

Information Sharing, Supplier Performance, Supplier Trust, and Supplier Synergy on Retailer

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Keywords: Information Sharing, Performance Suppliers, Trust Suppliers, And Synergy Suppliers.

Abstract: This study aims to analyze the influence of Information Sharing Against supplier performance Through Supplier Trust and Supplier Synergy on Original Shoe Retailer in Yogyakarta and South Sumatera. The research method used survey method used to obtain primary data through questionnaires. The sampling technique in this study uses the census method; the object of this study is the Original Shoe Retailer in the Special Region of Yogyakarta and South Sumatera. The results of this study indicate that information sharing has a positive effect on supplier performance. Information sharing has a positive effect on supplier trust. Information sharing has a positive effect on supplier synergy. Supplier trust has a positive effect on supplier performance. Supplier synergy has a positive effect on supplier performance. Synergy suppliers are not able to mediate the effect of information sharing on supplier performance. Supplier trust cannot mediate the effect of information sharing on supplier performance in Original Shoe Retailer.

1 INTRODUCTION

Russell and Taylor (2011) interpret the key to success in carrying out supply chain management is information, communication, coordination, and trust. Businesses must always look for ways to develop their operational efficiency. Therefore, it is not surprising that business people pay more attention to suppliers to optimize supplier performance (Pooe, Mafini, and Loury-Okoumba, 2015). Wu et al. (2010) in Pooe et al. (2015) define supplier performance as the ability of suppliers to provide the needs of buyers as reflected in operational matters such as quality of goods, delivery, responsiveness, costs, and technical support.

Information is vital in terms of effectiveness in business. Information can also be likened to the lifeblood of an organization (Pooe, 2015). Information sharing refers to the extent to which companies openly communicate essential and sensitive information to their business partners (Shout al, 2012 in Pooe, 2015). Effective information sharing among members of the supply chain is also stated as a crucial aspect in overcoming the negative effects of the bullwhip effect (Kelepouris, Miliotis&Pramatari, 2008 in Pooe, 2015). The bullwhip effect is the

variety and the number of requests that are increasingly enlarged because the information is not well understood by each recipient of information causing costs (Russell & Taylor, 2011).

Supplier trust can be interpreted as the level of confidence among transaction partners because they have trusted the integrity and reality of each (Cavusgil, Delignoul & Zhang, 2004 in Pooe, 2015). Trust is defined as an important contributor and facilitator for each transaction that requires mutually beneficial engagement and cooperation with various parties (Cheung et al., 2011 in Pooe, 2015).

Supplier synergy is another important factor that requires a clear understanding of its relationship with supplier performance (Pooe, 2015). Supplier synergy is defined as the coordination and complementarity in similar matters carried out by two or more companies, groups, or individuals in creating business relationships that can produce outcomes that have superior quality values (Osanrenkhoe, 2010 in Pooe, 2015).

Small retailers usually have differences from large competitors in competitive strategies, organizational learning styles, and positions in their supply chain structures. The problem often faced by small retailers that they also compete with large retailers, especially in terms of the selling price of goods because retailers

small not have a large capital capacity to supply goods as much as large retailers so the purchase price of goods from their suppliers is higher which results in the selling price of products can compete from large retailers. Based on a brief interview conducted by researchers of one member of the national shoe community, the Indonesian Sneakers Team (Saudara Tama). There are approximately 57 retailers of shoe sneakers in the Special Region of Yogyakarta who already have a physical store and join their community. Tama said that one of the factors that can make these shoe retailers survive and develop is by building good relationships with their suppliers. From this, retailers can gain more trust when buying goods so that they get information about which goods have good selling potential, and also get competitive purchase prices with larger retailers that are usually found in malls in Yogyakarta Special Region.

2 LITERATURE REVIEW

2.1 Information Sharing and Supplier's Performance

Information sharing enables companies to access data in all their cross supply chains and allows companies to collaborate in activities such as sales, production, and logistics management. With good management of information sharing in the supply chain is expected to improve the company's ability to manage relationships with partners so that it can expedite business processes, monitor in detail all business activities, and make business decisions with confidence because the risks are minimized (Hsu et al, 2008).

H1: Information sharing has an influence on supplier performance in retailer's original shoe-in Yogyakarta Special Region.

2.2 Information Sharing and Supplier Trusts

According to Hsu et al. (2008), information sharing refers to how far sensitive and important information in a company is available and accessible to members in the supply chain. This important information can be in the form of process-related information (purchasing, operational scheduling, logistics, business issues, etc.) or strategic information (long-term company plans, marketing, business plan development, and customer information). In a previous study that examined the importance of

informal and formal information sharing between trading partners showed that information sharing effective increases openness and reduces the level of uncertainty so that trust (Brennan & Turnbull, 1999; Handfield & Bechtel, 2002, in Hsu et al, 2008). In building relationships with suppliers, of course, trust is one important thing. High trust can provide a more certain guarantee for retailers in supplying goods so that the goods received are maintained in quality and quantity, and the accuracy of suppliers in keeping promises in sending goods is also more secure (Pooe et al, 2015).

H2: Information sharing has an influence on supplier trust in retailer

2.3 Information Sharing and Supplier Performance

Without the exchange of information, both companies and suppliers only buy and sell without building good relations as partners. Therefore, information sharing can be a bridge for companies and suppliers to build synergies between partners to create good relations to create added value for both parties. The results of this study are also supported by the statement of Horvarth (2001) in Pooe et al (2015) which states that the key to creating synergy between partners is to build a desire to share useful information with partners in the supply chain.

H3: Information sharing has an influence on synergy suppliers on retailers

2.4 Supplier Trust and Supplier Performance.

According to Deutsch (1958); Gattiker, Huang, and Schwarz (2007) in Terpendet al (2012), trust is defined as a combination of trust in honesty between two or more parties, and also the belief that the other party will not betray the party related to it despite having the opportunity to do so. In managing good relationships with business partners, trust between partners has the effect of mutualism to increase confidence in the abilities and work done by each related member (Johnston, 2004).

H4: Supplier Trust has an influence on supplier performance in retailers

2.5 Supplier Synergy and Supplier Performance

Supplier synergy is defined as the ability of coordination and harmony in activities carried out by two or more individuals or groups in carrying out

partnerships to create better outputs (Pooeet al, 2015). Output Mainwhat is expected from synergy suppliers is the level of cost savings incurred due to the alignment of objectives between suppliers and buyers. Based on Hoegl and Wagner (2005) in Pooeet al (2015), synergy suppliers have a positive impact on the ability of organizations to provide quality products to their consumers. These effects can be influenced by good coordination between partners to create a competitive advantage. Wu et al. (2010) and Yeung et al. (2013) in Pooeet al (2015) stated that synergy suppliers can reduce or eliminate technical errors and increase flexibility in company operations.

H5: Supplier synergy influences supplier performance in retailers.

2.6 The Effect of Information Sharing on Supplier Performance through Supplier Trusts

One purpose of conducting information sharing is to create trust between partners. According to Chinomona and Pooe (2015), in their research, found that strategic information distributed in a timely and targeted manner can reduce the level of waste in the supply chain. Copy that, trust with suppliers that are obtained from information sharing can form the belief that suppliers will not cheat the company and will instead benefit the company because the company also has complete information from suppliers so that it can prepare plans to create better outcomes (Panayides and Lun, 2005).

H6: Information sharing has an influence on supplier performance through supplier trust in the retailer shoe original in Yogyakarta.

2.7 The Effect of Information Sharing on Supplier Performance through Supplier Synergy

Information sharing can also be used by companies to create relationships with suppliers through a collaboration contract. If the company can align its objectives with suppliers, is expected output obtained by the company will be more efficient in terms of costs due to increased bargaining power (Ranganathan, 2011). When there is a cooperation contract, the company and the supplier are also easier to collaborate ordination to create competitive advantage (Hoegl and Wagner, 2005 in Pooeet al, 2015)

H7: Information sharing has an influence on supplier performance through supplier synergy at

retailersOriginal shoe in the Special Region of Yogyakarta.

3 RESEARCH DESIGN

The framework of thought proposed for this study is based on the independent and dependent variables described. To further facilitate understanding of the framework of this research, it can be seen as follows:

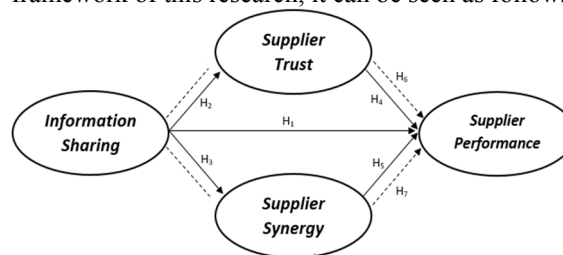


Figure 1: Model Research

4 RESEARCH METRHOD

This study uses quantitative research, and the data source used in this study is the source of primary data obtained from questionnaires. The sampling technique used is probability sampling, namely by the census. The sample is the same as the population in this study, namely retailers Original shoe in the Special Region of Yogyakarta. Amount of sample is 110 respondents.

3.1 Validity and Reliability Testing

To measure the correlation between variables, a validity test using Pearson's product-moment was conducted. Based on the significant value of each item in the variable, it can be concluded that the items used in this study are valid and reliable

3.2 Data Analysis Techniques

Models or analysis techniques used in this study are simple linear regression, multiple linear regression, and path analysis. For simple and multiple linear regression, if the significance value < 0.05 means the model has a significant effect. While the path analysis, if the value is Sobel Test more than 1.96, it means that the research model is significant.

5 RESULTS AND DISCUSSION

5.1 Result of Hypothesis 1

The results of the first hypothesis testing show that information sharing has a positive and significant effect on supplier performance in retailers. Proven with a coefficient of 0.239 (positive) with a significance value of t of 0.005 (sig < 0, 05). The results of this study are in line with research conducted by Pooeet al (2015). Research by Pooeet al (2015) shows that information sharing has a positive effect on supplier performance.

5.2 Result of Hypothesis 2

The results of the second hypothesis test show that information sharing has a positive and significant effect on supplier trust in-retailer. Proven with a coefficient of 0.212 (positive) with a significance value of t of 0.030 (sig <0.05). The results of this study are in line with research conducted by Poee et al. (2015). Research by Poee et al., (2015) shows that information sharing has a positive effect on supplier trust.

5.3 Result of Hypothesis 3

The results of the third hypothesis test show that information sharing has a positive and significant influence on supplier synergy in retailers. Proven with a coefficient value of 0.178 (positive) with a significance value of t of 0.039 (sig <0.05). The results of this study are in line with research conducted by Pooeet al (2015). Research by Poee et al. (2015) shows that information sharing has a positive influence on supplier synergy.

5.4 Result of Hypothesis 4

The results of the fourth hypothesis testing show that supplier trust have a positive and significant effect on supplier performance in retailers shoe original in the Special Region of Yogyakarta. Proven with a coefficient of 0.377 (positive) with a significance value of t of 0.002 (sig <0.05). The results of this study are not in line with research conducted by Pooeet al (2015). Research by Pooeet al (2015) shows that supplier trust does not influence supplier performance.

5.5 Hypothesis Testing Results

The fourth hypothesis test results show that supplier synergy has a positive and significant effect on supplier performance in the retailer shoe original. Proven with a coefficient of 0.336 (positive) with a significance value of t of 0.013 (sig <0.05). The results of this study are not in line with research conducted by Pooeet al (2015). Research by Pooeet al (2015) shows that supplier synergy does not influence supplier performance.

Table 1. Direct Influence, Indirect Influence, and Total Influence

Direct Influence (P1) =
0.161 Indirect Influence (P2 x P3) = 0.212 x 0.371 = 0.079
Total Effect 0.161 + 0.079 = 0.24

Testing on the effect of intervening/mediating variables with the dependent variable is done by calculating the Sobel formula, the results of the two tests are summarized as follows. The total value of the influence of variables information sharing on supplier performance through supplier trust is 0.24.

Thus the t-test can be obtained as follows

$$t = \frac{p12}{Se12} = \frac{0.212 \times 0.371}{0.04366097} = 1.80142585$$

The t value of 1.80142585 is smaller than 1.96, which means that the mediation parameters are not significant. Then the model supplier trust mediates the effect of information sharing on supplier performance is not accepted. The implication of this research is for the retailer's shoe original to be able to increase information sharing to build trust between partners, especially with suppliers, to create added value for both parties.

Table 2. Direct Effects, Indirect Effects, and Total Effects of Information Sharing on Supplier Performance mediated by Supplier Sinergy

Direct Effects (P1) = 0.161
Indirect Effects (P2 x P3) = 0.178 x 0.347 = 0.062
Total Influence 0.161 + 0.062 = 0.223

Testing on the influence of intervening/mediating variables with the dependent variable is done by calculating the Sobel formula, the results of the two

tests are summarized as follows. The total value of the influence of the variable information sharing on supplier performance through supplier synergy is 0.223. Thus the t-test can be obtained as follows

$$t = \frac{p12}{Se12} = \frac{0.178 \times 0.347}{0.0398186941} = 1.551181$$

The T-value of 1.551181 value is smaller than 1.96, which means that the mediation parameters are not significant. Then the model supplier synergy mediates the effect of information sharing on supplier performance is not accepted. The implication of this research is for the retailers to be able to increase information sharing through cooperation contracts so that there is a guarantee in conducting business relationships and creating added value for the long term.

6 CONCLUSIONS

Based on the results of the study as described in the previous chapter, some conclusions can be drawn as follows:

1. Information sharing has a positive effect on supplier performance in retailers
2. Information sharing has a positive effect on supplier trust in retailers
3. Information sharing has a positive effect on synergy suppliers on retailers
4. Supplier trust has a positive effect on supplier performance on retailers
5. Synergy suppliers have a positive effect on performance suppliers at retailers
6. Supplier trust cannot mediate the effect of information sharing on supplier performance in retailers.
7. Synergy suppliers cannot mediate the effect of information sharing on supplier performance in retailers.

7 SUGGESTIONS

Suggestions from this research based on the results of testing the research hypothesis are as follows:

- 1) Judging from the results of the study, it is expected that retailers shoe can be more of the view that the relationship between companies and suppliers is not just buying and selling in supplying goods. However, it is also better to build relationships through information sharing through a contract system to create trust and good collaboration that can

minimize waste that can be overcome and make the company more competitive in terms of the selling price of goods. Also, building relationships with suppliers can create a sense of security in every transaction with these partners so that there is no fear that the supplier will commit fraud against the company.

- 2) The results of this study are expected to be used as a reference for further research specifically related to operational management and the relationship between companies and suppliers. Because this research is limited to the geographical scope in the Special Region of Yogyakarta where are retailers centered in 3 districts out of 5, namely Yogyakarta City, Sleman Regency, and Bantul Regency, it would be better if the researcher further expanded the geographical scope of this research which could be a basis for comparison. Moreover, in this study, not all hypotheses are proven so that future research can add or replace variables or other measurement indicators that can replace variables that have been used in this study to obtain more convincing study results.

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