Order Processing of Strabo Import and Export, Inc. was 2.44 and interpreted as Less Satisfied. The total average for Customer Service in terms of Scheduling was 2.51 and interpreted as Satisfied. The total average of Physical Distribution System as to Customer Service, mainly Transportation and Delivery, was 2.48 and interpreted as Less Satisfied. The study highlights the need for improved logistics coordination, resource allocation, and customer-oriented strategies. Considering the need to educate the employees and Sales Manager of the company, recommendations are offered to improve operational efficiency and customer satisfaction.

INTRODUCTION

In the present century, there has been a vast expansion in production, accompanied by the introduction of thousands of new products. Correspondingly, the size and complexity of business firms have significantly evolved. Single-plant production has been replaced by widely dispersed multi-plant operations, while markets have expanded geographically from regional to national and even multinational levels within a relatively short period. These developments have intensified the importance of efficient supply chain and logistics systems in sustaining competitive advantage in modern business environments (Chopra & Meindl, 2023; Christopher, 2022).

In this context, physical distribution has become one of the most visible and critical aspects of a company's marketing and logistics strategy. It refers to the process of moving goods from the point of production, such as warehouses or storage facilities, to the end users or consumers. According to recent logistics and marketing literature, effective physical distribution is a key determinant of customer satisfaction, service quality, and overall organizational performance (Kotler & Keller, 2022; Rushton, Croucher, & Baker, 2023). This function plays a crucial role in improving operational efficiency and reducing costs, particularly in delivery operations.

Effective physical distribution ensures that products are delivered on time, in good condition, and in accordance with customer expectations, thereby strengthening customer loyalty and retention.

In developing economies such as the Philippines, challenges in physical distribution are commonly observed in day-to-day operations. Urban logistics is significantly affected by infrastructural constraints, particularly traffic congestion, which has been widely recognized in recent transport and supply chain studies as a major cause of delivery delays and inefficiencies (World Bank, 2023; Asian Development Bank, 2022). Heavy traffic, especially in urban areas, delays deliveries and affects time-sensitive distribution systems, particularly during unfavorable weather conditions. In addition, customer-driven delivery time windows further complicated logistics operations, requiring firms to maintain high levels of flexibility and coordination in their distribution systems.

At the local level, the physical distribution issues of Strabo Import and Export, Inc. have affected its operational efficiency and reputation in delivering products to its customers. The company specializes in supplying frozen seafood products to restaurants, retailers, and individual clients in Cebu City, Lapu-Lapu City, and Mandaue City. Its operations involve daily deliveries based on orders

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placed by clients a day in advance. Despite implementing structured physical distribution practices, the company continues to encounter difficulties in meeting customer service expectations due to limited transportation resources, traffic congestion, and strict client-imposed delivery schedules. These challenges reflect broader issues identified in small and medium-sized logistics operations in urban Philippine settings (Department of Trade and Industry, 2022).

In this study, the independent variable is physical distribution, which includes transportation, delivery scheduling, and order handling. The dependent variable is customer satisfaction, which refers to the extent to which customers' expectations regarding timely and efficient delivery are met. Additionally, factors such as traffic conditions, limited delivery resources, and client time requirements are considered intervening variables that may influence the effectiveness of physical distribution. Given these issues, the researcher deems it necessary to assess the effectiveness of the company's physical distribution practices. Understanding customer preferences, particularly in terms of delivery time, and evaluating the key elements of physical distribution are essential in addressing the identified challenges. Strengthening distribution efficiency is expected to contribute not only to improved customer satisfaction but also to enhanced operational sustainability and competitiveness.

The researcher previously worked at Strabo Import and Export, Inc. in the accounting and collections department. Exposure to the company's daily operations sparked the researcher's interest in evaluating its distribution practices. Considering the company's limited transportation resources, traffic constraints, and strict delivery schedules imposed by clients, this study aims to propose improvements. Ultimately, the study seeks to address issues related to the effectiveness and efficiency of the company's physical distribution system.

LITERATURE REVIEW

This study is anchored on the Distribution Management Theory of Bert Rosenbloom (2016), which emphasizes that an effective logistics system is composed of three interrelated components: information flow, customer service, and order processing (including transportation and delivery). According to Rosenbloom, these components function as an integrated system where efficiency in one directly affects performance in the others. The theory underscores that distribution management is not merely a physical movement of goods but a strategic function that determines service quality, customer satisfaction, and overall business competitiveness.

Rosenbloom (2016) further explains that logistics systems must ensure that products are delivered at the right time, in the right quantity, and at the least possible cost while maintaining customer satisfaction. This aligns with the fundamental objective of physical distribution, which is to "place the product within an arm's length of desire,"

ensuring availability where and when demand exists.

The first component, information flow, talks about the foundation of modern logistics management. Physical distribution involves the handling and moving of raw materials and finished products from producer to consumers, often an intermediary. Its objective is to "put the product within an arm's length of desire." By administering its physical flow from the organization to the customers at the time and place where they want them at a reasonable cost. So, physical distribution management is the process of strategically managing the movement and storage of materials, parts and finished inventory from suppliers, between enterprise facilities and to customers. Physical distribution objective as getting the right goods, to the right places, at the right time, for the least cost. There are two dimensions to the physical distribution process, the flow of information from the producer to the consumer or the user. In both, these retailers and wholesalers are usually involved. The two dimensions are inter-related, though information flow generally triggers the material flow into motion. Physical distribution is the science of business logistics whereby the proper amount of the right kind of product is made available at the place where demand for it exists. Viewed in this light, physical distribution is the key link between manufacturing and demand creation.

Hence, physical distribution involves planning, implementing, and controlling the physical flow of materials and final goods from points of origin to points of use of meet customer needs at a profit. It is not only a cost; it is a patent tool in competitive marketing. Companies can attract additional customers by offering better service or lower prices through improvements. Companies lose customers when they fail to supply goods on time. Significant activities that are typically grouped in an integrated approach to physical distribution management are transportation, inventory, warehousing and order processing.

The second component, order processing, the task of filling orders may at first appear to be a minor part of logistics and a rather routine activity that does not require a great deal of thought to do well. Order processing is the critical component of logistics and developing an efficient order processing system can be far from routine. Its importance lies in its relationship with order cycle time, which is the time between when an order is placed and when it is received by the customer.

If order processing is cumbersome, it can slow down the order cycle time considerably. It can even increase transportation costs if a faster mode of transportation must be used to make up for the slow order processing time.

The meaning and importance of customer service in the context of logistics, Customer service is the collection of activities performed in filling orders and keeping customers happy or creating in the customer's mind the perception of an organization that is easy to do business

with (Johnson *et al.*). (Heskett, Galskowsky, *et al.*) Stresses the following categories of logistics service standards

1. Time from order receipt to order shipment
2. Order size and assortment constraints
3. Percentage of Items out of stock
4. Percentage of orders filled accurately
5. Percentage of orders filled within a given number of days from receipt of the order
6. percentage of orders filled
7. Percentage of customer orders that arrive in good condition
8. Order cycle time
9. Ease and flexibility of order placement.

Bowersox and Closs distill what they refer to as “ Basic Service Capability” into three categories: availability, operational performance, and reliability. Ketchen *et al.*, have argued that the output of a firm’s logistical system or supply chain should not only be aimed at providing superior customer service but should also be seen as an ore dimension of a firm’s competitive strategy.

On the Framework of Supply Chain Metrics by Lambert and Pohlen (2001). The Framework consists of steps, to wit:

- In identifying where vital relationships and linkages exist, mapping the supply chain from point-of-origin to point-of-consumption is needed.
- To align the behavior of individuals to customer service and order processing, the management shall establish non-financial performance measures.
- In keeping the processes up-to-date, revision of processes and performance measures be done at suitable intervals.
- To complement the steps in the supply chain, replication of the steps above at each link is required.

To assess how the relationship between the customers and the supplier affects profitability for both firms, developing or checking into their profit and loss statements is done in the third step of the framework. The statement of financial performance contains the revenues and costs. It can be noted that if the supplier provides a similar item to a customer that is another manufacturer, then the customer’s report about the supplier depicts the total cost analysis. It may vary when the revenue can be attributed to a specific source of supply, which may be above-standard quality and lesser returns. More importantly, the statement can be used as a tool to determine changes in performance (Kurata, 2014). The management can compare the total revenues and costs for the current period to similar periods in the past or even compare them to other suppliers. The statement can also be used to provide the best indicator in aligning the performance measures across different suppliers.

The second necessary step refers to realigning the supply chain processes. Through this, the business shall refer to the inventory management system being implemented, and the previously cited profit and loss statements. By P&L analysis, the business can decipher the impact and significance of aligning their actions with the objectives

of the supply chain. The results of the analysis can be utilized to negotiate in equally distributing benefits and risks of improvements in the processes of the supply chain and ultimately, the objectives of the whole system (Manuj & Sahin, 2011). In realigning the processes, one of the key activities to be undertaken shall be eliminating the non-value-adding processes (Stavrulaki & Davis, 2010). By getting rid of them, the physical distribution activities and channels can also be simplified; thereby, eradicating complexities, and more importantly, costs are reduced. One example cited in their study refers to opting to route products through internal distribution centers, rather than shipping high volume products to the customers. By routing the products through some centers, lesser human involvement is needed, and single data entry for the information system shall be utilized. Badenhorst *et al.* (2013) cited that implementing effective supply chain strategies and in gaining competitive advantage, qualified staff and relevant information system technologies are a must. With the relevance of the information system, complex decisions are broken down to simple, easy-to-solve ones, and network facility can be established. Further, the prevalence of accurate and timely information regarding the customers and suppliers cannot be discounted.

The next step in the framework refers to the most important part of the business: its employees. The above-cited economic value adding activities are not enough to ensure the improvement of supply chain processes. These processes shall be inculcated among the employees for their effective implementation. Bulut and Atakisi (2015) posited that human resource management, being an essential part of the supply chain, shall identify the employees as an asset, rather than the cost to the business. Since supply chain management gives greater weight on marketing and customer service, new approaches being implemented by the employees shall also be given attention to obtain customer satisfaction. By fulfilling customer expectations, the company creates value for the customer with the use of its human resources (Marshall *et al.*, 2015). To properly measure the employee performance, various tools are being used by businessmen and managers to incentivize the employees properly. There are no specific metrics set by standards, this could vary per company depending on their strategies, and short-term and long-term plans. Performance measurement tools facilitate the decision-making process in business and are helpful for firms to measure and assess the right things and right people to take action in a supply chain (Ellinger & Ellinger, 2014).

The last two steps are to compare shareholder value and replicating the steps above in each of the processes in the supply chain. Ha-brookshire (2017) asserted that the supply chain should be sustainable and shall have continued and updated processes to maintain the business’ competitive edge. The business also needs to adapt to the fast-paced, and highly demanding production industry. The optimization of the organization’s resources, and

cooperation among stakeholders can be considered one of the factors in achieving a successful supply chain (Li, 2009). Through this, higher profits and greater customer satisfaction shall be obtained.

In contemporary business environments, logistics and supply chain management have become central to organizational competitiveness. The rapid expansion of markets, increasing product diversity, and heightened customer expectations have intensified the need for efficient physical distribution systems. Modern firms are no longer evaluated solely by product quality, but also by their ability to deliver goods efficiently, reliably, and at minimal cost. As global supply chains become more complex, physical distribution has emerged as a strategic function that directly influences service performance and customer satisfaction (Christopher, 2022; Chopra & Meindl, 2023).

Physical distribution refers to the set of activities involved in moving finished goods from production or storage facilities to the final consumer. These activities typically include transportation, warehousing, inventory control, order processing, and delivery scheduling. According to Rushton, Croucher, and Baker (2023), physical distribution is a critical component of logistics management because it ensures product availability in the right quantity, at the right place, and at the right time. Effective distribution systems reduce operational costs while improving service reliability, thereby enhancing overall organizational performance.

A growing body of literature emphasizes the strong relationship between logistics performance and customer satisfaction. Demographic characteristics such as age, educational attainment, and years of experience play a significant role in shaping managerial decision-making and service expectations. According to Kotler and Keller (2022), organizational buyers with higher educational attainment tend to demand more structured systems, transparency, and efficiency in service delivery. Similarly, Christopher (2022) emphasized that experienced managers are more sensitive to logistics inefficiencies, particularly in delivery reliability and scheduling performance.

In entrepreneurial settings, educational diversity is common. The Department of Trade and Industry (2022) noted that small business owners often rely more on practical experience than formal education, which may influence their expectations toward supplier performance. Furthermore, Chopra and Meindl (2023) highlighted that mid-career professionals (6–10 years of experience) are typically more engaged in operational improvements and performance evaluation.

These findings support the observed variation between managers and retail owners in the present study and explain differences in expectations and satisfaction levels in physical distribution services.

Kotler and Keller (2022), argue that customer satisfaction is significantly influenced by the consistency and reliability of delivery services. When firms fail to meet delivery expectations, customer trust declines, which may result in

reduced loyalty and negative word-of-mouth. In contrast, timely and accurate delivery strengthens customer relationships and contributes to long-term business sustainability. This highlights the importance of aligning physical distribution systems with customer expectations. Transportation is widely recognized as one of the most critical elements of physical distribution. It accounts for a significant portion of logistics costs and directly affects delivery speed and reliability. Efficient transportation systems ensure that goods move smoothly through the supply chain with minimal delays. However, transportation performance is often affected by external environmental factors such as traffic congestion, road conditions, and fuel costs. According to the World Bank (2023), urban congestion is one of the most persistent logistics challenges in developing economies, leading to delays, increased operational costs, and inefficiencies in delivery systems.

In the context of developing countries such as the Philippines, logistics inefficiencies are further intensified by infrastructure limitations and urban traffic conditions. The Asian Development Bank (2022) reports that transport-related bottlenecks significantly reduce supply chain efficiency in major urban centers. These challenges are particularly evident in densely populated cities where road congestion, limited transport infrastructure, and unpredictable travel times disrupt scheduled deliveries. As a result, firms operating in urban environments must develop adaptive logistics strategies to maintain service quality.

Another critical component of physical distribution is delivery scheduling. Effective scheduling ensures that deliveries are coordinated in a manner that optimizes time, resources, and customer requirements. However, customer-imposed delivery time windows often create additional pressure on logistics operations. When customers demand specific delivery times, companies must balance efficiency with flexibility. According to Chopra and Meindl (2023), the inability to synchronize delivery schedules with customer expectations often leads to service failures and reduced operational performance. Order handling and processing also play a vital role in physical distribution effectiveness. Efficient order processing systems ensure that customer requests are accurately recorded, processed, and fulfilled within the expected time frame. Errors in order handling can lead to delays, incorrect deliveries, and customer dissatisfaction. Rushton *et al.* (2023) emphasize that integrated order management systems improve visibility and coordination across the supply chain, thereby enhancing delivery accuracy and reliability.

Customer satisfaction, the dependent variable in this study, is a key measure of service performance in logistics and distribution systems. It reflects the extent to which customer expectations are met or exceeded. In logistics services, customer satisfaction is largely determined by delivery speed, reliability, product condition upon arrival, and responsiveness to customer needs. Kotler

and Keller (2022) highlight that satisfied customers are more likely to become repeat buyers and brand advocates, which contributes to long-term profitability and market competitiveness.

In addition to internal logistics processes, external environmental factors significantly affect physical distribution performance. Traffic congestion, weather conditions, and regulatory constraints are among the most common challenges affecting delivery efficiency. The World Bank (2023) notes that traffic congestion in urban areas leads to unpredictable travel times, making it difficult for logistics firms to maintain consistent delivery schedules. This issue is particularly relevant in metropolitan areas of developing countries where infrastructure development has not kept pace with urban growth.

In the Philippine setting, logistics challenges are further compounded by inter-city distribution demands and fragmented urban planning systems. The Department of Trade and Industry (2022) highlights that small and medium-sized enterprises (SMEs) often struggle with limited transport resources and high distribution costs. These constraints reduce their ability to compete with larger firms that have more advanced logistics capabilities. Consequently, SMEs must rely on operational efficiency and customer-focused delivery strategies to remain competitive in the market.

Cold chain logistics is another important consideration in physical distribution, especially for businesses dealing with perishable goods such as frozen seafood products. Maintaining product quality during transportation requires temperature-controlled systems and efficient delivery processes. Any delay or failure in maintaining the cold chain can lead to product spoilage and financial losses. This makes time-sensitive delivery even more critical for companies operating in the food distribution sector.

At the organizational level, physical distribution efficiency is strongly influenced by resource availability. Limited transportation units, inadequate manpower, and scheduling constraints often hinder delivery performance. Firms with insufficient logistics resources must maximize operational planning and route optimization to mitigate inefficiencies. According to Christopher (2022), firms that invest in process optimization and logistics coordination tend to achieve higher service reliability and customer satisfaction levels.

According to a study published in the American Journal of Logistics and Supply Chain (AJLSC) under E-Palli Publishers, Al Zadajali *et al.*, (2024), logistics efficiency significantly affects organizational performance, customer satisfaction, and competitive advantage. Mohamed A>A. (2025), explains that information sharing, customer relationship management, and supplier coordination positively influence organizational performance. The study highlighted that poor communication and weak logistics coordination negatively affect customer satisfaction and operational efficiency. This finding is

closely related to the current study since information flow and customer service were major variables assessed in Strabo Import and Export, Inc.

The quality of the physical distribution service industrial purchasers receive from suppliers is an important consideration in industrial purchasing decisions. To better understand the criteria used to assess physical distribution service quality, the researcher examined the literature on physical distribution and service quality and conducted interviews with purchasing managers. Based on the results of the literature reviews and interviews, plus a two-step data gathering process, a valid and reliable measurement instrument for perceptions of physical distribution service quality (PSDQ) was developed and refined.

MATERIALS AND METHODS

This chapter presents the research methodology used in the study. It includes research design, research environment, respondents, sampling technique, research instrument, data collection procedure, and statistical treatment of data. The methodology is presented in sufficient detail to allow replication of the study.

Research Method

This study is quantitative in nature and utilizes the descriptive survey method. The descriptive survey design is appropriate because it seeks to describe and analyze the current conditions of physical distribution practices and customer satisfaction without manipulating variables. A research-made questionnaire was used as the primary instrument for data collection. The questionnaires were personally distributed by the researcher to the target respondents. This method involved the use of the scientific approach through systematic data gathering, analysis of responses, and formulation of conclusions based on statistical interpretation. The study is anchored on the Distribution Management Theory of Bert Rosenbloom (2016), which emphasizes that logistics systems consist of information flow, customer service, and order processing (including transportation and delivery). These components were used as the basis for evaluating physical distribution effectiveness.

Research Environment

The research was conducted at Strabo Import and Export, Inc., located in Riverside, Canduman, Mandaue City, Philippines. Strabo Import and Export Inc. is an importer with 113 import shipments from 22 suppliers. The company sustains a well-diversified network across Vietnam, China and Chile. The company is engaged in the distribution of frozen seafood products to restaurants, retailers, and individual consumers across Cebu City, Mandaue City, and Lapu-Lapu City. The selected environment is appropriate for the study because it directly involves the company's physical distribution operations, including delivery scheduling, transportation, and customer interaction. The proximity of the respondents allowed efficient data gathering and ensured

access to relevant and accurate operational information.

Research Instrument

A questionnaire was developed as the primary instrument for data collection. It consists of two parts. The first part includes the profile of the respondents, which gathers information such as their age, years of experience, and educational background. The respondents are expected to complete the questionnaire within approximately 10 minutes.

The second part required an assessment of the satisfaction of the physical distribution to clients in terms of Information Flow, Order Processing and Customer Service.

The questionnaire included the name of the company and the position of the representative. The next part asked the respondent to assess whether the services were currently received from Strabo Import and Export, Inc. Each item in the questionnaire was assigned with a corresponding numerical and qualitative description as follows: The scale used in this study is interpreted as follows: A rating of 4, or Very Satisfied (VS), means that the company has always met the expectations of the customer. A rating of 3, or Satisfied (S), means that the company has usually met the expectations of the customer. A rating of 2, or Less Satisfied (LS), means that the company has sometimes met the expectations of the customer. Lastly, a rating of 1, or Not Satisfied at All (NS), means that the company has never met the expectations of the customer.

Data Collection Technique

Data collection was conducted through the distribution of printed questionnaires to the identified respondents. The researcher personally administered the questionnaires to ensure a high response rate and to provide clarification when necessary.

Respondents were given sufficient time to complete the questionnaire, which typically required approximately 10 minutes. In addition to the survey, structured interviews were conducted with selected respondents and management representatives to supplement the quantitative data and provide deeper insights into operational issues.

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Data Analysis

The data gathered by the researcher were tabulated, tallied, presented in tables or tabulated and interpreted. The researcher utilized a qualitative assessment of the data gathered. The respondents' choice answers were the basis of the conclusion or improvement of the physical distribution of the company. The scores were the weighted mean scores, and the corresponding

$$\bar{x} = \frac{\sum_{i=1}^n x_i}{n}$$

descriptions and interpretations.

The T-test is used to compare the values of the means from two samples and test whether it is likely that the samples are from populations having different mean-values. To determine if there was a significant difference between the managers of the restaurants and the selected retail owners of Strabo Import and Export, Inc. the T-test analysis was used. The result said that there was no significant difference between the two means.

Responses provided by the designated representatives of the respondents will be tabulated. The mean was used to provide an average value of the data under study. It was computed by dividing the sum of values or observations with the number of observations

The interpretation of the weighted mean scores is based on the following scale: A mean range of 3.26 to 4.00 is interpreted as Very Satisfied (VS), which means that the company has always met the expectations of the customer. A mean range of 2.51 to 3.25 is interpreted as Satisfied (S), which means that the company has usually met the expectations of the customer. A mean range of 1.76 to 2.50 is interpreted as Less Satisfied (LS), which means that the company has sometimes met the expectations of the customer. Lastly, a mean range of 1.00 to 1.75 is interpreted as Not Satisfied At All (NS), which means that the company has never met the expectations of the customer.

The researcher studied and scrutinized the treatment of data carefully and deliberately and gave a deeper understanding of the survey conducted.

RESULTS AND DISCUSSIONS

The data reveal that the largest proportion of managers (31.25%) falls within the 40–45 age range, indicating that most are in their mid-career stage. On the other hand, retail owners are more evenly distributed across age groups, with the highest percentages (25%) observed in both 31–35 and 40–45 age ranges. This suggests that managerial positions tend to be occupied by slightly older individuals with more experience, while retail ownership is accessible across a wider age range.

The table shows that most managers (31.25%) have 6–10 years of experience, indicating moderate professional exposure. Similarly, the largest group among retail owners (37.50%) also falls within the same range, suggesting that

Table 1: Demographic Profile of the Respondents

Age	Age Range	Frequency	Percentage
Managers n=16	31-35	3	18.75%
	35-40	4	25%
	40-45	5	31.25%
	46-50	2	12.50%
	51 and above	2	12.50%
Total		16	100%
Retail Owners	Age Range	Frequency	Percentage
n=16	31-35	4	25%
	35-40	3	18.75%
	40-45	4	25%
	46-50	3	18.75%
	51 and above	2	12.50%
Total		16	100%
Years of Experience			
Managers	No. of Years	Frequency	Percentage
n=16	1-5 years	4	25%
	6-10 years	5	31.25%
	11-15 years	4	25%
	16 years and above	3	18.75%
	Total		16
Retail Owners	No. of Years	Frequency	Percentage
n=16	1-5 years	3	18.75%
	6-10 years	6	37.50%
	11-15 years	4	25%
	16 years and above	3	18.75%
	Total		16
Educational Attainment			
Managers	No. of Years	Frequency	Percentage
n=16	High School Graduate	0	0%
	College Undergraduate	0	0%
	College Graduate	13	81.25%
	Postgraduate	3	18.75%
	Total		16
Retail Owners	No. of Years	Frequency	Percentage
n=16	High School Graduate	4	25%
	College Undergraduate	5	31.25%
	College Graduate	5	31.25%
	Postgraduate	2	12.50%
	Total		16

both groups are relatively experienced but still actively growing in their respective fields.

The results clearly indicate that all managers have completed higher education, with the majority (81.25%) holding college degrees and the remainder (18.75%) holding postgraduate degrees. None of the managers fall under the high school or undergraduate levels, suggesting that managerial positions strongly require formal educational qualifications.

In contrast, retail owners exhibit a wider range of educational backgrounds, indicating that entrepreneurship allows for more flexibility in terms of formal education. Relating these studies to the present findings, the dominance of managers within the 40–45 age range (31.25%) suggests that most respondents are in their mid-career stage, where decision-making becomes more strategic and performance-oriented. This supports the view of Northouse (2022), who noted that mid-career managers tend to shift from task execution toward efficiency optimization and long-term planning. Meanwhile, the more even age distribution among retail owners reflects the inclusive nature of entrepreneurship, where business ownership is not strictly age-dependent but opportunity-driven.

In terms of experience, the concentration of both managers (31.25%) and retail owners (37.50%) within

the 6–10 years category indicates a workforce with moderate professional exposure. According to Daft (2023), individuals in this stage typically demonstrate higher operational awareness and are more capable of identifying inefficiencies in supply chain and service delivery systems. This explains why both groups are likely to have developed sufficient experience to evaluate logistics performance but are still in the process of strengthening advanced managerial competencies.

Regarding educational attainment, the finding that all managers are college graduates, with a significant proportion holding postgraduate degrees (18.75%), reinforces the idea that formal education is a key requirement for managerial roles. This is consistent with Robbins and Coulter (2022), who emphasized that higher managerial positions increasingly demand advanced academic preparation to ensure analytical and strategic capability. In contrast, the varied educational background of retail owners supports the argument of Burns (2022) that entrepreneurship is more inclusive in terms of educational entry requirements, relying more heavily on experiential learning and adaptability than formal academic credentials.

Overall, the integration of demographic literature suggests that age, experience, and educational attainment collectively influence how respondents perceive and

Table 2: Level of Satisfaction Perceived by the Managers and Restaurant Owners as to Information Flow

INFORMATION FLOW	Managers	Description	Retailers	Description	Average	Description
1. Request for quotation	3.36	Very Satisfied	3.50	Very Satisfied	3.43	Very Satisfied
2. Purchase order status update	2.55	Satisfied	2.90	Satisfied	2.72	Satisfied
3. Reports on supplier performance	2.41	Less Satisfied	2.80	Satisfied	2.60	Satisfied
4. Change requests	2.64	Satisfied	3.00	Satisfied	2.82	Satisfied
5. Presentation of the company offers	2.91	Satisfied	3.00	Satisfied	2.95	Satisfied
Factor Average	2.77	Satisfied	3.04	Satisfied	2.91	Satisfied

Legend: 3.26-4.00 very satisfied (vs) 2.51-3.25 satisfied (s) 1.76-2.50 less satisfied (ls) 1.00-1.75 not satisfied at all (ns)

evaluate service performance, particularly in logistics and supply chain contexts.

The information flow as an important aspect of physical distribution was assessed by the chosen respondents, and the table above shows their respective perceptions. Both the managers of the selected restaurants and the retail owners rated this dimension of physical distribution as “Satisfied.” Much of this satisfaction is attributed to the respondent’s groups perception on “Request for

quotation” to be very satisfactory. However, it can be noted from the managers’ perception that “Reports on Supplier Performance” can be much improved as it tallied the least rating of Less Satisfied by the managers. Based on the researchers’ observation of the daily operation of the company, due to the busy schedule of the Sales Manager, the reports on suppliers’ performance are sometimes not submitted and presented. Often, checking the supplier’s performance report is not obtained, the reason being

the company has the least number of people operating it. During the day, the Sales manager is busy contacting the dealers of the imported products and managing the warehouse. On the other hand, the reports on supplier performance as to the selected retailers were perceived as satisfied because it was never a problem or a hassle for the company to shoulder the supplier's performance. Nevertheless, it should be noted that the company is held liable for their performance towards the customers.

Under Scheme rules of the parent company, all engaging companies are required to submit a Supplier Performance Report for each engagement where the performance of and the services provided by the company are considered by the customer to be, in this case, "less satisfied." The findings align with Christopher (2022), who emphasized that efficient information flow enhances coordination and reduces uncertainty in logistics operations. The lower rating on supplier performance

Table 3: Level of Satisfaction of the Managers and Restaurant Owners as to Order Processing

ORDER PROCESSING	Managers	Description	Retailers	Description	Average	Description
1. Standard order taking the form	3.23	Satisfied	3.44	Very Satisfied	3.34	Very Satisfied
2. Customer order confirmation	3.46	Very Satisfied	3.44	Very Satisfied	3.45	Very Satisfied
3. Timeliness	1.14	Not Satisfied	1.30	Not Satisfied	1.22	Not Satisfied
4. Ask for customer feedback	2.09	Less Satisfied	1.90	Less Satisfied	2.00	Less Satisfied
5. Give details of the order once transported	2.27	Less Satisfied	2.10	Less Satisfied	2.19	Less Satisfied
Factor Average	2.44	Less Satisfied	2.44	Less Satisfied	2.44	Less Satisfied

Legend: 3.26-4.00 very satisfied (vs) 2.51-3.25 satisfied (s) 1.76-2.50 less satisfied (ls) 1.00-1.75 not satisfied at all (ns)

reports supports Rushton *et al.* (2023), who argued that lack of information visibility negatively affects decision-making and service quality.

In terms of order processing, both sets of respondents rated this physical distribution aspect as Less Satisfied. It can be verified above that the less satisfaction emanated from the perception of the managers and retail owners regarding the "Timeliness" of the processing of orders. Likewise, "asking customers for feedback" and "giving details of the order once transported" also received less rating from the two groups respectively. The company had the least initiative when it came to following up with the details of the order once transported. For as long as the product is delivered already, they won't entertain questions anymore because the product is always noted to be of good quality. Timeliness rated as "Not Satisfied" by both managers and owners due to the company's lack of delivery truck and time constraints. The capacity of the delivery truck is 10 kilograms only limited to 6 to 8 customers only. Most companies rely on timely delivery offered by the suppliers. The company lacks the delivery schedule adherence, a business metric used to calculate the timeliness of deliveries from suppliers. This is the main factor the company must consider in their daily operation.

Timeliness is crucial to the company's side. It can ruin

their image towards other customers through word of mouth from previous customers or clients. As what the researcher experienced during the delivery of the product, as the accountant of the company before, travel to collect payments from the customers is to be made together with the delivery. Sometimes, the accountant drops by at the nearest customer to collect their payments not considering the time demanded by the customers waiting for the delivery. Also, the management of Strabo Import and Export, Inc. fails to consider the traffic conditions in Metro Cebu. The timing is critical to the buyer's operations for supplier controls, on the timeliness of deliveries has always been difficult to implement.

In terms of the standard order-taking form, the managers assessed it as "Satisfied and Very Satisfied" by the selected retailers. The managers have a high standard when it comes to forms, especially it reflects on the company's cleanliness and orderliness. Strabo Import and Export use only a basic standard form without even a print or logo of the company. For the benefit of the customers' records, the company should consider putting creative designs and standard on their order taking forms.

The dissatisfaction with timeliness strongly supports Chopra and Meindl (2023), who identified delivery speed and responsiveness as critical determinants of supply chain performance. The absence of feedback mechanisms

Table 4: Level of Satisfaction of the Managers and Restaurant Owners as to Customer Service in terms of Scheduling

Customer Service in terms of Schedule	Managers	Description	Retailers	Description	Average	Description
1. On-time delivery of the firm's products directly to the customers' points of use	2.36	Less Satisfied	1.30	Not Satisfied	1.83	Less Satisfied
2. Customer's future needs are determined	4.00	Very Satisfied	2.00	Less Satisfied	3.00	Satisfied
3. Clients' needs are immediately answered	1.50	Not Satisfied	2.30	Less Satisfied	1.90	Less Satisfied
4. Speed for order processing	1.14	Not Satisfied	2.00	Less Satisfied	1.57	Not Satisfied
5. Distribution planning schedule as per request of the clients	2.50	Satisfied	3.50	Very Satisfied	3.00	Satisfied
6. Order size Constraints	2.46	Less Satisfied	3.00	Satisfied	2.73	Satisfied
7. Physical condition of goods	3.52	Very Satisfied	3.50	Very Satisfied	3.51	Very Satisfied
Factor Average	2.50	Less Satisfied	2.51	Satisfied	2.51	Satisfied
<i>Legend: 3.26-4.00 very satisfied (vs) 2.51-3.25 satisfied (s) 1.76-2.50 less satisfied (ls) 1.00-1.75 not satisfied at all (ns)</i>						

contradicts Kotler and Keller (2022), who emphasized customer feedback as essential in maintaining service quality and customer satisfaction.

Overall, the clients were "Satisfied" with the brand of customer service offered by the establishment in its efforts to distribute their products to them. However, the managers of the participating restaurants believed that the "Clients' needs are immediately answered" and "Speed for order processing" were not satisfactorily given to them. This is due to a lack of manpower and assignment of multiple tasks to each employee. Likewise, the retail owners were not satisfied with the "On-time delivery of the firm's products directly to the customers'

points of use." Most of the time the driver is considering the restaurants (customers) rather than the selected retail owners because they (restaurant managers) have more orders than that of selected retail owners. It is, however, worth noting that the "Physical condition of goods" was rated very satisfactory by the two sets of clientele. This is because the company is using a four-wheeled ATC refrigerated truck.

It can be pointed out that there are delays in the delivery of the order, still ensures that they can deliver quality products, which is the most important factor in customer satisfaction. Based on the interview conducted by the researcher, managers and retailers will still order the

goods for the company because of the quality of the product. However, they emphasized that the company must improve its timely delivery of service because it may affect their business.

The mixed satisfaction reflects findings from the World Bank (2023), which identified urban congestion as a major

barrier to timely delivery. The high-rating for-product condition aligns with cold chain logistics literature emphasizing quality preservation (Christopher, 2022).

In terms of transportation and delivery, both groups of respondents indicated a lower rating as it implied that they were Less Satisfied with the services. This rating can be

Table 5: Level of Satisfaction of the Managers and Restaurant Owners as to Customer Service in terms of Transportation and Delivery

Customer Service in terms of Transpo and Delivery	Managers	Description	Retailers	Description	Average	Description
1. Response time across the supply chain is reduced	2.36	Less Satisfied	2.50	Satisfied	2.43	Less Satisfied
2. Free deliveries are offered	4.00	Very Satisfied	4.00	Very Satisfied	4.00	Very Satisfied
3. Frequency of Delivery	1.50	Not Satisfied	1.30	Not Satisfied	1.40	Not Satisfied
4. Satisfied as to time demanded	1.14	Not Satisfied	1.60	Not Satisfied	1.37	Not Satisfied
5. Responsiveness to urgent deliveries	2.50	Satisfied	2.40	Less Satisfied	2.45	Less Satisfied
6. The firm's ability to meet delivery due dates	2.46	Less Satisfied	2.10	Less Satisfied	2.28	Less Satisfied
7. Specialized type of vehicle to deliver the type of goods.	3.52	Very Satisfied	3.40	Very Satisfied	3.46	Very Satisfied
Factor Average	2.50	Less Satisfied	2.47	Less Satisfied	2.48	Less Satisfied

Legend: 3.26-4.00 very satisfied (vs) 2.51-3.25 satisfied (s) 1.76-2.50 less satisfied (ls) 1.00-1.75 not satisfied at all (ns)

attributed to both group perceptions that “Frequency of Delivery” and “Satisfied as to time demanded” were not satisfactorily met by the Strabo Import And Export, Inc. This is due to the system that the company has. Just like what the researcher had stated in the previous chapter that the company has one delivery truck to deliver the goods, and the accountant collects payments with the delivery. The task of both is a total disagreement about the time demanded by the customers. Sometimes, the driver must make a new route to avoid traffic, in effect the capable customers are to be considered first not the customer who ordered first and demanded time of delivery.

It should also be noted that the services can also be improved in terms of “Response time across the supply chain is reduced” and the “firm’s ability to meet delivery due dates.” About this, there are customers who order in advance. An example is the case of 7 C’s Marine, a retailer of frozen goods, which they order in advance and the payment is to be paid three months after delivery. Sometimes the company fails to pay Strabo Import and Export, Inc., that is why they won’t consider the additional

delivery made or ordered in advance by 7 C’s Marine.

However, both groups were thankful of the quality services delivered in terms of “Specialized type of vehicle to deliver the type of goods.” The company is always on the quality of the products delivered to the customers. Fortunately, the company is currently having a specialized vehicle for delivery. In return, they can deliver quality goods to customers.

The low ratings confirm findings from the Asian Development Bank (2022), which highlighted infrastructure and transport limitations in developing economies. Limited delivery capacity and scheduling inefficiencies directly affect service reliability, supporting Rushton *et al.* (2023).

It can be verified that the chosen respondents slightly differ in the way they perceived the level of satisfaction as the company tries to meet their expectations in terms of distribution. The total average of the Information flow is 2.91 noted as perceived as satisfied by both managers and selected retail owners; the total average of the Order Processing is 2.44 perceived Less Satisfied by both

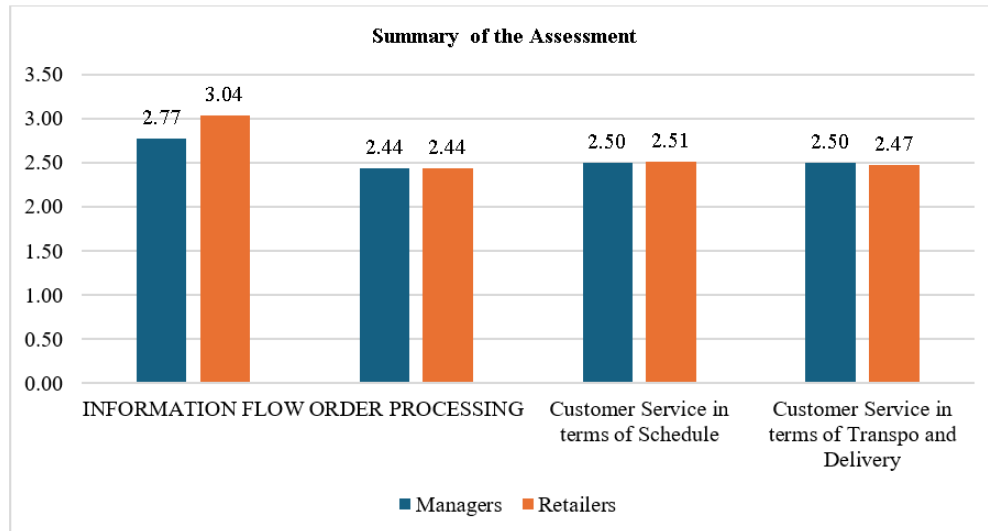


Figure 1: Summary of the Extent of Physical Distribution of Strabo Import and Export Inc as Perceived by the Selected Managers and Retail Owners

respondents; the total average of the Customer Service in terms of Scheduling is 2.51 perceived as Satisfied by both respondents; and lastly, the total average of the Customer Service as to Transportation and Delivery is 2.48 which was perceived as Less Satisfied by respondents based on the result of the survey conducted by the researcher. In this respect, the order processing received the least rating from the respondents followed by customer service

around transportation and delivery.

Hypothesis Testing for the Significant Difference as Perceived by the Restaurant Managers and Retail Owners

Hypothesis testing procedure indicates that the determination of a significant difference between the two independent variables is found by comparing the p-value

Table 6: Level of Significance of the Respondents Satisfaction and Physical Distribution of Strabo Import and Export, Inc.

Physical Distribution Aspect	Managers	Retailers	p-value	Decision	Description
Information Flow	2.77	3.04	0.57	Accept Null	There is no significant difference
Order Processing	2.44	2.44	1.00	Accept Null	There is no significant difference
Customer Service in terms of Schedule	2.50	2.51	0.97	Accept Null	There is no significant difference
Customer Service in terms of Transpo and Delivery	2.50	2.47	0.96	Accept Null	There is no significant difference

**Difference is significant at 0.05 level of significance.*

and the level of significance which is predetermined by the researcher to be 0.05. The p-value is the probability or likelihood of accepting the null hypothesis. Hypothesis testing says that if the p-value is less or equal to 0.05, then the null hypothesis of no significance can already be rejected. For this purpose, the t-test (assuming unequal variances) was utilized to detect the significance of the mean differences of the perspective of the respondents

towards physical distribution.

The preceding table shows the level of non-significance of the differences measured from the respective mean perceptions of the respondents regarding the dimensions of physical distribution. That is, at the onset of the survey, there is no sufficient evidence yet to support the differences of mean perceptions to be statistically significant. This also suggests that the level of

satisfaction was unanimously experienced not just by the restaurant managers but also by the retail owners, which strengthened more on the probable windows for the distributor to affect changes and improvements.

CONCLUSION

The study concludes that the physical distribution system of Strabo Import and Export, Inc. demonstrates moderate effectiveness across information flow, order processing, and customer service, with notable operational gaps. While communication systems are generally functional, limitations in real-time updates and transparency persist. Order processing emerged as the most critical weakness, particularly in timeliness and feedback mechanisms, indicating delays and misalignment with customer expectations. Similarly, customer service performance is inconsistent, as delivery reliability, responsiveness to urgent orders, and scheduling efficiency received lower satisfaction ratings despite acceptable product conditions upon delivery.

Respondent profiles reveal that managers are generally more educated and structured in experience, while retail owners are more diverse; however, both groups share similar levels of operational experience and provide consistent evaluations. The absence of significant differences in their assessments suggests that the identified issues are systemic rather than perception based.

Overall, the company performs adequately in certain areas but faces significant challenges in delivery timeliness, process efficiency, and coordination. These findings highlight the need for improvements in process automation, scheduling, and communication systems to enhance operational performance, customer satisfaction, and competitiveness.

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