To the Graduate Council:

I am submitting herewith a dissertation written by Gregory Thomas Gundlach entitled "Interorganizational Influence Processes in Market Channels." I have examined the final copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Business Administration.

Dr. Ernest R. Cadotte,
Major Professor

We have read this dissertation
and recommend its acceptance:

Accepted for the Council:

Vice Provost and
Dean of The Graduate School

INTERORGANIZATIONAL INFLUENCE PROCESSES IN MARKET CHANNELS

A Dissertation

Presented for the

Doctor of Philosophy

Degree

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Gregory Thomas Gundlach

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ABSTRACT

The study investigated power and influence within interorganizational exchange relationships present in market channels as developed in a simulation setting. A process model of dyadic interorganizational relations developed by Cadotte and Stern (1979) served as the basis for a conceptual model of the interorganizational influence process. Specific conceptual relationships within the model were chosen and investigated in the study. These included the relationship between a channel member's employment of influence strategies as perceived by a channel partner and: (1) a ratio of channel member power, (2) attributions of influence by a channel partner, and (3) a channel partner's perception of conflict. Hypotheses were developed for these relationships employing prior interorganizational and interpersonal influence research.

A laboratory game simulation developed by Cadotte (1986) entitled Market Place was adopted for the research setting. The Market Place simulates interorganizational exchange relationships involving manufacturers and distributors. Teams of participants containing MBA and undergraduate marketing majors were recruited to perform the role of manufacturer and distributor organizations.

A cross-sectional survey and unobtrusive methods of measurement were employed for the data collection. Channel member power was operationalized through objective assessments of the percentage of contribution margin derived from a channel partner, by a channel member. Multiple item perceptual indexes of a variety of communication and behavior influence strategies were developed. Channel member attributions of influence were measured employing a multiple item scale of potential influence by a channel partner. Channel member conflict was measured through channel member perceptions of affective conflict. Data from organizational members involved in channel member interaction was weighted and aggregated to form the organizational unit of analysis.

The hypothesized relationship between influence strategies and the power ratio was not supported by the test results. The most promising cause for the lack of support concerned the inability of the power ratio to distinguish differences in the magnitude of power held by channel members.

The results of the study provided partial support for the relationship between influence strategies and attributions of influence. Positive unpressurized influence communications were found to be positively correlated with

attributions of influence rather than not significantly related as was hypothesized. A probable explanation for the test results concerned the measurement of attributed influence. Prior research has employed attributions of "control" which appears to depict complete influence. The measure developed for the study employed attributions of "influence" and was believed to cover a more comprehensive domain of the influence construct. The difference in the operationalization of the measures may have contributed to the results.

Partial support of the relationship between influence strategies and conflict was also provided by the test results. Positive unpressurized influence communications were found to be positively correlated with conflict rather than negatively correlated as hypothesized. The most promising cause for the findings which were not supported concerned the dual role of influence strategies as both a cause and result of conflict.

Suggested future research directions included conceptual development and clarification of channel member power, influence strategies, attributed influence and conflict. In addition, investigation of the relationship of these variables to other market channel constructs and in in alternate channel settings was suggested.

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CHAPTER I

INTERORGANIZATIONAL RELATIONS IN MARKET CHANNELS

I. INTRODUCTION

The study concerns the use of power and influence within marketing channels. Marketing channels have been defined as:

> ...[T]he set of institutions and agencies, exclusive of ultimate consumers or end users that is responsible for making goods and services available for consumption (Stern and El-Ansary 1977, p. 3).

The institutions (i.e. manufacturers, wholesalers, and retailers) and the ongoing interactions between these institutions provides the general topic area for the study.

Institutional interactions are generally of two types: (1) the normal process of distributing goods and services through exchange relationships between channel members, and (2) the guidance, manipulation and influence of other channel members in an attempt to produce a more effective channel system. The first type of interaction is concerned with the economics of exchange and has been examined extensively in channel's research. The second type of

interaction is concerned with the behavioral process of exchange and has not received as much attention.

Recent channel research has provided some insights into the ways ongoing channel relationships can be effectively maintained and coordinated. However, as Reve and Stern (1979) note, the emphasis has been on the possession of power and the presence of conflict. Very little research has focused on alternative influence strategies and tactics (i.e. the use of power) used by an organization in seeking adoption and implementation of distribution channel programs and activities. Only recently has attention been paid to developing models and testing relationships between influence strategies and other channel constructs (Frazier and Summers 1986, Frazier and Sheth 1985).

As Frazier and Sheth (1985) indicate, "[N]ow more than ever, the effective coordination and maintenance of interorganizational exchange relationships in distribution channels is of extreme importance to business practitioners" (p. 38). The effective coordination and maintenance of ongoing channel relationships are especially critical where (1) the exchange relationship is of major importance to the participating organizations, (2) few alternative suppliers or resellers exist in the marketplace, (3) widespread availability of the product or service is a necessity, and

(4) channel entry barriers are critical in fending off competitor inroads into the market (Frazier and Sheth 1985). The increasing occurrence of these events in the marketplace has caused some organizations to become "increasingly domesticated," where exchanges of products, services, and information are occurring on a long-term basis in relation to the past (Arndt 1979). Rather than resort to terminating a relationship when problems arise, organizations are learning to resolve their differences and work together so as to achieve increased levels of interfirm coordination and cooperation (Frazier and Sheth 1985).

The primary objective of the study is to investigate the nature of interorganizational influence within marketing channels. Drawing upon the available literature, a conceptual model of the interorganizational influence process is developed. Selected relationships within this conceptual model are then tested in order to partially evaluate the efficacy of the model.

II. BACKGROUND LITERATURE

As noted earlier, existing marketing channel literature has tended to focus on the possession of power and the presence of conflict in channel relationships (Reve and

Stern 1979, Gaski 1984). However, channel researchers have not always clearly distinguished between the possession of power and its use (i.e. influence attempt) (Frazier and Summers 1984). These two factors have contributed to a gap in the literature regarding the content, structure and use of influence strategies utilized by organizations in their influence attempts with other organizations. As noted by Frazier and Sheth (1985), at present "there exists only an acknowledgment that the efficient selection and application of varying strategies of influence is highly complex in a channel setting" (p. 38).

The literature which has addressed interfirm influence has relied heavily on theories and research findings developed in the related behavioral disciplines of social psychology, sociology, and political science. This research has examined the influence strategies and tactics used by people in various social settings. These include strategies and tactics used by friends, parents, lovers, married couples, employees, co-workers and subordinates (Wilkinson and Kipnis 1978). In addition, research within related marketing channel areas dealing with the strategies and tactics used by buyers and sellers (Capon and Swasy 1977, Spiro and Perreault 1979, Anglemar and Stern 1978, Weitz 1981) and intraorganizational participants (Gemmill and

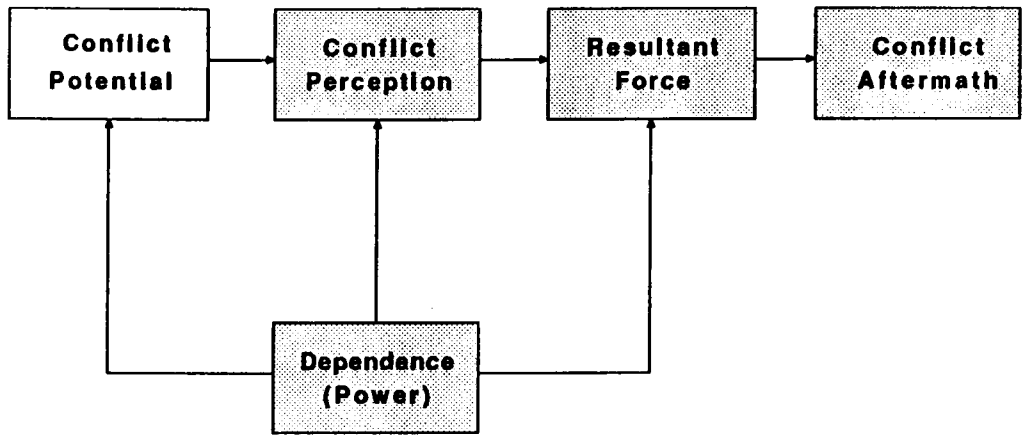
Wilemon 1972, Venkatesh and Wilemon 1976) has been reported. This related research has provided an important foundation for research in channels of distribution.

Recently, the relationship between the power an organization holds and their choice of influence strategies has been studied (Frazier and Summers 1986, Gaski 1986 and Kale 1986). Moreover, influence strategy and tactic frameworks are emerging (Frazier and Summers 1984, Frazier and Sheth 1985). Additionally, research has been conducted which has examined proposed relationships between other selected channel constructs and influence strategies (Frazier and Summers 1984, Gaski 1986, Kale 1986 and Frazier and Summers 1986).

III. CONCEPTUAL MODEL OF INTERORGANIZATIONAL RELATIONS

Conceptual Model Origin

The model expands upon specific components of an earlier model of dyadic interorganizational relations developed by Cadotte and Stern (1979) illustrated in Figure I-1. The Cadotte and Stern model is especially suited for a



Source: Cadotte And Stern (1979)

Figure I-1. Process Model Of Dyadic Interorganizational Relations

framework for investigating the interorganizational influence process due to its comprehensive synthesis and integration of past research on conflict and power as it relates to interorganizational relations. In addition, its acceptance as a model of interorganizational relations is well documented in the literature.

The model, as developed by Cadotte and Stern, begins with the potential for conflict between two members who occupy positions on different levels of distribution (e.g. manufacturer and wholesaler). The level of potential conflict is determined by the degree of goal, domain, and perceptual incompatibility existing between the channel members as well as the extent of their interdependence. The rate at which the various areas of potential conflict become perceived or recognized by the focal organization depends upon the level of benefits received relative to costs incurred via its dependency relationship with the target organization. As a result of the perception of conflict, the focal organization will initiate efforts to influence the target organization's goals, domain conceptions, and perceptions.

The degree to which the target organization will experience effective pressure to shift its position on these dimensions depends upon the level of power of the focal

organization relative to the power of the target organization. This relationship is also affected by the rigidity of the latter's goals, domain conceptions, and perceptions as well as the conflict perception within the channel. Its ultimate stance, relative to these dimensions, will also be affected by its own internal processes, as well as by forces stemming from other dyadic relations, both within and outside the channel in which the focal and target organizations are only a part.

The aftermath of a successful influence attempt on the part of the focal organization will include not only a change in one or more of the target organization's critical dimensions but also changes in costs, benefits, and the power relationship itself. These changes, in turn, affect the level of conflict potential, perceived conflict, and the future ability of the organizations to alter one another's positions.

The Conceptual Model

The conceptual model centers and expands upon the resultant force element of the Cadotte and Stern model and is illustrated in Figure I-2. As noted in the original

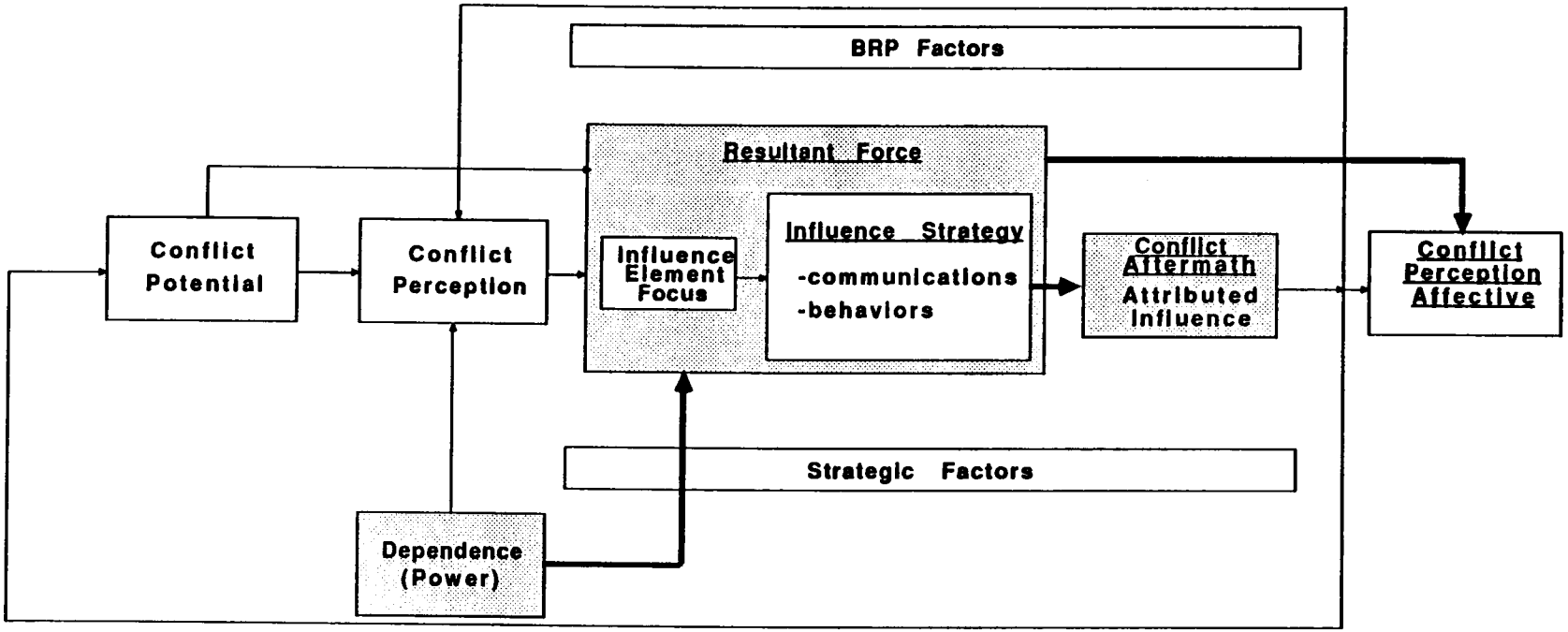


Figure I-2. Conceptual Model Of Dyadic Interorganizational Relations

framework conceptualized by Cadotte and Stern, differing levels of dependence (power) and conflict effect the resultant force directed towards another organization which, in turn, produces changes in the target organization's goals, perceptions and domains, and in the power/dependence relationship of the channel dyad. These changes are collectively called the conflict aftermath.

The process of an influence attempt between channel members within a channel relationship comprises the resultant force stage of the original model. An influence attempt begins with the identification of the target influence element (i.e. pricing policies, promotion programs, inventory decisions etc.) which is the focus of the influence attempt.

Given the varying dependence and power relationships and the level of conflict existing in the channel setting, the focal organization will, as necessitated, attempt to influence the target organization. This influence attempt will involve plans to influence the target organization to adopt, continue or change specific attitudes and behaviors relative to their business operations within the target element. Two major influence strategies are available for a focal organization to implement in this plan. These

strategies can be either: (1) communications (verbal or written), or (2) behaviors (activities).

Communication strategies involve either verbal or written messages to the target organization. The following communication strategies have been identified from previous research (Frazier and Sheth 1985, Gaski 1986).

Threats - Communications in which it is stated that negative sanctions will be applied towards the target organization if the organization does not conform to the specific action requested.

Promises - Communications in which it is stated that the target organization will receive future mediated benefits from the focal organization for conforming to the specific action requested.

Demand/command - Communications in which the focal organization tells the target organization to comply.

Information exchange - Communications/discussions on business issues relating to the target organization's behavior or attitudes in which information or opinions are presented by the focal organization.

Positive normative - Communications in which it is stated that conforming to the specific action requested would be in conformity with channel norms, stating that a "good" or "loyal" channel member would conform.

Negative normative - Communications in which it is stated that nonconformity to the specific action requested would be in violation of channel norms, stating that a "bad" or "disloyal" channel member would not conform.

Request - Communications in which the focal organization asks for the target organization's compliance.

Recommendation - Communications in which the focal organization suggests the target organization's compliance.

Behavior strategies include behaviors or actions on the part of the focal organization directed at the target organization. The following behavior strategies have been identified from previous research (Frazier and Sheth 1985) (Gaski 1986).

Rewards - Behavior in which a form of reward/benefit is given to the target organization without reference to a specific action.

Punishments - Behavior in which a form of punishment is sanctioned against the target organization without reference to a specific action.

These behavior strategies differ from communication strategies in their influence process nature. As Frazier and Sheth (1985) point out, "reward and punishment strategies are ...nonverbal ... in the sense that no prior notice is given or request made before the reward (punishment) is given" (p. 40). Examples of reward behavior strategies include: providing advertising support, training personnel, giving inventory rebates, rendering pricing assistance, granting favors (lunches, golf, etc.) (Gaski and Nevin 1985). Examples of punishment behavior strategies include: refusing to sell, purposely delaying delivery,

taking legal action and delivering unwanted products (Gaski and Nevin 1985).

Whichever communication and behavior strategies are adopted, their successful implementation is affected by: (1) the availability of power sources to the focal organization, (2) the symmetry of power and dependence in the channel relationship, (3) the perception of conflict present, (4) the credibility, communication skills and/or personality traits of the boundary role personnel (BRP) and, (5) other strategic factors affecting the adoption of the channel program which is outside the current influence attempt.

The resultant effect of an influence attempt is twofold: (1) a level of achieved influence with regard to the target element, and (2) a change in the perception of affective conflict on the part of the target organization. Depending upon the influence strategy chosen and other factors, the outcome relating to achieved influence may be a changed attitude, and/or behavior or reinforcement of a behavior or attitude (Frazier and Summers 1984, Frazier and Sheth 1985). The outcome relative to the perception of conflict may be an increase, decrease or no change depending on the influence strategy implemented (Gaski and Nevin 1985).

IV. RESEARCH OBJECTIVES

The overall objective of the study is to examine the interorganizational influence process. The model shown in Figure I-2 is helpful as a vehicle for examining this process. Specific relationships between key constructs within this process are examined in the study. Wherever possible, relationships are studied in a dyadic exchange environment through the implementation of cross dyadic measures.

More specifically, the research objectives of the study are:

1. To examine the relationship between the level of power, possessed by a channel member and the channel member's choice and use of influence strategies.

2. To examine the relationship between a focal channel member's choice and use of influence strategies and a target channel member's perception of attributed influence.

3. To examine the relationship between a focal channel member's choice and use of influence strategies and a target channel member's perception of conflict.

Power and Influence Strategies

"Power has been defined consistently in the market channels literature as the ability of one channel member to influence decision variables of another channel member, a potential for influence on another firm's beliefs and behavior" (Frazier 1983, p. 158).

Past research into the relationship between the power an organization possesses and its choice of influence strategies (i.e. use of power) has produced conflicting results (Frazier and Summers 1986). Bannister (1969), Robicheaux and El-Ansary (1975) have argued that a high level of power will lead its possessor to exploit such power and make frequent use of relatively coercive, strong or pressurized influence strategies. Alternately, Blau (1964) and Stern and Heskitt (1969) have emphasized the positive aspects of power, arguing that the presence of power need not suggest its exploitation. They suggest an inverse relationship between power and coercive, strong or pressurized influence strategies.

At present, empirical evidence for these conflicting theoretical viewpoints is present in the literature (c.f. Kale 1986, Frazier and Summers 1986). A possible explanation for these divergent findings may rest in the methodological approaches employed for the studies which

have empirically evaluated this relationship. In the majority of these studies, researchers have examined only one side of the dyadic relationship. Through examination of only one member's power level, a full understanding of the dyadic power relationship is difficult to achieve. The examination of the symmetry of power within a channel relationship may provide insight into the relationship between power and influence strategies. The first objective of the study is to examine and investigate the nature of the communication and behavior influence strategies employed by organizations under varying levels of power symmetry which occur naturally in a channel relationship.

Research questions for investigation in this area are listed below. The questions investigated within the study are indicated by an asterisk.

Q1: As the symmetry of power within a channel becomes more unbalanced, will the channel member employ:

A: Influence strategies, of any kind, with greater or lesser frequency in their channel interactions?

B: Communication influence strategies, of any kind, with greater or lesser frequency in their channel interactions?

C: Behavior influence strategies, of any kind, with greater or lesser frequency in their channel interactions?

*D: Negative, pressurized communication influence strategies with greater or

lesser frequency in their channel interactions?

*E: Positive, unpressurized communication influence strategies with greater or lesser frequency in their channel interactions?

*F: Punishment behavior influence strategies with greater or lesser frequency in their channel interactions?

*G: Reward behavior influence strategies with greater or lesser frequency in their channel interactions?

Influence Strategies and Attributed Influence

The level of attributed influence perceived by a channel member is the amount of influence a target member ascribes to another channel member in a channel relationship (Kelman 1958, Tedeschi 1972). It would appear consistent that attributions of influence, perceived by a channel member, would be a result of actual changes brought about by the focal organization relative to the target organization's operational areas. In addition, the nature of the strategies implemented by the source organization, to bring these changes about, would also appear to affect the channel members attributions of influence (Frazier 1983). Kale (1986) and others have suggested where a focal organization implements nonpressurized strategies in order to alter a

target organization's perceptions and gain influence, the target organization may believe they are acting on their own initiative, and therefore attribute less influence to the focal organization (Lusch and Brown 1982). Alternately, where an organization implements pressurized strategies, which attempt direct intervention in the target organization's behavior, the target organization would likely be more cognizant of such strategies and attribute more influence to the focal organization (Kale 1986).

At present, very little market channel research has examined the relationship between a focal organization's choice and use or influence strategies and a target organization's perception of achieved influence. The third objective of the study is to investigate the nature and relationship of these constructs.

Possible research questions for investigation in this area are listed below. The questions investigated in the study are indicated by an asterisk.

Q2: Will a target channel member perceive higher or lower levels of attributed influence:

A: As the frequency of influence strategies, of any kind, implemented by a focal channel member, increases or decreases?

B: As the frequency of communication influence strategies implemented by a

focal channel member, increases or decreases?

C: As the frequency of behavior influence strategies implemented by a focal channel member, increases or decreases?

*D: As the frequency of negative, pressurized communication influence strategies implemented by a focal channel member, increases or decreases?

*E: As the frequency of positive, unpressurized communication influence strategies implemented by a focal channel member, increases or decreases?

*F: As the frequency of punishment behavior influence strategies implemented by a focal channel member, increases or decreases?

*G: As the frequency of reward behavior influence strategies implemented by a focal channel member, increases or decreases?

Influence Strategies and Conflict

According to Lusch (1976a), one possible definition of conflict is the "...feeling of stress, tension, or hostility of one channel member toward another" (p. 383). This definition of conflict is often referred to as affective conflict (Lusch 1976a). The choice and implementation of either communication or behavior influence strategies, or both, would appear, intuitively, to affect (as well as be

the result) of the level of conflict present within a channel relationship.

At present, very little market channel research has been devoted to understanding the relationship between influence strategies and conflict. Which influence strategies produce conflict in a channel relationship? Which strategies reduce conflict? A knowledge of the relationship between the choice of influence strategies and the level of conflict produced would contribute to the answers to these questions. This relationship comprises the third research objective for investigation in the study.

Possible research questions for study in this area are listed below. The questions investigated in the study are indicated by an asterisk.

Q3: Will a target channel member perceive higher or lower levels of conflict:

A: As the frequency of influence strategies, of any kind, implemented by a focal channel member, increases or decreases?

B: As the frequency of communication influence strategies, of any kind, implemented by a focal channel member, increases or decreases?

C: As the frequency of behavior influence strategies, of any kind, implemented by a focal channel member, increases or decreases?

*D: As the frequency of negative, pressurized communication influence strategies implemented by a focal channel member, increases or decreases?

*E: As the frequency of positive, unpressurized communication influence strategies implemented by a focal channel member, increases or decreases?

*F: As the frequency of punishment behavior influence strategies implemented by a focal channel member, increases or decreases?

*G: As the frequency of reward behavior influence strategies implemented by a focal channel member, increases or decreases?

V. RESEARCH SETTING AND METHODOLOGY

Research Setting

Two alternative research settings are plausible for the study. These settings include: (1) a field setting, and (2) a laboratory environment. A field setting involves conducting the study in an actual marketing channel setting. This setting has been employed by several interorganizational relations researchers (Frazier 1984, Gaski and Nevin 1985, Gaski 1986, Kale 1986). Alternately, a laboratory environment involves the development of an approximation of a real world channel setting within a

controlled environment. This setting has also be employed by interorganizational relations researchers (Stern, Sternthal and Craig 1973, Roering 1977, Dwyer and Walker 1981).

While both settings have been employed in channels research, considerable debate exists regarding the acceptability of the laboratory setting in marketing research (Calder et al. 1981, 1982, 1983; Lynch 1982, 1983). This debate has centered around the lack of external validity often associated with laboratory analysis. One perspective of this debate is offered by Lynch (1982, 1983). Lynch (1983) argues against the use of research settings which produce low external validity under any circumstances. Lynch emphasizes, the importance and relevance of external validity to any single study within consumer research and further, suggests, evidence demonstrating lack of external validity within a single study indicates that the theory test lacks construct validity. Lynch contends that the validity of generalizations drawn from experimental data is limited by the apriori development of models of behavior under study.

In contrast, Calder et al. (1982) argue, "...research progress does not require external validity for any single research setting... rather, it [external validity] must

evolve from scientific progress (emphasis added)" (p. 243). Calder et al. (1982) emphasize the importance of external validity within the research process but assert that it is "best achieved through scientific progress and evaluation of interventions rather than through the design of any theory test" (p. 243).

Other researchers have suggested the requisite nature of external validity varies within the research process. For example, in basic research, external validity may not be the first consideration, due to the central interest being in the relations among variables (Kerlinger 1973, Mcgrath and Brinberg 1983). These researchers suggest the importance of external validity lies in applied research. In applied research, the central interest is in the application of results and therefore external validity is of major concern (Kerlinger 1973). Mcgrath and Brinberg (1983), in stating this perspective, suggest these separate types of research (i.e. basic and applied) are really "sequences of steps for carrying out certain portions of the same overall research process" (p. 116).

Various practical reasons may favor the acceptance of the laboratory setting. These reasons, in the context of the present study, include: (1) a laboratory setting allows for greater control of outside external factors than may be

possible in a field setting (Jones 1985), (2) both sides of the dyadic channel relationship are more easily measurable in a laboratory setting relative to the difficulty that may be encountered in a field setting, and (3) the costs associated with conducting a field study are prohibitive relative to the expenditures necessary for comparable data collection in a laboratory study (Cox and Enis 1969).

The research setting employed for the study attempts to extol some of the virtues of the field setting within a laboratory environment. This research setting has been labeled a simulation. As Jones (1985) has observed:

> ...[A] simulation takes advantage of the rigor and precision of the experimental approach while at the same time allowing you to investigate some of the more complex dynamic processes usually thought of as the provisions of some of the less structured methods (p. 325).

Jones (1985) notes four types of simulations: (1) computer simulations, (2) experimental simulations, (3) role playing, and (4) games. Game simulations are well suited for behavioral research in that a game simulation allows for focus upon the social interaction of the game participants. The game attempts to provide a structure with defined tasks by which the dynamics of interaction may be studied.

A game simulation developed by Cadotte (1986) entitled Market Place, was adopted for the laboratory environment for

the study. Market Place simulates interorganizational exchange relationships involving manufacturers and distributors of a durable good. Business oriented microcomputers were selected for the industry setting. Student teams perform the role of manufacturers and distributors and conduct ongoing exchanges in a market channel environment similar to the microcomputer industry. Each participant is allowed a wide range of behavior in order to provide for channel member interaction. For example, manufacturers control policy decisions with regard to brand design, production, pricing, promotion, market research and other manufacturer operations. Distributors control policy decisions in purchasing, inventory management, office location, shelf location for products, brand coverage, retail prices and other distributor operations.

An important dimension of the simulation is that the functions or tasks necessary to produce and move a product to the enduser are allocated between channel members. Manufacturers must sell through distributors to reach enduser markets. Neither manufacturers nor distributors control the market channel. Each depends upon the other to achieve its performance objectives. Thus, channel members must interact through continuing negotiations. This

environment produces the potential for ongoing conflict, locus of power changes and repetitive influence attempts by both channel members.

Research Design

In order to study interorganizational influence and relations, a research design composed of a cross-sectional survey of participating subjects combined with unobtrusive observation of simulation participants was developed. Master of Business Administration (MBA) students and undergraduate marketing students enrolled in a marketing strategy course were recruited for the study. These students participated, in teams of 4 to 5, as manufacturers and distributors in the Market Place game simulation. Participant interaction was monitored through content analysis of memo's provided by team representatives and a survey of participants prior to the completion of the game simulation. The interorganizational influence behavior exhibited by these participants relative to the objectives of the study were examined and analyzed.

VI. PLAN OF THE DISSERTATION

In this chapter, the importance of interorganizational relations as an area of research has been developed. A conceptual framework of interorganizational relations drawn from previous research was presented. Research objectives and specific questions for investigation in the study were derived from the conceptual framework.

In Chapter II the foundations of research in the areas of marketing channel power, influence, and conflict are discussed. Literature contributing to the development of these constructs is reviewed and discussed. In Chapter III a review and discussion of the specific studies which have contributed to the development of research in the areas of specific interest for this study is presented. Research hypotheses for the study are developed within this discussion relative to the research objectives and questions presented in this chapter. Chapter IV contains the research methodology, including the research design, measurement development and data collection format for the study. Chapter V contains the results of the evaluation of the measures employed in the study. In Chapter VI, the results of the statistical analysis utlized to test the hypothesesized relationships is presented and discussed. The final chapter, Chapter VII contains conclusions, implications and suggested research directions.

CHAPTER II

MARKETING CHANNEL POWER, INFLUENCE AND CONFLICT FOUNDATIONS

I. INTRODUCTION

The study of interorganizational relationships is broadly based in research conducted in the areas of power, conflict and influence. A synthesis and evaluation of the major concepts in these areas will be presented in this chapter and serve as a foundation for the development of research issues for this study.

Major concepts pertaining to market channel power are presented and discussed first, followed by the presentation and discussion of market channel influence. The chapter is concluded by a presentation and discussion of market channel conflict. Figure II-1 illustrates the major parts of each section.

II. MARKETING CHANNEL POWER RESEARCH

This section contains the research foundations of marketing channel power. The section will: (1) present a general model of marketing channel power research in order

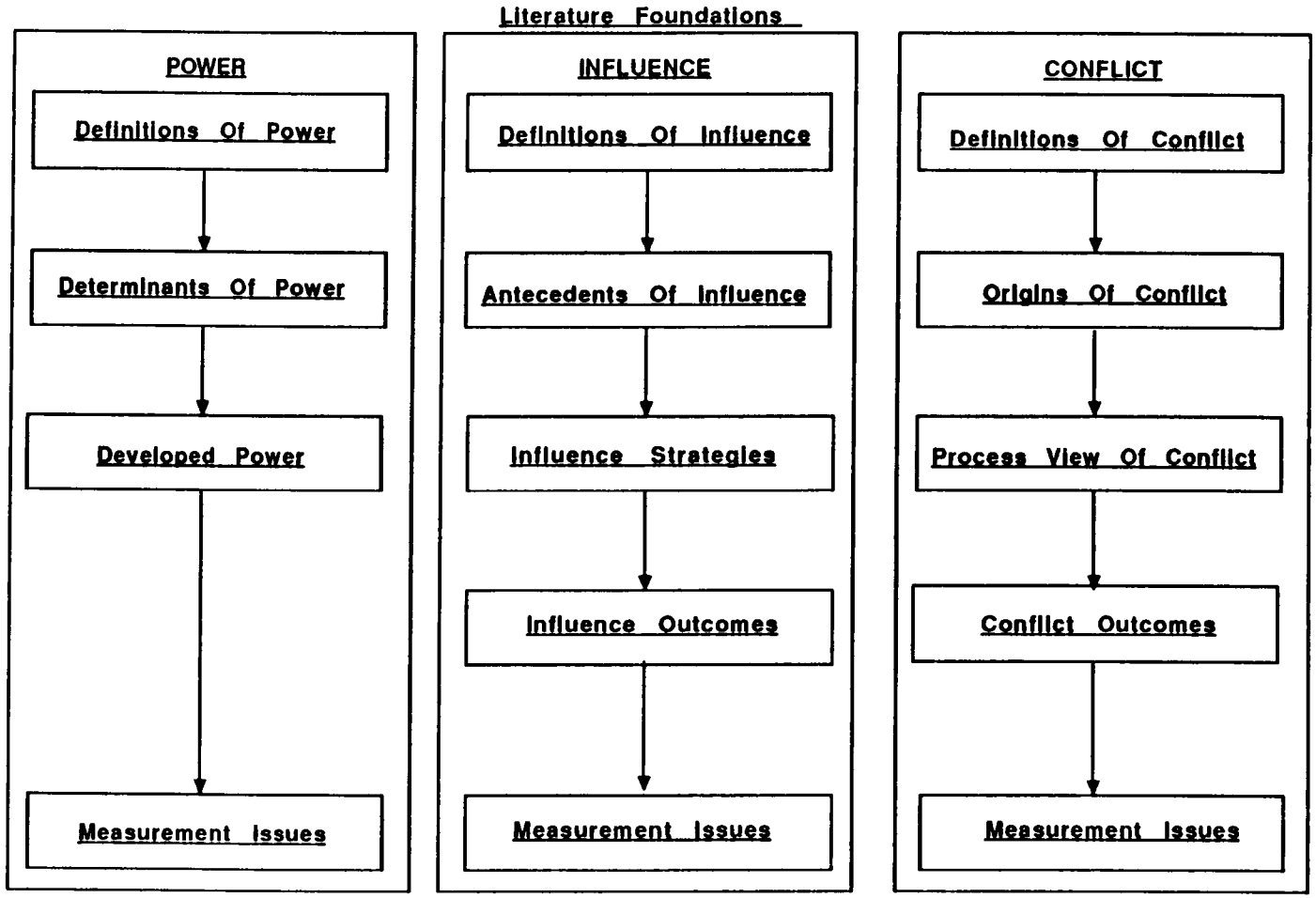


Figure II-1. Literature Review Major Concepts

to structure the literature; (2) present the major concepts composing the foundations of marketing channel power research; and (3) discuss and analyze these concepts.

A General Model of Marketing Channel Power Literature

A review and analysis of the pertinent literature served as the basis for the development of the general model of marketing channel power research presented in Figure II-2. The model encompasses four components and is intended to serve as a framework from which the marketing channel power research may be organized, analyzed and discussed. The first component of the model identifies the definitions of power, including sociological foundations and channel specific definitions. The second component presents the determinants of power in a channel system. This section includes a review and discussion of the sources of power, channel member dependence, role behavior of channel members and objective determinants of power. The third component illustrates developed power in a channel system. In this section the domain, scope, weight, symmetry of power, countervailing power, and locus of power along with a discussion of exercised/unexercised power is presented. Finally, the fourth component presents the measurement

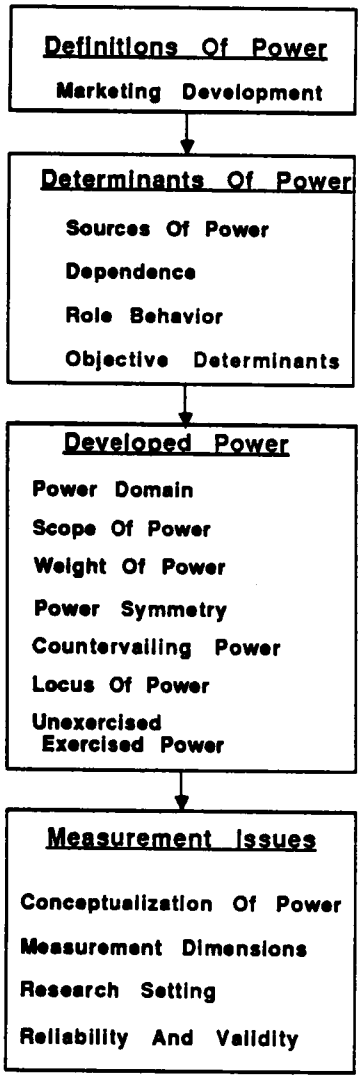


Figure II-2. General Model of Marketing Channel Power Literature

issues pertaining to power research including conceptual, research design and reliability and validity issues. The section will conclude with a discussion of the major research issues present in market channel power research.

Definitions of Power

The concept of power has been addressed in the literature of sociology, psychology, organizational behavior and marketing. The earliest conceptual definitions of power are found in the research of sociologists. Weber (1947) defines power as the probability that a person can carry out his or her own will despite possible resistance. Dahl (1957) defines power through referencing an individual's ability to control the behavior of another, "A has power over B to the extent that A can get B to do something that B would not otherwise do" (pp. 202-203). Emerson (1962) defines power in terms of overcoming resistance, "[T]he power of actor A over actor B is the amount of resistance on the part of B which can be potentially overcome by A" (p. 32). Another early definition by Simon (1953) defines power in terms of the ability to alter behavior, "[A]n asymmetrical relation between the behavior of two

persons...how a change in the behavior of one alters the behavior of the other" (p. 5).

These early definitions appear to suggest a theme of potential influence or control of behavior as the basis of power (Frazier 1980). Relative to this theme Gaski (1984) suggests:

> If the ability to get someone to do something he or she would not have done is allowed as the central essence of the power phenomenon (actually social power, since humans are the designated targets), agreement can be and has been reached concerning application of the concept to a marketing context (p. 10).

The earliest reference to power in the marketing context is offered by Beir and Stern (1969) as a resolution of the earlier sociological definitions. According to these authors, "[T]he power of O depends on the perceptions of P in terms of O's ability to satisfy P's desires and the number of alternatives that P feels he has" (Beir and Stern 1969, p. 94).

Elaborations of this definition have been reiterated by many marketing scholars in their examination of power in the framework of marketing channel research. Generally, in this context, agreement has been reached as to the general phenomenon of power (Gaski 1984, Frazier 1983). The following definitions by marketing scholars illustrate this consensus:

> Power refers to the ability of one channel member to induce another channel member to change its behavior in favor of the objectives of the channel member exerting influence (Wilemon 1972)
>
> Power can be regarded as the ability of a firm to affect another's decision making and/or overt behavior (Wilkinson 1979).
>
> The power is the ability to control the decision variables in the marketing strategy of another member in a given channel at a different level of distribution. (El-Ansary and Stern 1972, El-Ansary 1973, Wilkinson 1974, Etgar 1978).
>
> The power potential of B over A is equal to and based upon the dependence of A upon B (Cadotte and Stern 1979).
>
> Power refers to the ability of one individual or group to control or influence the behavior or another (Hunt and Nevin 1974, Lusch and Brown 1982).
>
> Power is the ability of one channel member to influence decision variables of another channel member, a potential for influence on another firm's beliefs and behavior (Frazier 1983).
>
> The power of a channel member is his ability to control the decision variables in the marketing strategy of another member in a given channel at a different level of distribution (Gaski 1984, El-Ansary and Stern 1972).
>
> Power is the level of potential influence in a relationship (Kale 1986).

These definitions identify and imply the need to distinguish between the possession of power and its other forms. The use of power differs from its potential use. As Frazier (1983) suggests, "a firm can have power without using it" (p. 158). A firm may have the ability to change

the behavior of another and decide not to; this differs from actually imposing power or change on the other party. The various forms of potential power include: (1) the determinants or causes of power, and (2) developed power. A discussion of these forms of power will follow. The actual use of power or power application will be discussed in section II of this chapter.

Determinants of Power

The determinants of power refer to the basis present in an organization which provides the requisite elements of power. These determinants establish the foundations from which power is derived. In the market channel context, several determinants of power have been identified. These determinants include the sources of power, dependence, role behavior and objective factors. These concepts will be presented and discussed in this section.

Sources of Power

According to French and Raven (1959), the phenomena of power involves a dyadic relation between two agents which may be viewed from two points of view, (1) what determines

the behavior of the agent who exerts power; and (2) what determines the reactions of the recipient of this behavior. The bases/sources of power identify the major sources of power according to the changes which are produced in the reactions of the power recipient. (French and Raven 1959)

The bases/sources identified by French and Raven (1959) include:

> Reward power - the recipient's perception that the individual exerting power has the ability to mediate rewards to the recipient.
>
> Coercive power - the recipient's perception that the individual exerting power has the ability to mediate punishment to the recipient.
>
> Legitimate power - the recipient's perception that the individual exerting power has the legitimate right to prescribe behavior to the recipient.
>
> Referent power - the recipient's perception of identification with the individual exerting power.
>
> Expert power - the recipient's perception that the individual exerting power has some special knowledge or expertness.

The acceptance and use of the bases/sources of power in marketing channel research has been exhaustive. Several researchers have replicated French and Raven's taxonomy while others have redefined or further conceptualized the sociology based framework to better fit the channel context.

The original bases of reward, expertise, legitimate, and referent, according to Hunt and Nevin (1974), can be

collapsed into the single category of noncoercive sources of power due to the willingness which a power holder exerts these sources in contrast to the manner in which the coercive sources of power are exerted (Hunt and Nevin 1974). The authors also note the perceived difficulty of measuring the original sources of power is reduced by such a reclassification.

The base/sources may also be split into economic (reward or penalty) and noneconomic (expertise, referent and/or legitimization) sources of power (Etgar 1978). According to Etgar (1978), the original French and Raven (1959) power base/source framework does not provide an understanding as to which types of power bases/sources would be most effective in a distribution channel framework. Etgar argues, that (1) the use of rewards or penalties focuses on the use of the economic resources of the channel leader through transforming them into direct economic incentives and dis-incentives directed towards the channel members and (2), the use of expertise, referent, or legitimization of power sources more frequently involve the development of a channel environment conducive to compliance and are primarily based on non-economic factors. A cross channel study of distributors of consumer goods found the

economic sources to be more effective in the generation of power in the channel context.

The concept of direct and indirect modes of influence may also be applied to the power source taxonomy (Kasulis, Spekman, and Bagozzi 1978). According to Kasulis et al., when the influencing firm mediates direct consequence for the influenced firms noncompliance, direct outcome control is being employed. Indirect outcome control is used when the influencing firm does not directly administer his own resources as rewards and punishments but instead, relies on persuasion or information control. These authors observe that the bases/sources of power may be conceptualized as direct control (i.e. coercion, reward, and legal legitimate power sources/bases) and indirect outcome control (i.e. legitimate and information power sources/bases). The remaining power sources (i.e. expert and referent) are grouped between these these two extremes.

Nevin and Reukert (1979) distinguish between exercised and unexercised power bases/sources. According to these authors, the prior potential sources of power do not capture the exercised or activated dimension of power sources. Sources of power may or may not be exercised by the imposing firm depending on the predispositions and opportunities of the channel member. As a result, the possession of one or

more of the sources of power does not guarantee that a channel member may exert influence. Rather, the possession of a power source is indicative that a channel member has the potential basis for modifying the behavior of another channel member (Nevin and Reukert 1979).

Another approach to the development of the power sources involves a contingency based dichotomy of the power sources (John 1984). This approach observes that an influencing firm's attempts at influencing a firm which are based on coercive and reward power are contingent on accompanying external factors such as rewards and punishments controlled by the influencing firm. Conversely, an influencing firm's attempts at influencing a firm which are based on expert, referent, and legitimate power are noncontingent because they depend upon the influenced firms perceptual processes rather than upon external factors intervening in the influence process.

Finally, Johnson, Koenig and Brown (1985) suggest the split of the power sources/bases into mediated and nonmediated categories. Mediated power sources include those sources that the influencing firm directly mediates in order to obtain a desired behavior, including reinforcements such as rewards, punishments or appeals to legal contracts. Conversely, nonmediated power sources include those sources

that the influencing firm does not directly mediate, such as in the use of information, referent, expert, or traditional legitimate power sources/bases.

The above reclassifications have served to extend the original French and Raven (1959) sources of power into the channel's context. However, one source of power which appears to have been overlooked under the French and Raven (1959) taxonomy is "[T]he ability to control critical aspects of W's environment in such a way that the new environment will bring about a desired change in W's behavior" (Tedeschi and Bonoma 1972, p. 15). This additional power source has been labeled "ecological control" or the "manipulative power source" (Gaski 1987, p. 11). This sixth power source was first identified by Raven and Kruglanski (1970) and applied to the marketing channels context by Kasulis, Spekman and Bagozzi (1979) and Kasulis and Spekman (1980). One possible illustration of this power source is the ability of an organization to control the dissemination of information to another organization. In a channel relationship one channel member may possess greater abilities and resources to gather data about products, the environment, competitors etc. The ability to control what information reaches the other organization will affect the perceptions developed by that organization and subsequently

their behavior. This process reinforces and increases the perceived power of the informing organization.

Dependence

The concept of a dependency relationship is central to the understanding of power and provides the second determinant of power. The sociological literature, again, forms the foundation of this dimension. The work of Cartwright (1959), Emerson (1962) and Carzo and Yanouzas (1967) are especially noteworthy. Cartwright (1959) suggests that the power of A over B depends, in part, upon the acts which A can perform and that power is a relationship between two individual; not an absolute attribute of a single individual. Similarly, Emerson (1962) has suggested that the "dependence of one party on another provides the basis for the power of the other; or restated, the power of A over B is equal to, and based upon the dependence of B upon A" (p. 32). Finally, Carzo and Yanouzas (1967) describe this determinant of power as follows:

> Actually, both parties to the power relation possess something of value. One party to the relationship is trying to achieve an intended result, and, therefore he values the responses of the other party. To obtain the desired responses,

> he must possess, or be in a position to provide or withhold, something of value to the other party. In effect, power involves mutually dependent relations, with each party to the relation dependent upon the other for gratification (p. 189).

The first formal discussion of dependency and its relationship with power in the marketing channel context is that by Beir and Stern (1969). Their discussion of the dimensions of power and the application of power notes the importance of dependency in the context of interpersonal and interorganizational relationships. In addition to the work of Beir and Stern, several other researchers have contributed to the development of dependence as a determinant of power. These contributions have steadfastly attempted to provide the appropriate conceptual and empirical linkages between power and dependence. In this context, the conceptual and empirical research may be classified as (1) those contributions which have extended Emerson's dependence theory; (2) those contributions which have attempted to provide the factors contributing to dependence; and (3) those contributions that have coupled dependence with other constructs in order to better describe and explain power.

An example of the first classification is provided by El-Ansary (1975). Based upon the earlier work of Emerson,

El-Ansary observes the functional determinants of dependence in a distribution channel context vary from the functional determinants suggested by Emerson. Revising the Emerson classification, El-Ansary suggests two generic types of dependence determinants. The first determinant includes goals mediated, and the number of alternative outside firms available. The second includes: cost alternatives and motivational investment or commitment to marketing mix programs covering all aspects of a marketing program.

Latter, in an attempt at modeling channel member behavior, Robicheaux and El-Ansary (1976), drawing from Emerson's dependence theory, propose that:

> 1. A firm's dependence in a channel is inversely related to its power base and the number of available alternatives to the channel relation.
>
> 2. A firm's dependence is directly related to its motivational investment in goals mediated by other channel members and the cost of available alternatives.
>
> 3. The tolerance of a firm for control by other channel members is directly related to the firm's dependence upon others as well as its expectations of improved channel performance and satisfaction resulting from their control (pp. 19-20).

The authors integrate these propositions and other power related constructs in an attempt to model channel member behavior.

In accepting Emerson's postulated relationship between power and dependence, Cadotte and Stern (1979) define the potential power of a channel member as equal to and based upon the dependence of an organization on the channel member. According to the authors, "the dependence of channel member A upon channel member B is directly proportional to B's net contribution to A's current level of goal attainment and inversely proportional to the number and viability of A's alternatives for goal attainment" (Cadotte and Stern 1979, p. 141).

In contrast to the the work which has attempted to extend Emerson's research, a second body of research has focused on the factors that drive dependence in a market channel, and thus power. For instance, Brown and Frazier (1978) conceptualize dependence as a function of a firm's need for another firm's products, services, and assistances in order to achieve their desired goals. The higher the performance on these variables, the higher the firm's dependence. According to Brown and Frazier, greater dependence creates greater power on the part of the firm which renders the products, services and assistances.

Extending earlier conceptualizations of the power construct within the dependence dimension, Frazier (1983) notes the importance of role performance relative to

dependence. Frazier suggests that a firm's role performance (also discussed separately in the following section) of its primary responsibilities in the relationship drives the level of dependence of the other firm in the relationship. Applying Emerson's obverse concept of power and dependence, this affects and determines the former firm's level of power over the latter firm. This approach, according to Frazier, seeks to improve upon the measurement problems associated with the Emerson dependence conceptualization by operationalizing goals mediated by one firm through evaluation of their role performance. Frazier (1983) points out:

> When actual exchanges of products, services, and information begin, the role performance of each firm (how well a channel role is actually carried out) will determine, in large part, the outcomes, both actual and perceived, achieved in the relationship (e.g. sales, profits). For example, the generation of consumer demand through the marketing mix, the provision of customer service, and the offering of interfirm assistances and boundary personnel advice are among the major elements of a manufacturing firm's role in most distribution channels. A manufacturer's performance on each of these role elements as perceived by associated wholesalers and retailers should be seen to have an important influence on their goal attainment (p. 159).

The third body of literature which has linked dependence and power has focused on other constructs, such as power sources and authority, in order to better describe

dependence and power. Early work in this area by El-Ansary and Stern (1972) suggests that power as a construct might be more richly described if both dependence and the sources of power are treated as independent variables. The researcher's findings, however, proved inconclusive in establishing such a relationship.

Another approach suggested by Frazier (1980) proposes that the level of a firm's power in a two-firm channel relationship is determined by two factors: (1) the firm's authority in the relationship; and (2) the other firm's dependence therein. Authority is defined as the prescribed right a firm has to affect certain behaviors of the target firm in a channel relationship. This concept is congruent with the power source of legitimacy developed by French and Raven (1959). Dependence is defined as a function of: (1) channel position, (2) channel role , (3) role performance, and (4) money and the cost of switching to alternative relationships. These factors, together, contribute to the overall level of power a firm possesses.

Role Behavior

According to Gill and Stern (1969) roles are the unifying factors relating persons or groups of persons to

positions in a social system in that they define appropriate behavior for the occupant of a position a person or class occupies in the social system. The concept of role is basic to understanding relationships of members in a social system and provides an additional determinant of power. Gill and Stern (1969) describe the importance of role performance as a determinant of power by its relation to cooperation, they state:

> A wholesaler and retailer in a distribution channel are aware of each other's role and are able to anticipate behavior. The retailer knows that salesmen will call at specific times, that goods will be delivered when needed and in good condition, and that special deliveries can be counted on to meet unexpected shortages. The wholesaler expects payment for the merchandise after a certain time period, knows the retailer will carry out promotional plans, and that a helper will be provided to unload delivered merchandise. Marketing channels cannot function without such sustained cooperation, in which each party knows what to expect from his opposite number (p. 23).

As channel members interact in the channel context, each develops conceptions about their own roles as well as the roles of other channel members (Wilemon 1972). The importance of the role behaviors performed by each member prescribes and determines the power relationship in the channel. Frazier (1983) explains this outcome by suggesting that the performance of role elements, that is how well they are carried out, affects the perceptions developed, on the

part of channel members, relative to the firm's contribution to their goal attainment. Goal attainment has been thought to be an important determinant of dependence and power in a channel relationship (Emerson (1962). Further, as Wilemon (1972) observes there are those channel members who assume the role of participant-follower and those that assume a more powerful leadership role. Thus, role and role performance appear related to channel member power.

As role theory may be used to describe power, it may, as well, prescribe power (Robicheaux and El-Ansary 1976). Under this perspective, the power base of a firm is determined by the firm's position (i.e. role) and by the power resources it controls such as those described by French and Raven (1959). The power base of a channel member can be changed by changing the role prescription or role set for the position the firm is in, and thereby change the power possessed by the firm. According to Brown and Frazier (1978), role performance is comprised of two components: (1) how well a member performs has operational tasks and; (2) the perceptions by other firm's as to how well a firm has created a business climate conducive to joint rather than singularistic behavior performance.

In addition to its possible relationship with power, the concept of role performance appears to be extremely

important in explaining the level of a target's firm dependence in an exchange relationship. Frazier (1983) has observed that a manufacturer's performance on specified role elements, as perceived by associated wholesalers and retailers, has an important influence on a firm's goal attainment. When the level of a source firm's role performance is perceived as high, the target firm, generally should be highly motivated to maintain the exchange relationship. Alternately, when the perception is low, the firm will not be as highly motivated. When the performance perception reaches maximal levels, fewer alternatives should be available for the target firm, and thus the firm will be more dependent on the source firm. According to Frazier, this higher level of dependence thus creates higher levels of power in the source firm (Frazier 1983).

Objective Determinants

In addition to those determinants described previously, there are a number of objective factors which enable channel members to build and enhance their power position in a channel setting. These methods are referred to as the objective determinants of power. Wilemon (1972) suggests that some of the more important determinants of a firm's

power are: brand ownership and the demand characteristics of a channel member's products and services; ownership control over other channel members; contractual agreements between the members of a channel; and the financial strength of a channel member. The possession of one or more of the sources of channel influence does not guarantee that a channel member can exert influence or power. Rather, the possession of one of these factors is indicative that a channel member has a potential basis for modifying the behavior of another channel member (Wilemon 1972).

The accrual of such power determinants may be the result of several differing factors (Etgar 1977). The channel member may gain access to power determinants because of the specific characteristics, experiences, or history the firm has and its management group. Alternately, the particular characteristics of the environmental forces impinging upon the channel (i.e. demand, technology, competition, legal constraints, etc.) and the member's ability to capitalize upon these forces and to mitigate their effects upon other channel members may affect the accrual of power. Ultimately, the power of a channel member may reflect both the characteristics of his environment and his own characteristics within the environment.

Developed Power

Developed power refers to the power actually possessed and available to an organization. This concept of power differs from the determinants of power in that it reflects the power potential existing within a firm (Frazier 1980). Various dimensions of developed power include the domain, scope, weight, symmetry, countervailing, locus and its unexercised/exercised nature. These concepts relative to established power are discussed in this section.

Power Domain

Cartwright (1959) suggests that the "set of agents over whom an agent (O) exercises power is defined as the domain of O's power" (p. 22). Kaplan (1964) describes this concept as follows:

> The power which one person has differs from that of another... in ... the range of persons or groups influenced by it. We may ... call it the domain of power. Domains may overlap; one may be wholly included in another. They may also be wholly outside one another. We often say that the amount of power has increased when the domain is extended (p. 14).

Beir and Stern (1969) were the first to acknowledge domain as a conceptual property of power in a channel

setting. They note that the domain of power of a channel member may be pervasive throughout a channel setting as where a manufacturer has a highly differentiated product thus enabling the manufacturer to extend its influence throughout the channel. Conversely, the domain of power may be limited where the product does not possess these properties. The authors also identify and note the conceptual difficulties of examining domain without the related concept of the scope of power (Beir and Stern 1969). These two related concepts differ in that domain refers to the people, agents or organizations affected by the power wielder; while scope refers to the decisions in operational areas made by these people, agents or organizations. Beyond the recognition that the domain of power exists, very little conceptual or empirical work has been conducted dealing with this construct.

Scope of Power

The scope of power refers to the "states of O which can be affected by P" (Beir and Stern 1969, p. 106). This dimension of power identifies the specific area over which an influence attempt may be made. These specific areas refer to operational areas such as setting retail price,

assigning shelf space, inventory decisions, promotional campaigns etc. Kaplan (1964) defines the scope of power as referring to "the range of stimuli and the range of co-responsibilities that are affected by the person exercising power." Cartwright's (1959) example of scope within an organization states and illustrates this conceptual dimension of power:

> The financial vice-president of a company may virtually control its investment decisions but may have no effect on its policies concerning unions; a foremen may control certain items of a worker's behavior without influencing the corresponding attitudes; and a union may determine a worker's attitude toward a company without influencing his on the job behavior (p. 22).

In a marketing channel context, Beir and Stern (1969) suggest that the scope of power may be very limited or very broad depending on the circumstances present in the channel. For example, if a particular middleman is an expert in sales promotion, he is likely to be recognized as such by all channel members. Conversely, such a middleman cannot then turn around and expect to exert expert power on issues other than sales promotion policies. The scope of power of such a middlemen is limited to promotion.

Of the various power sources, reward power appears to have a much broader scope than any other type of power within the channel context (Beir and Stern 1959). This

results from the fact that economic rewards serve as a basic motivation for all channel members. As with its related concept, the domain of power, very little conceptual and empirical research has included the concept of the scope of power beyond identifying its presence.

Weight of Power

The weight of power refers to the probability of influencing or changing the behavior of a party given the exercise of power over that party, or as Kaplan (1964) states:

> We say that O is exercising power over P if O can at his choice affect the probability that P will act in a certain way in certain circumstances. But O may affect those probabilities only slightly, or he may affect them enormously...This specification of how much O influences P has been referred to as the 'weight', intensity, or degree of power (p. 14).

When the weight of power is at its maximum, it is referred to as control. At this point of maximum power, the power wielder can predict, with some certainty, that the influencee will respond in the desired manner.

Beir and Stern (1969) describe this concept in the marketing channel context:

> Manufacturers mark their products with suggested retail prices in an attempt to control the actions

> of the retailer and eliminate price cutting. Many retailers conform to these suggestions. Some retailers, however use the suggested price as a base point and intentionally cut it in an effort to attract customers. Thus, the weight of the producer's power may not be sufficient to change the price cutting tactics of the retailer. The weight of the manufacturer's power may be increased, however, by increasing the severity of the sanction with which he threatens the retailer. For example, he may employ legitimate power by adopting a fair trade price policy and threaten the seller with legal action if this policy is violated. He may also threaten to refuse to sell his goods to such a retailer (p. 108).

The presence of the full range of the "weight of power" in a market channel has not been examined in marketing channel research. Most often channel researchers have examined the most extreme weight of power; control. Typical measures of power ask the respondent to evaluate who, in the marketing channel, has control over various decision areas. This process precludes the measurement of the full range of "weight of power."

Power Symmetry

In a power relationship containing two actors several possibilities exist with regard to the distribution or balance of power. These possibilities fall on a continuum ranging from: (A) a mutually dependent scenario where no one member has clear dominance over the other, a symmetrical

power relationship, to (B) a scenario where one member is dominant over the other, an asymmetrical power relationship (Beir and Stern 1959). The ends of this continuum refer to: (a) a balanced or bilateral power relationship and (b) an unbalanced or unilateral power relationship. The possibilities along this continuum refer to and illustrate the symmetry of power. Varying combinations or power balances are possible along this continuum. For example, the automobile manufacturer - dealer channel illustrates a power relationship where the manufacturer holds power but is not clearly dominant over the dealer; the dealer holds power as well (Ridgeway 1957). This relationship is neither a mutually dependent scenario, nor a relationship where one channel member is clearly dominant over the other. Finally, the power balance in a channel relationship may change over time (Cadotte and Stern 1979).

Examining the bipolar extremes of power symmetries existing in a channel relationship, Beir and Stern (1969) suggest, it is very difficult to predict what type of long-run association will occur under a balanced power relationship. In such a situation, assuming no arrangements or agreements have been made between the actors, a highly stable but conflict charged relationship generally emerges (Beir and Stern 1969). A more common occurrence in channel

arrangements is the situation where one channel member is more powerful to some degree than the other (i.e. unbalanced power relationship). Under this scenario, one member may attempt to reduce the disparity between the actors. Emerson (1962) has prescribed four methods through which a power relationship may become balanced:

> 1. If P reduces motivational investment in goals mediated by O
>
> 2. If P cultivates alternative sources for gratification of those goals;
>
> 3. If O increases motivational investment in goals mediated by P;
>
> 4. If O is denied alternative sources for achieving those goals (p. 35).

The dynamics of a power relationship within a channel setting make it difficult, if not impossible, to predict the outcomes of the above methods with any certainty. Dependant on which method is implemented or which combination is chosen, the implications are far reaching with regard to competition, uncertainty in the channel environment, and the formation of possible coalitions by channel members (Beir and Stern 1969).

Countervailing Power

According to Wilemon (1972, p. 80), "One of the most profound developments [among channel members] has been the historical rearrangement of power among the participants within channels" in order to produce a more evenly distributed power relationship. This has produced what is referred to as the countervailing dimension of power. Galbraith (1956) originally conceived the idea of countervailing power as a theory for providing insight into the quest for power equalization, he observes:

> To begin with...,private economic power is held in check by the countervailing power of those who are subject to it. The first begets the second. The long trend toward concentration of industrial enterprise in the hands of a relatively few firms has brought into existence not only strong sellers ...but also strong buyers...The two developed together, not in precise step but in such manner that there can be no doubt that the one is in response to the other (p. 118).

In the channels' context, "the ability of a specific channel member to influence another is often dependent not only on the magnitude of the power sources on the influencer, but also on the ability of the influencee to resist and counterbalance the pressure" (Etgar 1976, p 255). The ability to resist or counterbalance power may be enhanced through membership in associations such as dealer,

franchise or cooperatives. According to Etgar (1976), the power sources which allow a channel member to resist and counterbalance another member's attempt to control the channel member, coupled with the power sources of the influencer, provide a mechanism for discerning channel power.

Locus of Power

In an asymetrical power relationship, a higher level of power will reside with one channel member. The extreme case of an asymetrical power relationship is referred to as a unilateral power relationship (Dwyer and Walker 1981). A unilateral power relationship is where one party has extreme power over another party who has little, if any, power. The position, or center, of this higher level of power, its possessor, refers to the locus of power. Under a symmetrical channel setting power is balanced, therefore the locus of power is dispersed throughout the channel. Over time, the locus of power is not fixed but generally varies according to market conditions (John 1984). However, decisions within channel relationships and postures of behavior occur at points in time and generally assume fixed power relationships. Decisions are made in a static sense,

based upon knowledge and information known at a point in time. This inconsistency can produce difficulties of control over marketing inputs and effort when power relationships abruptly change (Johnson 1979).

In recognition that the locus of power may change under varying circumstances, John (1984) suggests that power between channel members will be different according to the stage in the life cycle of the product handled by the channel is in. When market demand is high, as in the growth stage, power will tend to locate with the manufacturer (Johnson 1979). Alternately, when market demand begins to erode, as in the decline stage, the locus of power is normally with the resellers of the product. The converse may occur given differing environmental factors. The point, however, is that the locus of power may change over time.

Unexercised/Exercised power

The potential ability to alter an individual's behavior and the actual alteration of an individuals behavior are conceptually distinct phenomenon (Hunt and Nevin 1974). Unexercised power refers to the latent, potential ability to alter an individual's behavior, while exercised power refers to the actual alteration of behavior (Gaski 1984). This

subtle, yet critical, distinction has caused confusion in channel research. While researchers have generally accepted the unexercised version of power as the definition of power, they have often measured and reported the exercised dimension of power in their studies. (See generally: Dwyer 1980, El-Ansary and Stern 1972, Etgar 1976, Etgar 1978).

Measurement Issues

In this section issues pertaining to the measurement of power will be reviewed and discussed. This discussion will encompass: (1) the conceptualization of power, (2) measurement dimensions of power, (3) research settings used in power research, and (4) reliability and validity issues. Literature contributing to the development of these issues will be presented.

Conceptualization of Power

The conceptual distinction between the ability to alter behavior and the actual alteration of behavior according to Gaski (1984, p. 24), "...should be beyond dispute." Unfortunately, little distinction has been made with regard to the measurement of these separate phenomenon as distinct

constructs. Instead, researchers have often accepted "the ability to alter behavior" as their operational definition and proceeded to measure the "actual alteration of behavior" (For example: Dwyer 1980, El-Ansary and Stern 1972, Etgar 1976, 1978, Hunt and Nevin 1974 and Phillips 1981).

The considerations mentioned above are equally applicable to the conceptualization of the power sources. The conceptual distinction between the unexercised or latent power sources and the exercised or activated power sources has often been overlooked in power source research (For example: Hunt and Nevin 1974 and Lusch 1976).

In addition to the above conceptual issues, few researchers have attempted to measure the alternate dimensions of power sources and developed power. Power domain, scope and weight of power have received little if any empirical attention. Gaski (1984, p. 25) suggests incorporation of these dimensions in his discussion of the "volume" of power.

Measurement Dimensions

The operational definitions contributing to the specification of power have proceeded in two directions: (1)

perceptual measures including self-perceived and attributed measures and (2) objective measures of power.

The majority of measures in the marketing channels context have drawn from earlier research in the sociology area which has advocated perceptual measures of power. This research has utilized: (1) the self-perceptions of various channel members and (2) attributions about them by other channel members in order to gauge the power present in a marketing channel system. The determination of which approach - self perceived measures or attribution measures is the proper approach has been debated for some time.

El-Ansary and Stern (1972) were the first to address the self-perceived - attribution issue in the market channel context. Borrowing heavily from the earlier work of sociologists, El-Ansary and Stern utilize both attributed measures of power and self-perceptions of power in their study. They note that attributed power is real power and that attributed power is a valid measure of power if it is accurate and congruent with self-perception. Further, lack of agreement between attributions of power and self-perceptions of power indicate levels of diffused power in the channel setting (El-Ansary and Stern 1972).

Firat, Tybout and Stern (1975) in attempting to model both attributed and self-perceived measures of power employ

very similarly constructed models. Firat et al. point out, distinctions between the two models produced within the study and not captured by the individual measures, distinguish the two approaches to measuring power. They suggest that a firm's information accuracy, that is their ability to render information to the researcher, is greater with regard to certain power strategies when using self-perceived measures of power. This factor contributes to the firm's assessment of it's own power to be more accurate than the firm's assessment of another firm. Alternately, where attributed measures of power are implemented, the measuring firm has more accurate information of a different type, specifically information available to itself such as how to respond to the source firm's power, rather than power strategies. For this reason, the distinction between the two types of power measurements is important (Firat, Tybout and Stern 1972).

Ross, Lusch and Brown (1982) argue that it may only be necessary to examine one side of the dyad in a channel setting to determine the nature of power and dependance relations in a channel. Ross et al. studied the relationship between a food broker's self perceived and attributed power and their corresponding food wholesaler's dependence examining both sides of the dyad. The results

suggest that in channel settings where participants might be expected to have the type of close working relationship demonstrated by many food brokers and wholesalers, both sides of a channel dyad will evaluate the power dependence relation similarly (Ross, Lusch and Brown 1982). In contrast, disparities between channel member perceptions have been reported on by Gaski (1984). Phillips (1981) has commented on the possible dangers of perceptual measures and their inappropriate application.

While the perceptual approach has been implemented extensively in power research, it has not been without criticism, particularly the attribution approach. These criticisms include according to Frazier (1983):

> (1) Attribution measures may produce considerable response bias;
> (2) Because of the multitude of possible influences on any decision or behavior, it is often complex and difficult to make attributions of influence;
> (3) the reputational (i.e. attributional) approach does not distinguish between the ability to exercise power and the actual exercise of power;
> (4) Actual power and achieved influence (attributed influence, control or power) may not be that highly correlated in many instances and;
> (5) Perceptual power measures have often not been validated.

Due to these argued conceptual and methodological weaknesses, an alternate, more objective approach to operationalizing power has been suggested by at least one

researcher. Etgar (1976) suggests an index of influence to reflect an objective index of power. In research conducted in the insurance industry, Etgar measured power based on whether or not insurance agents had to (1) consult with their current insures as to the choice of additional insurers, (2) commit a minimum annual premium volume to their insures, and (3) maintain a given risk mix of customers. This more objective, nonperceptual approach to the measure of power, while overcoming some of the deficiencies of the perceptual measures, did not overcome all of the deficiencies. Etgar was forced to use, due to research design considerations, in some instances, perceptually based measures (Etgar 1976).

Research Setting

Two major research designs used in the study of power have been the laboratory study and cross-sectional field studies. The majority of the power studies have utilized the cross-sectional field study in their data collection. Gaski (1984) points out that informant bias may be present under this design due to the use of "key informant" data collection methodologies (i.e. the social scientist obtains information about the group under study through a member who

occupies such a role as to be well informed [Campbell 1955]). Phillips (1981) has shown that such a methodology is extremely undependable and may produce biased results.

The field studies that have been conducted have included the study of power in the automobile dealer channel (Frazier and Summers 1986, 1984, Frazier 1983, Lusch and Brown 1982, Etgar 1978, Brown and Frazier 1978, Lusch 1976a); heavy industrial equipment (Gaski 1986, Gaski and Nevin 1985); beer, gasoline, organs, swimming pools motorcycles, liquor (Etgar 1978); property and casualty insurance (Etgar 1976b); franchisor - franchisee (1974); tungsten carbide tool industry in India (Kale 1986); beer - hotel channel in Australia (Wilkinson 1981).

The laboratory study, while not utilized as frequently as the field study, has been reported in several channel studies. The laboratory study allows more control over the channel environment and measurement process, but tends to reduce the generalizability of the research findings.

The laboratory studies that have been conducted have included: bargaining games (Roering 1977, Dwyer and Walker 1981); critical incident recall (Wilkinson and Kipnis 1978); and laboratory parasimulations (Stern, Sternthal and Craig 1973).

Reliability and Validity

Evidence of the reliability and validity of the power measurements across the various dimensions of power has been historically weak. According to Gaski (1984), while there seems to be a fairly conscientious provision of content validity such as listings of issues pertaining to the domain of power sources, and the other dimensions of power, there is little evidence in the literature to indicate adequate attention to the reliability and validity standards of today.

As with other research in the marketing area, a growing trend towards the conducting and reporting of reliability and validity testing is present in the literature. Evidence of this trend can be found in more recent research conducted by Kale (1986), Gaski (1986), Gaski and Nevin (1985).

Of the research reviewed, Lusch (1976, 1976a, 1977); Swasy (1979); Wilkinson (1981); Frazier (1983); Brown, Lusch, and Muehling (1983); Koenig, Kroeten, and Brown (1984); Frazier (1983); Gaski and Nevin (1985); Gaski (1986); Kale (1986) deal with issues and reporting of reliability and forms of validity in their studies.

The assessment and reporting of reliability and validity is a requirement for conducting behavioral research (Churchill 1979).

Discussion of the Research Foundations of Power

In this section the major issues relevant to the study of power will be summarized, presented and discussed.

Definition of Power

While many definitions of power are present in the marketing literature, the underlying theme of the majority of these definitions have paralleled the definition which identifies power as the the ability to influence the perceptions, behavior, and/or decision making of members of another firm (Frazier 1980, Gaski 1984). This definition portrays power as "a potential for influence" (El-Ansary and Stern 1972; El-Ansary; Wilkinson 1974; Hunt and Nevin 1974; Frazier 1980, 1983; Gaski 1984, 1986; Kale 1986).

Sources of Power

Research directed at examining the sources of power has produced a rather large body of research in the literature. The contributions which conceptualize the power construct via the bases/sources of power have not been without problems or misleading development, however.

Several contributions in this area have ignored the distinction between the exercised and unexercised bases/sources of power. For instance, Hunt and Nevin (1974) in research examining the impact of power on conflict and satisfaction found that noncoercive sources of power increase satisfaction while coercive sources of power reduce satisfaction. While intuitively appealing, these results ignore the possible impact of the exercised and unexercised dimension of the construct. Partitioning the construct in this way may produce different effects upon the outcomes of these findings. For example, if sources of power are present, but the application or the activation of the sources is restricted or withheld, the impact or consequences of such latent sources of power would be far different upon levels of satisfaction then the actual activation of the power sources.

Another conceptual issue with regard to the power source taxonomy involves the partitioning of the power sources into coercive and noncoercive sources of power (Hunt and Nevin 1974; Lusch 1976, 1977; Wilkinson and Kipnis 1978; John 1984). Beyond ignoring the other power sources suggested by French and Raven (1959), implicit in such a classification is the notion that the power sources identified by French and Raven may viably be partitioned

based upon their coercive or noncoercive nature. Considering the critical exercise - nonexercise implications discussed above, this partitioning becomes a somewhat more difficult task than simply classifying the sources as either punishments or rewards as has been done. Ultimately, the use of any one of the power sources may be manipulated in such a fashion as to produce a coercive or noncoercive effect. Arguably, either classification - coercive or noncoercive; may be applicable given the context of expectations developed from prior experience.

Dependence

According to Gaski, "Contrary to expectations, there is little evidence to support a strong relationship between power and dependence in marketing channels." (Gaski 1984, p. 23). El-Ansary and Stern (1972); Etgar (1976) and Ross, Lusch and Brown (1982) have been unable to produce evidence which suggests that power is explained more adequately by dependence than the sources of power. A possible explanation for this apparent inconsistency is that channel member dependence and sources of power are conceptually inseparable (Gaski 1984, p. 23). Simply stated, "any content valid selection of channel member A's power sources

should adequately cover the domain of what channel member B is dependant upon for his ultimate success in the channel system" (Gaski 1984). This view has also been offered in the converse, as Emerson (1962) observes in referring to this overlap, "[C]areful attention to our highly generalized conception of dependence will show that it covers most, if not all, the forms of power listed in that study (.e.g., French and Raven [1959])" (p. 133). Bacharach and Lawler (1980) further suggest that dependence serves as a foundation for the power sources. The resolution of the nature of the relationship between power sources and dependence is needed in this area of research.

Power Domain, Scope, Weight

The conceptualization of the domain, scope and weight of power has received little attention in channel research. Gaski (1984), in referencing this lack of attention, observes that the "nature and expression of power in marketing channels is somewhat more complex than has been suggested in the literature so far, and that the current state of research has been inadequate to deal with it" (p. 25). Gaski offers the use of a multidimensional "volume of power" to incorporate the dimensions of "decisions,"

"degree," and "time" of power which appear, according to Gaski (1986), to be closely aligned with the conceptual dimensions of domain, scope and weight of power.

Countervailing Power

The concept of countervailing power refers to channel member B's ability to inhibit or counter the power of channel member A's power over channel member B. Perhaps a better description of this phenomenon would be the "countering of the application of power" or "countervailing of power use" rather than countervailing power which seems to refer to channel member B's ability to control decisions of channel member A (Gaski 1984, p. 25). Countervailing power refers to an organization's ability to counter the attempted influence (i.e. power application) of another firm. Often, researchers have confused this concept with an opposing organization's power. These two concepts differ in that their scope's differ (Gaski 1984). Recall, scope refers to the decision areas or states upon which power is applied (Dahl 1957). With countervailing power, the states or decision areas affected include only the influencing process of the other organization. An organization applying countervailing power tries to inhibit the influence of

another organization over them. The "countering or inhibiting of influence", perhaps better illustrates this concept. Alternately, the states or decision areas affected by power include operational areas and decisions and is broader in scope than countervailing power. An organization applying power attempts to control or change the behavior of another organization.

In addition to the above conceptual deficiency, it is often proposed that the sources of a channel member's countervailing power will be the same as the sources of the channel member's power. However, in most manufacturer-dominated channels, the range of power sources for a dealer is likely to be much narrower, or simply different, than what is available to the manufacturer to counter influence. This implies that the power sources available to the dealer for countervailing purposes would be more limited for a dealer than a manufacturer (Gaski 1984). Often countervailing power is achieved for these dealers, through the assembly of a large number of small, dependent dealers into a larger, unified group which cannot be ignored or threatened easily.

Unexercised/Exercised Power and Power Sources

While there is consensus that the term power be used to designate and describe the potential or ability to alter another's behavior, the actual alteration of another's behavior has received minimal attention. Gaski (1984) proposes that for the actual alteration of behavior, the term "exercised power" be used. Exercised power is a much more restrictive construct and difficult to measure. The separation of these closely aligned constructs will contribute to a greater awareness of the possible divergent results which may occur as a consequence of these two constructs.

Measurement

In many of the studies reviewed, the consensus definition - "ability to alter behavior" has not been operationalized in the measures constructed. "Ability" refers to the potential or latent nature of power (Frazier 1983). In contrast, the actual measures generally employed have captured the "actual alteration of behavior." The actual alteration of another's behavior refers to the activated state of power. This subtle, yet distinct,

variance (potential versus actual alteration of attitudes or behavior) illustrates the conceptual difference between the exercised and the unexercised dimensions of power. The problem in measuring power in this way is illustrated, for example, if it is observed that a powerful firm may have the actual ability to alter another channel members decision making. However, for various reasons, the firm allows the channel member to have control over the decision. In short, the powerful firm has power but does not use it. To measure only power use would exclude the power which is present but not implemented. Thus, the domain of the power construct is not truly being measured when only the exercised (e.g. activated) dimension of power is operationalized.

Those studies which have utilized the "actual alteration of behavior" generally have asked channel members to identify who in the channel has "control" over marketing decisions. (Dwyer 1980; El-Ansary and Stern 1972; Etgar 1976,1978; Hunt and Nevin 1974; Phillips 1981). This brings up an additional problem identified indirectly by Beir and Stern (1969). These authors describe a concept labeled the weight of power. This concept refers to the pervasiveness of influence a channel member has. The weight of power, at its maximum, is considered control. However, this represents only one extreme position on a continuum of

power. By only measuring this position, the entire range of power is ignored.

Summary

In this section the foundations of power have been reviewed and discussed. This discussion has included: (1) the definitions of power, (2) the determinants of power, (3) developed power, and (4) measurement issues in the study of power. In the following section the application of power in the form of influence strategies will be presented and discussed. The final section of this chapter will contain a discussion of channel member conflict; a possible outcome of power.

III. MARKETING CHANNEL INFLUENCE STRATEGY RESEARCH

This section presents the research foundations of marketing channel influence strategies by: (1) presenting a general model in order to structure the literature; (2) presenting the major concepts composing the foundations of marketing channel influence strategy research; and (3) analyzing and discussing these concepts.

A General Model of Marketing Channel Influence Literature

A review and analysis of the pertinent literature served as the basis for the development of the general model of marketing channel influence research presented in Figure II-3. The model encompasses five components and is intended to serve as a framework from which the marketing channel influence research may be organized, analyzed and discussed. The first component contains the development of the definitions of influence. This component includes a discussion of the sociological foundations and channel specific definitions of influence. The second component includes the antecedent factors of influence including channel relation dynamics and attitudinal and behavioral dissensus. The third component contains influence strategy frameworks developed in marketing channels. This section reviews frameworks developed for (1) the buyer - seller dyad, (2) the intraorganizational dyad, and (3) the interorganizational dyad. The fourth component identifies influence outcomes. A discussion of behavioral and attitudinal achieved influence and channel relations dynamics is included. Finally, the fifth component outlines the measurement issues surrounding marketing channel influence research.

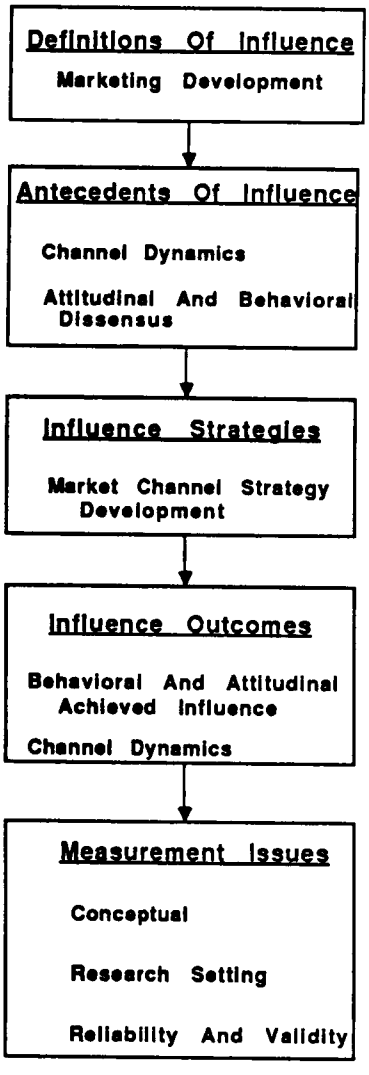


Figure II-3. General Model of Marketing Channel Influence Literature

Definitions of Influence

The earliest conceptual definitions of influence originate in literature outside the marketing area. Influence has been addressed in the literature of sociology, psychology and organizational behavior. Various research has been conducted in these areas which has examined the strategies and tactics of influence used by people in various social settings. This research has examined the influence strategies and tactics reported by students, friends, parents, lovers, married couples, employees, co-workers and subordinates (Wilkinson and Kipnis 1978). According to Wilkinson and Kipnis (1978), the consensus definition developed for influence tactics or strategies has been, "how people get their way with others." This definition and variations of it, has served as the basis for the development of influence strategies in the marketing channel area.

Marketing Development

According to Frazier and Summers (1984), the definitional development of influence and influence strategies as a construct in the marketing channel context

has been overshadowed by research into the dynamics of channel behavior (i.e. power and conflict). While much has been written on the topic of influence, this literature has tended to stress the sources of power and the possession of power rather than the means and methods of applying power (Wilkinson and Kipnis 1978). As Frazier and Summers (1984) point out, "the frequent failure of authors to carefully distinguish between the possession of power (including its sources and bases) and the use of power (including the manner in which it is used i.e. influence strategies) may be due in part to the popularity of French and Raven's (1959) bases of power theory" (p. 44). These bases of power (i.e. reward, coercive, legitimate, referent, and expert) appear to suggest influence strategies.

Those instances where researchers have distinguished and defined influence and influence strategies has led to the development of fairly consistent definitions. The most encompassing of these definitions is offered by Wilkinson and Kipnis (1978) who describe influence tactics as methods organizations use "to get their way" with other organizations. Frazier and Sheth (1985) also suggest a similar definition. They define influence processes and communications as mechanisms "available to a firm's personnel in seeking the adoption and implementation of

distribution channel programs" (p. 38). Similar definitions are outlined by Frazier (1979), Frazier and Summers (1984), Frazier and Summers (1986) Gaski (1986) and Kale (1986). For example, Kale (1986) notes "the means and methods used to attain influence on another's behavior and/or decision making" (p. 387).

Antecedents of Influence

The antecedents of influence refers to those occurrences which take place prior to an influence attempt which precipitates both the need and form of influence implemented by an organization. These antecedents of influence include both macro and micro factors present in a channel relationship. Macro factors present in a channel relationship include the dynamics of the channel relationship such as the symmetry of power, conflict and ideological dissensus in the relationship. Micro factors refer to the attitudes and behaviors displayed by an organization in a specific operational decision area which affects the need and form of an influence attempt. Both the macro and micro antecedents of influence will be presented in this section.

Channel Dynamics

The majority of research which has examined the antecedents of influence in marketing channels has centered on the global dynamics of channel partner relations. Within this research, the concept of power has received the majority of attention. This inclination may be due, as noted earlier, to (1) the suggestive framework of influence strategies supplied by French and Raven (1959) in their development of the sources of power, and (2) the apparent failure of many researchers to conceptualize influence strategies as a separate concept apart from the application of power.

Those instances where researchers have separated power and its application (i.e. influence strategies) and examined the relationship of these separate constructs varying results have been found. For example, two laboratory studies conducted by Roering (1977) and Dwyer and Walker (1981) as well as a field study by Kale (1986) report consistent findings that indicate a positive correlation between power and coercive influence strategies. Roering (1977) observed in a channel bargaining game with business students that lower dependence (e.g. higher power) produced more competitive bargaining behavior. Similarly, Dwyer and

Walker (1981), utilizing a laboratory game theoretic approach, found a bargainer's (Master of Business Administration students) relative power, as contrived in the laboratory game, did influence the content of communications. Powerful bargainers sent more demanding-threatening messages when power was asymmetrical than symmetrical. In a field study, Kale (1986) found a similar positive relationship when he examined the frequency of the implementation of pressurized influence communication strategies and the level of perceived power possessed by organizations in the tungsten carbide tools channel. This channel represented a "seller's market" in India. In a slightly different context, Gaski and Nevin (1985) found a positive relationship between the frequency of the exercise of reward power sources (i.e. reward behavior) and the level of perceived power possessed by an organization. Their study examined this relationship in the heavy industrial equipment distribution channel.

Alternately, Brown and Frazier (1978), Frazier (1979) and Frazier and Summers (1986) in field studies, found a negative relationship between the presence of power and the use of coercive influence strategies. Brown and Frazier (1978) report such findings in their study of 26 automobile dealers. Frazier's (1979) research correlated an automobile

manufacturer's power, as perceived by distributor's, with the manufacturer's use of pressurized versus nonpressurized influence strategies. A latter, more extensive study of the automobile channel by Frazier and Summers (1986), also found an inverse relationship between the level of power and the frequency of coercive communication strategies implemented by an organization.

The perception of perceived conflict in a channel has also been argued as affecting the use of influence in a marketing channel (Cadotte and Stern 1979). According to Cadotte and Stern (1979), "[A]s a result of the perception of conflict, the focal organization will initiate efforts to influence the target organization's goals, domain conceptions and perceptions" (p. 28).

Various other channel dynamic factors have been identified as antecedents of influence in a channel relationship. As Frazier (1983) observes, "[B]ecause...firms must take each other's efforts into account if they are to accomplish their goals, each firm will have a need for influence.... [T]he intensity of this need will vary, based on a variety of factors." Lower levels of ideological agreement between organizations, and the level of ability, aptitude and management expertness displayed by an organization's personnel have been

identified as affecting the need and intensity of influence (Cadotte and Stern 1979). In addition, empirical results reported by Etgar (1977) indicate that channel leaders exert more control (influence) when their products are in the maturity or post maturity stage of the product life cycle. Etgar suggests this increased control is due, in part, to unstable demand, interchannel competition and the importance of serving customers in these stages of the product life cycle.

Attitudinal and Behavioral Dissensus

An additional approach to the examination of antecedents of influence has centered on the specific attitudes and behaviors of the target of influence relative to the object of an influence attempt. This approach has examined the (1) specific attitudes held by an organization, and (2) specific behaviors manifested by an organization towards an operational decision or channel program as a basis for determining the proper influence strategy. For example, a firm may have a negative attitude and not comply (behaviorally) with another organizations wishes relative to a channel promotion program. Or, alternately, the firm may have a positive attitude but still not comply due to other

factors. The proper influence strategy to implement under each of these conditions has been the thrust of research in this area. Frazier and Summers (1984) point out, a firm may attempt to change the perceptions (attitudes) or behavior of a target organization as a mechanism for attaining influence. Frazier and Summers (1984) argue, "while the ultimate goal of most, if not all, interfirm influence is to modify the behavior of the influenced firm, the approach utilized need not focus directly on the firm's behavior" (p. 44). Frazier and Summer's utilize such a dichotomy to develop strategies which are directed at altering perceptions and strategies not based on perceptual change (Frazier and Summers 1984). Frazier and Sheth (1985) also employ this approach in their attitude-behavior influence strategy framework. Frazier and Sheth's framework evaluates the consistency or inconsistency of boundary role personnel attitudes and behavior. These outcomes then serve as a basis for a model which predicts the influence processes and the accompanying influence objectives that should be implemented by a firm to gain influence.

Influence Strategies

Various means and methods are available to an organization to apply power or "get their way" in a channel relationship. The general categories of these methods compose the influence strategies available to the organization. Several frameworks, drawn from research in related marketing channel areas, have been developed and provide a foundation for frameworks of interorganizational influence. In this section these taxonomies will be briefly discussed. This discussion will be followed by a presentation and discussion of the strategy frameworks developed for interorganizational influence.

Market Channel Strategy Development

The development of influence strategy frameworks has proceeded in three areas in market channel research. The first area of development of strategy frameworks in market channel approach has been directed at determining the types of influence strategies implemented by occupants within an organization. These include frameworks developed by Gemmill and Wilemon (1972) and Venkatesh and Wilemon (1976). Each strategy framework has attempted to categorize the various

strategies implemented by personnel in their attempts to "get their way" with other members of the same organization. These frameworks have served as a foundation for the development of frameworks for interorganizational influence strategies.

In addition to intraorganizational frameworks, several researchers have examined and attempted to classify the variety of compliance gaining techniques utilized in the buyer-seller interaction process. This process, while interorganizational in nature, views this interaction from an interpersonnel perspective. This is in contrast to the interorganizational influence perspective taken in this study which views interaction from a total organization or intergroup perspective. Frameworks which have been developed for the buyer-seller interaction process include frameworks developed by Capon and Swasy (1977), Spiro and Perreault (1979), Arch (1979), Angelmar and Stern (1978) and Weitz (1981). In each of these frameworks the authors have attempted to categorize the various strategies utilized by buyers and sellers in order to "get their way" in the process of exchange. These frameworks have served as a foundation for the development of influence strategy frameworks for interorganizational influence as viewed from the perspective of intergroup interaction.

The third area of development of strategy frameworks has been in the area of interorganizational interaction from an intergroup perspective. These frameworks have attempted to classify the strategies implemented by the personnel of one organization in order to "get their way" with another organization. Table II-1 provides a summary of these frameworks. These frameworks vary with regard to their extensiveness in the classification of influence strategies. Classifications ranging from simple partitioning attempts to more sophisticated frameworks can be found in the literature. More elaborate frameworks have also been developed. These include, frameworks developed by Brown and Frazier (1978), a refinement by Frazier and Summers (1984) and a framework developed by Frazier and Sheth (1985). These frameworks are described below.

Brown and Frazier (1978) identify strategies based upon their implicit or explicit nature. The authors define implicit strategies to be strategies which are indirect in nature and where the target organization is unaware of the specific influence attempt. Within explicit or overt influence strategies the authors define both unweighted and weighted strategies. Unweighted strategies include communications which do not make direct reference to specific consequences of noncompliance. The authors

Table II-1. Influence Strategy Frameworks

Roaring (1977)	Wilkinson And Kipnis (1978)	Dwyer And Walker (1981)	Brown And Frazier (1979)	Frazier And Summers (1984)	Kale (1986)	Gaski And Nevin (1985)	Gaski (1986)	Frazier And Sheth (1985)	Gaski (1987)	**Study Framework**
Communication Strategies										
Competitive Strong		Demanding/ Threatening	Coercive	Threats	Threats	Threats		Threats	Threats	Threats
			Promises	Promises	Promises	Promises		Promises	Promises	Promises
			Legalistic Reference	Legalistic Plea	Legalistic Plea			Legalistic Reference		
								Personal Plea		
								Negative/ Normative	Negative/ Normative	Negative/ Normative
								Positive/ Normative	Positive/ Normative	Positive/ Normative
Cooperative	Cooperative							Warning		
							Demand		Demand/ Command	Demand/ Command
			Recommend	Recommend	Recommend		Recommend	Recommend	Recommend	Recommend
				Request	Request		Request	Request	Request	Request
								Modeling		
								Info Control	Info Control	
	Submissive/ Yielding		Direct Statement	Info Exchange	Info Exchange			Info Exchange	Info Exchange	Info Exchange
Behavior Strategies										
Weak										
						Reward		Economic Reward	Reward	Reward
Strong								Noneconomic Reward		
						Punishment		Economic Punishment	Punishment	Punishment
								Noneconomic Punishment		

identify these strategies as "direct statement" strategies. Alternately, those communications which do reference specific consequences of noncompliance are labeled weighted strategies. These strategies include: "rewards", "coercive" and "legalistic" strategies.

In what appears to be a refinement to the original Brown and Frazier (1978) framework, Frazier and Summers (1984) identify two general influence approaches. These approaches included an organization's attempt to influence another organization (1) directly or (2) indirectly through altering the target organization's perception regarding the inherent desirability of the intended behavior. Frazier and Sheth identify "information exchange" and "recommendation" as indirect strategies and "promises", "threats" and "legalistic strategies" as direct strategies. Kale (1986) adopts a very similar approach encompassing the same classification.

Frazier and Sheth (1985), in what appears as a further refinement to the original Brown and Frazier (1978) framework, develop a framework which notes conceptually independent behaviors and communications as separate influence strategies. For communication strategies, Frazier and Sheth identify verbal influence strategies ranging from

relatively implicit and unfocused strategies to direct, focused strategies. These strategies are listed below.

Indirect Strategies
- Information exchange
- Information control
- Modeling

Direct Unmediated Strategies
- Recommendations
- Warnings
- Positive normative
- Negative normative

Direct Unweighted Strategies
- Requests

Direct Mediated Strategies
- Personal pleas
- Promises
- Threats
- Legalistic references

For behavior strategies, Frazier and Sheth identify two categories: rewards and punishments. For both categories, two strategies are identified based upon the economic nature of the reward or punishment, these are listed below.

Reward Strategies
- Economic rewards
- Noneconomic rewards

Punishment Strategies
- Economic punishments
- Noneconomic punishments

Recently, Gaski (1987) has provided a respecification of the Frazier and Sheth (1985) framework. Gaski suggests, "it may be possible to streamline the Frazier and Sheth [framework] so that it is less unwieldy, while offering less

ambiguous strategy implications ..." (p. 1). Through conceptual argument, Gaski restructures the Frazier and Sheth taxonomy and suggests the following revised classification.

Indirect Strategies

Information control: Unobtrusive management of the information environment

Direct, Unmediated Strategies

Information exchange: (as defined by Frazier and Sheth)

Positive normative: (as defined by Frazier and Sheth)

Negative normative: (as defined by Frazier and Sheth)

Direct Unweighted Strategies

Request: Actor asks target entity for compliance

Recommendation: Actor suggests compliance
Demand or command: Actor tells target entity to comply

Direct, Mediated Strategies

Promise: (as defined by Frazier and Sheth)

Threat: (as defined by Frazier and Sheth)

Direct, Weighted Strategies

Reward: A form of reward is given to the boundary person and/or firm.

Punishment: A form of punishment is given to the boundary person and/or the firm.

Gaski (1987) asserts, with regard to the revised classification, that it "is as exhaustive as the Frazier and Sheth original classification, but contains categories that are mutually exclusive, thus conforming to the requirements for a good classification scheme" (p. 15).

Influence Outcomes

Influence outcomes refer to the resultant effect of an influence attempt. The aftermath of an influence attempt includes both (1) the immediate outcome relative to the specific target area of influence, and (2) the secondary effect the influence attempt has on the dynamics of the channel relationship. These influence outcomes will be presented and discussed in this section.

Behavioral and Attitudinal Achieved Influence

Achieved influence occurs after a successful influence attempt and is referred to by Gaski (1986) as activated or exercised power. Achieve influence may be in the form of an attitude change or a behavior change.

Various researchers have argued conceptually that there are optimal strategies for attitude and behavior change. In

an attempt to provide a normative conceptual framework for the effective employment of channel influence strategies, Frazier and Sheth (1985), developed a attitude-behavior model for the prediction of influence processes and objectives in a channel relationship. The model integrates the inconsistency of attitudes and behaviors of channel members towards a channel program and specifies influence processes and corresponding objectives for the ac influence attempt.

In addition to the conceptual work reported above, channel researchers have empirically examined the outcome of an influence attempt. Frazier and Summers (1984) found particular influence strategies (information exchange and requests) employed by manufacturer's to be positively correlated with levels of "interfirm agreement" perceived by dealers. Alternately, influence strategies including recommendations, threats, and legalistic pleas were found to be negatively correlated with "levels of agreement". The study was conducted in the automobile channel. In another study by Frazier and Summers (1986), also in the automobile channel, "accommodative intentions" as perceived by a target organization were found to be inversely related to the use of coercive communication strategies by a focal organization. In the same study, a positive relationship

between the use of coercive strategies and a target organization's "consideration of dissolving the channel relationship" were reported (Frazier and Summers (1986).

Channel Dynamics

The effects of various influence strategies on more global constructs in a channel relationship have been reported in various studies. Guiltinan et al. (1980), in a study of fast food franchises, found coordination among channel members to be higher where non-coercive strategies are employed. Brown and Frazier (1978), Michie (1978) and Frazier and Summers (1986) studied the affect tactics of influence have on perceptions of satisfaction within the automobile channel. They found in most instances satisfaction to be more likely higher where channel members utilized non-coercive forms of influence strategies. Brown and Frazier (1978) also examined the effect of the use of influence strategies on perceptions of conflict in the channel relationship and found lower levels of conflict to be present where non-coercive type strategies were employed. More recently, Gaski and Nevin (1985) report a positive relationship between the use of punishment behavior strategies and conflict and a negative relationship between

punishment strategies and satisfaction. Gaski and Nevin (1985) also report a negative relationship between reward strategies and conflict and a positive relationship between reward strategies and satisfaction.

Influence Measurement Issues

In this section, the measurement issues pertaining to influence research in marketing channels will be reviewed and discussed. This discussion will include: (1) conceptual (2) research setting, and (3) reliability and validity issues. Literature contributing to the development of these issues will be presented.

Conceptual Issues

As reported earlier, several influence strategy frameworks have been reported in the conceptual and empirical literature. Attempts at measuring the application of the strategies contained in these frameworks has varied across the studies reviewed. In the majority of studies, the strategies have been measured by asking the respondent to recall the frequency of past instances in which the described strategies have been implemented. This approach

has been reported by Frazier and Summers (1986), Kale (1986), Gaski and Nevin (1985), and Frazier and Summers (1986). Alternate approaches are reported by other researchers including (1) apriori classification and labeling of message content from which respondents in a laboratory setting were able to choose from (Dwyer and Walker 1981); (2) content analysis of videotape bargaining sessions (Roering 1977); and (3) ex post facto classification of respondent recalled bargaining incidents between organizations (Wilkinson and Kipnis 1978).

In all of the reported studies, the only dimension of influence strategies measured has been the frequency of a given strategy occurring over a specified time period. Alternate dimensions of influence strategies which might be measured include: (1) intensity - the level of pressure or directness of the strategy; (2) instrumentality - the medium with which the strategy is transmitted to the target organization, and (3) for behavior strategies, the quality of assistance or punishment. (Gaski and Nevin 1985).

Research Setting

Two major research designs have been utilized in the study of influence strategies. The laboratory study and

cross-sectional field studies. Roering (1977) and Dwyer and Walker (1980) report the use of laboratory channel environments in their studies. These environments included a automobile - trading bargaining task game developed by Roering (1977) and a mixed motive bargaining game developed by Dwyer and Walker (1980). Other studies have been conducted utilizing a cross-sectional field study of various industry channels. Frazier and Summers (1984), (1986) conducted research in the automobile channel. Gaski (1986) and Gaski and Nevin (1985) report research conducted in the industrial heavy equipment industry. Other reported field studies include the tungsten carbide tools industry (India), Kale (1986). In the field studies the most often used approach has been the gathering of data through "key informants" (i.e. the social scientist obtains information about the organization under study through a member who occupies such a role as to be well informed).

Reliability and Validity

The assessment of the reliability and validity of the strategy measurements in the marketing channel context has varied. The majority of scales employed for the measurement of influence strategies have been single item scales which

preclude the assessment of reliability. The evidence of validity which has been reported has pertained to the content validity of the measures (see Gaski and Nevin 1985, Frazier and Summers 1986, Gaski 1986). More recent studies have been characterized by more extensive validity reporting.

Discussion of Influence Research Foundations

In this section the major issues present in marketing channel influence research will be summarized.

Definition of Influence

The definition of influence in marketing channel research is founded in the research of sociologists and has been consistently applied in the channels context. The definition generally accepted is that influence relates to the means and methods available to an organization to "get their way" with other organizations.

The development of influence as a concept in the market channel literature has been inhibited, partially due to the failure of authors to carefully distinguish between the possession of power and its use. Several researchers

suggest this is due to the popularity of the French and Raven (1959) bases of power. These bases of power appear to suggest influence strategies. Where researchers have distinguished between influence and power, a consistent definition of this concept emerged.

Influence, in the context of interorganizational interaction, includes communications, behaviors (nonverbal) and other means to obtain what is desired from another organization.

Antecedents of Influence

Global constructs such as power, conflict and other subjective (levels of ideological agreement, ability, aptitude and management expertness) as well as objective (position of product in product life cycle, demand, interchannel competition) factors have been identified as preceding and affecting the need and form of influence in a channel relationship. In addition, the specific attitudes and behaviors of the target organization and focal organization relative to the targets operations areas have been identified as affecting the need and type of influence which might be implemented.

Additional research is needed in order to understand channel dynamics relative to influence. The more micro issues of attitude and behavior dissensus also deserves further attention. Frazier and Sheth (1985) in their discussion of this area discuss several research propositions directed at examining the relationship between target attitudes and behaviors and the proper influence strategies to be implemented.

Influence Strategies

Various frameworks have been proposed to organize the communications, behaviors (nonverbal) and other means by which an organization can "get their way" with other organizations. Several different classifications exist in the reported literature. These frameworks have proceeded from basic conceptualizations involving descriptions of the categories of influence on a single continuum to more descriptive explications of the strategies of influence including Frazier and Summers (1984), Frazier and Sheth (1985) and Gaski (1987). These frameworks have varied as to their inclusion of communications, behaviors and other means of influence. For example, Frazier and Summers (1984) identify communications of influence, while Frazier and

Sheth (1985) include communication and behaviors as means of influence. Conceptual research is needed in this area to generate frameworks which attempt to exhaust the domain of strategies available to an organization.

Influence Outcomes

Various studies have reported the affect various influence strategies have on constructs such as cooperation, satisfaction and conflict. Very little attention has been directed at specific attitudes and behaviors regarding the specific topic or domain element of influence. For example, a change in attitude towards a focal organization sponsored channel program. Research directed at examining these influence outcomes as well as continued research with the more general channel constructs is needed.

Measurement

The measurement of influence strategies is a difficult task. Several factors inherent in the research process contribute to this difficulty. The generally accepted process of requiring the respondent to recall and classify influence strategies is one such factor. This approach does

not allow for the examination of influence strategies which are not recognized by the respondent as influence (i.e. implicit influence). In addition, this process requires the respondent to classify influence strategies in pre-set frameworks. This may produce differing outcomes in that respondents may categorize specific influence strategies differently. Finally, respondents may often find it difficult to differentiate between sets of strategies and therefore find it impossible to distinguish between the strategies being measured.

Summary

In this section the foundations of influence have been reviewed and discussed. This discussion has included: (1) the definitions of influence, (2) the antecedents of influence, (3) influence strategies, (4) influence outcomes, and (5) measurement issues in the study of influence. In the following section, channel member conflict, a possible outcome of an influence attempt, will be presented and discussed.

IV. MARKETING CHANNEL CONFLICT RESEARCH

This section presents the research foundations of marketing channel conflict by: (1) presenting a general model in order to structure the literature; (2) presenting the major concepts composing the foundations of marketing channel conflict research; and (3) discussing and analyzing these concepts.

A General Model of Marketing Channel Conflict Literature

A review and analysis of the pertinent literature served as the basis for the development of the general model of marketing channel conflict research presented in Figure II-4. The model encompasses five components and is intended to serve as a framework from which the marketing channel conflict research may be organized, analyzed and discussed. The first of the model components identifies the definitions of conflict; including sociological foundations and channel specific definitions. The second component presents the origins of conflict in a channel system. This section includes a review and discussion of the act of exchange, functional interdependence and various antecedents of conflict. The third component illustrates the process view

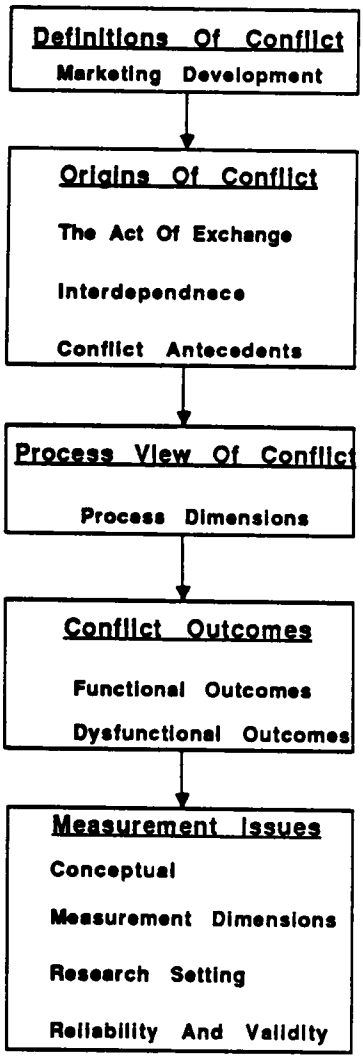


Figure II-4. General Model of Marketing Channel Conflict Literature

of conflict in a channel system. In this section, the process dimensions of conflict are presented. The fourth component contains the outcomes of conflict in a channel system. These outcomes include functional as well as dysfunctional outcomes. Finally, the fifth component presents the measurement issues pertaining to conflict research, including conceptual, measurement, research setting and reliability and validity issues. The section will conclude with a discussion of the major issues present in market channel conflict research.

Definitions of Conflict

The topic of conflict has been explored in various disciplines. Social psychologists view conflict as it relates to intergroup relations and group decision making. Psychologists study conflict and its relation with hostility and aggression. Behavioral and administrative scientists explore conflict in organizations. Game theorists, economists and political scientists try to understand conflicts effect on arbitration procedures and bargaining solutions. In each of these disciplines, the underlying theme regarding conflict is that it involves goal seeking

parties and is determined by the disparity of goals between each party (Eliasberg and Michie 1984).

Typical sociological definitions of conflict which appear consistent with this view include a definition by Goldman (1966). Goldman views conflict as a state or situation in which there is "... a social relationship between two or more parties in which at least one of the parties perceives the other as an adversary engaging in behaviors designed to destroy, injure, thwart, or gain scarce resources at the expense of the perceiver." Similarly, conflict, according to Raven and Krugalanski (1970), involves "tension between two or more social entities which arises from incompatibility of actual and desired responses" (p. 77). The view that conflict involves two or more parties seeking individual goals at the expense of the other has served as the foundation for the development of definitions of conflict in marketing channels.

Marketing Development

Acknowledgement of conflict as a research issue occurred early in research activities directed in the channel area. Assael (1968) recognized the occurrence of

conflict in distribution systems as an inherent occurrence when nominally independent organizations are cast into a mode of interdependence. According to Assael, this interdependence may result in both cooperation and conflict; the latter due to different economic goals and ideological motives. This view of conflict has been adopted by other channel researchers. Stern and Heskitt (1969) observed that conflict is "an outcome of the inherent dependency of system components, arising when one component (member) impedes the aims of another" (p. 292). Stern and Gorman (1969, p. 156) and Etgar (1979, pp. 61-62) also accept this view. They define conflict as occurring "when a component perceives the behavior of another component to be impeding the attainment of its goals or the effective performance of its instrumented patterns." Stern and El-Ansary (1977) define the presence of conflict to be "...a situation in which one channel member perceives another channel member to be engaged in behavior that is preventing or impeding him from achieving his goals" (p. 283). Finally, with regard to the development of conflict, Gaski (1984) has commented that the consensus definition of conflict appears to be "... the perception on the part of a channel member that its goal attainment is being impeded by another, with stress or tension the result" (p. 11).

Origins of Conflict

The origins of conflict refers to the requisite environment for conflict to occur, and more specifically, the causes of conflict. At the very foundation of conflict, the act of exchange has been identified as a preexisting condition conducive to the development of conflict. In addition, the level of interdependence existing between channel members has also been identified as providing the necessary conditions for channel conflict.

Exchange and interdependence appear to be the necessary, but not sufficient, conditions for conflict to occur. Several specific factors have been identified as causes of conflict. These antecedents of conflict refer to the conditions and occurrences which are thought to bring about or produce conflict directly.

In this section, underlying conditions and specific causes of conflict will be presented. This discussion will first focus on the general act of exchange, followed by a review of the dependency requirements and will conclude with a specification of the antecedents of conflict.

The Act of Exchange

The essence of marketing channel functions, the act of exchange, may provide the requisite environment for the development of conflict. Mallen (1963) states:

> The act of exchange is composed of two elements: a sale and a purchase. It is to the advantage of the seller to obtain the highest return possible from such an exchange, and the exact opposite is the desire of the buyer...This is not to say the exchange act itself is a conflict. Indeed, the act or transaction is a sign that the element of price conflict has been resolved to the mutual satisfaction of both principals. Only along the road to this mutual satisfaction point or exchange price do the principals have opposing interests. (p. 25).

According to Gaski (1984), the act of exchange characterizes relations between channel members, and in turn, promotes an environment conducive to the development of conflict.

Interdependence

A more popular view of conflict has been that conflict in marketing channels has as its origin, the inevitable outcome of the functional interdependence found between channel members. (e.g. Assael 1968; Cadotte and Stern 1979;

Lusch 1976a; Mallen 1963; Pondy 1967; Reve and Stern 1979; Stern and El-Ansary 1977, Brown and Day 1981). According to Cadotte and Stern (1979) interdependence is a "...necessary precondition for conflict under all circumstances. That is, if two organizations are not interdependent, then there is no opportunity for interference of goal attainment and hence no potential for conflict" (p. 134). Similarly, Reve and Stern (1979) have commented, a dependency relationship brings the "seeds" of conflict (see also Assael 1969, Cadotte and Stern 1979). Finally, Lusch (1976a) asserts conflict between channel members is inevitable when the members are functionally interdependent.

Some researchers have argued, with regard to the level of interdependence, that as interdependence increases to the point of systemwide integration, an inverse relationship with the level of conflict develops. Robbin et al. (1974) suggest, "as the level of system integration increases... conflict should be reduced" due to the mergence of goals by each party.

Conflict Antecedents

A more explicit view of the origin of conflict rests in the specification of the causes of conflict. Stern and

Heskitt (1969) suggest "dependency finds expression as conflict when their are (1) incompatibility of goals among system members; (2) role incongruency within the system and, concomitantly, dysfunctional domain definitions and (3) differences in perceptions of reality which call for the conflicting solutions to the same problems during suboptimizing processes within the system" (p. 293). Cadotte and Stern (1979) argue that in conjunction with interdependence, these causes of conflict serve as an indicator of the conflict potential existing between two parties. The greater the incompatibility or incongruence of these sources of conflict, the greater will be the likelihood of conflict. Disparities between channel members regarding their goals, decisions and perceptions can lead to strikingly different decisions which, in turn, can lead to conflict (Cadotte and Stern 1979). Similarly, Reve and Stern (1979) observe that the degree of disparity between the channel members operative goals will effect the whole channel system's ability to function effectively.

Little attention has been directed at examining conflict antecedents (i.e. goal incompatibility, domain dissensus and perceptual incongruency) as separate constructs apart from conflict (Eliasberg and Michie 1984). Antecedents of conflict have not always been distinguished

from the expression of conflict. In many instances, conflict has been operationalized using only a measure of goal incompatibility or another antecedent of conflict. (Eliasberg and Michie 1984). The separation and examination of these constructs is critical to understanding channel relations.

The Process View of Conflict

The process view of conflict reflects the notion that conflict is a dynamic process composed of states and events occurring naturally over a period of time. This process encompasses various stages or dimensions ordered in sequence contributing to and embracing overall conflict. These stages or dimensions are presented and discussed in this section.

Process Dimensions

A common practice in conflict research has been to separate conflict into two or more categories of phenomena representing behavioral and psychological dimensions (Gaski 1984). The behavioral dimension refers to overt actions and the psychological dimension refers to perceptions. These

dimensions are then normally ordered to suggest a dynamic process view of conflict episodes. According to Brown and Day (1981), the process approach described above originated in the study of intraorganizational relations.

Several conceptual frameworks of this dynamic process have been developed. Pondy (1967), for instance, describes five "stages" of conflict which include:

> (1) latent conflict - underlying sources of conflict;
>
> (2) perceived conflict - perception only, when no conditions of latent conflict exist;
>
> (3) felt conflict - tension, anxiety, disaffection in addition to the perception;
>
> (4) manifest conflict - behavior which blocks another's goal achievement; and
>
> (5) conflict aftermath - post-conflict conduct, either resolution or suppression (pp. 300-305).

Alternately, Thomas (1976) specifies a four stage process including "frustration - conceptualization - behavior - outcome" (pp. 894-912) stages.

In the channels context, Lusch (1976a) suggests a "latent - affective - manifest (p. 383)" framework. In addition, Cadotte and Stern (1979) have developed a process framework for a conflict episode between channel organizations. This framework specifies a conflict potential - conflict perception - resultant force - and

conflict aftermath process which is influenced by the dependence (power) held by both channel members.

With regard to these frameworks, Gaski (1984) has observed that while each conceptualization of the conflict process may be independent schemeta, each suggests the same underlying psychological - behavioral process. Brown and Day (1981) also support this proposition. They assert that manifest conflict (i.e. behavioral) is present when the parties engage in behaviors for the purpose of coping with conflict. Alternately, the stages which precede this state make up the psychological dimension of conflict.

Conflict Outcomes

Conflict outcomes refer to the aftermath of the conflict process. Events which occur as a result of conflict are the outcomes of conflict. These outcomes include both positive and negative occurrences and are referred to as functional and dysfunctional outcomes. These outcomes will be presented and discussed in this section.

Functional Outcomes

Conflict may have positive constructive consequences and benefit overall channel performance (Assael 1969, Stern and El-Ansary 1977, Reve and Stern 1979, Eliasberg and Michie 1984, Stern, Sternthal, and Craig 1973). According to Eliasberg and Michie (1984), "conflict may benefit performance... if (1) moderate levels of conflict are not considered a cost by channel members, (2) divergent views produce ideas of better quality, and (3) any aggression in the situation is not irrational or destructive" (p. 75).

The nature of conflict induced behavioral changes determines whether a given conflict situation is functional (i.e. beneficial) or dysfunctional. For example, different distribution methods can lead to innovations which lower total economic and social costs for the commercial channel and consumer and, therefore, produce functional outcomes. Stern and Heskitt (1969) point out that this occurred in the grocery product channel when chain stores emerged as the dominant outlet for grocery products over independent wholesalers and retailers. The majority of attention to conflict outcomes, however, has been on dysfunctional outcomes and the management of these outcomes.

Dysfunctional Outcomes

While certain levels of conflict may benefit the overall channel systems performance, an excessive amount of conflict or, in some instances, a lack of conflict may be detrimental to the systems performance (Assael 1969). Where channel conflict inhibits or produces negative effects on the overall channel systems performance it is termed dysfunctional (Assael 1969). Lusch (1976b) has suggested in situations of unbalanced power, such as found in a franchisor - franchise relationships, conflict may affect performance negatively. Lusch (1976b) interviewed various automobile dealers who reinforced this conclusion, for example, as stated by one dealer:

> ... they [manufacturers] hold the power to cause trouble and adversely affect the overall performance of a dealership if there should be a major disagreement or personality conflict with zone reps...(p. 7).

Ultimately, if the conflict markedly restricts or precludes effective performance the channel may terminate itself (Eliasberg and Michie 1984, Cadotte and Stern 1979).

With regard to the management of dysfunctional outcomes produced by conflict, several researchers have suggested that a better understanding and management of the channel conflict process should lead to a reduction of dysfunctional conflict and thereby improve overall channel system

performance (Robbins et al. 1974). Boulding (1964) has suggested the need "to identify the level of hostility above which conflict processes will be malign (all system members are worse off) and below which they will be benign (all system members increase their welfare)" (pp. 174-175). Finally, Thomas (1967) observes, "[T]he goal of conflict management has been variously stated as keeping conflicts productive or at least not destructive... or as keeping conflicts creative and useful".

Measurement Issues in Conflict Research

Several issues are attendant in the measurement of conflict in market channel research. In this section, the major conceptual and measurement issues which have been identified in the literature will be presented and discussed

Conceptual Issues

Several researchers have examined conflict from various conceptual perspectives in distribution channels (Reve and Stern 1979). In most instances, the definition of conflict as "perception by one party that its goal attainment is being impeded" has been captured by the measures implemented (Gaski 1984). However, according to

Brown and Day (1981) a "state of confusion exists over which stage of the conflict process to measure" (p. 264) - the psychological or behavioral. These authors point out that "[T]he lack of concentration on a particular stage of the conflict process or on a particular dimension of a stage has led to diverse operationalizations and outcomes" (Brown and Day 1981, p. 264).

Measurement

The majority of the conflict measures, beyond single item scales, incorporate one or more dimensions of the manifest conflict stage. These include: (1) conflict intensity; (2) conflict frequency and; (3) importance of conflict issues.

In order to obtain a formal measure of conflict, various manipulations of the dimensions (i.e. intensity, frequency, and importance of conflict issues) have been employed. These include summation and multiplication of the dimension components. Brown and Day (1981) found the multiplicative index of all three dimensions to perform the best in their study of new car dealers. The criteria employed by Brown and Day (1981) to evaluate the differing

operationalizations included: reliability and content, nomological and convergent validity.

A second approach has been to utilize a semantic differential style scale to measure the various affective dimensions of conflict. This approach has been employed by Stern, Sternthal, and Craig (1973) and Hunger and Stern (1976) in laboratory settings for the measurement of affective conflict.

Research Setting

Two major research settings used in the study of conflict have been (1) field settings and (2) laboratory settings. The majority of the conflict studies have utilized a cross-sectional field study in their data collection (Brown and Day 1981, Eliasberg and Michie 1984, Lusch 1976b, Rosenberg and Stern 1971). This type of research setting provides for high external validity. Gaski (1984) has pointed out, however, that informant bias may be present under this type of design due to the use of "key informant" data collection methodologies (i.e. with this methodology the social scientist obtains information about the group under study through a member who occupies such a role as to be well informed).

The laboratory setting has also been successfully employed for conflict research. Hunger and Stern (1976) and Stern, Sternthal and Craig (1973) have employed a laboratory technique called a "parasimulation" for the study of conflict. The parasimulation technique involves a bargaining game between fictitious manufacturers and distributors in which members bargain to agreement. Both Stern, Sternthal and Craig (1973) and Hunger and Stern (1976) required all communication to be in written memoranda which allowed for more objective evaluation of conflict occurrences. Brown and Day (1981) have observed, with regard to this design, that while the parasimulation avoids the problem of having to rely on informant recollections of perceived disagreements, it presents a monumental data monitoring task.

Reliability and Validity

Of the studies reviewed, early conflict research reported little, if any, assessments of reliability or validity (Rosenberg and Stern 1971, Stern, Sternthal and Craig 1973, Hunger and Stern 1976). More recent research reflects more concern for the reporting of reliability and validity (Brown and Day 1981, Eliasberg and Michie 1984).

The evaluation and reporting of reliability and validity is critical to the development of future channel conflict research.

Discussion of Conflict Research

In this section the major issues which are present in the study of conflict will be summarized and discussed.

Origins of Conflict

Several origins of conflict are offered, including the requisite environment for conflict - the act of exchange; the more popular view - functional interdependence; and a more explicit view of the origin of conflict - the specification of the causes of conflict. These concepts are generally accepted as not being mutually exclusive concepts, but existing simultaneously in a channel relationship. Each is illustrative of a dimension relative to the origin of conflict.

General consensus exists regarding these dimensions and their relationship with conflict. The act of exchange is thought to generally characterize relations between channel members and therefore promote an environment conducive to

conflict. Alternately, the functional interdependence existing between channel members brought on by exchange is generally viewed to be a necessary precondition for conflict. In contrast, the specification of the antecedents of conflict refers to the causes of conflict. These include goal incompatibility, domain dissensus and perceptual incongruency.

Process View of Conflict

The view that conflict is composed of behavioral and psychological dimensions ordered within a dynamic process is generally accepted in the literature. This process view of conflict has been illustrated through frameworks developed in intraorganizational literature by Pondy (1967) and Thomas (1976) and within the marketing channel literature, by Lusch (1976b) and Cadotte and Stern (1979).

Conflict Outcomes

The notion that conflict may have positive as well as negative consequences is generally accepted in the literature. Beyond the recognition that these outcomes occur and require management attention, little research has

examined the specific outcomes of conflict. A better understanding of conflict outcomes will lead to a reduction of dysfunctional outcomes and increase overall channel efficiency.

Summary

In this section the foundations of conflict have been reviewed and discussed. This discussion has included: (1) the definitions of conflict, (2) the origins of conflict, (3) the process view of conflict, (4) conflict outcomes, and (5) measurement issues in the study of conflict.

V. SUMMARY

This chapter has presented the literature foundations of channel power, influence and conflict research. The theoretical and empirical research which has explored these constructs has been presented and discussed. In the next chapter a more detailed discussion of the theoretical and empirical research applicable to the objectives of the study will be presented.

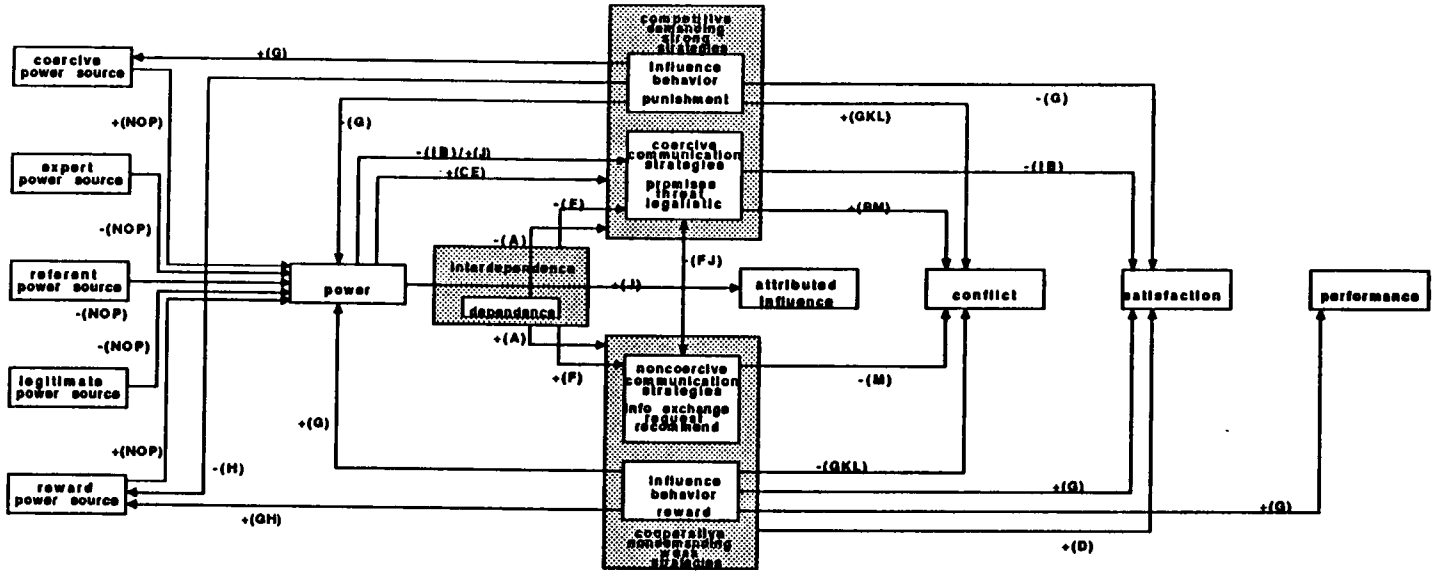
CHAPTER III

ASSESSMENT OF THE EMPIRICAL RELATIONSHIPS OF POWER, INFLUENCE STRATEGIES, ATTRIBUTED INFLUENCE AND CONFLICT IN MARKET CHANNELS

I. INTRODUCTION

In this chapter, empirical research which has examined the relationship of power, attributed influence and conflict to interorganizational influence strategies will be reviewed and discussed. Figure III-1 provides a framework organizing the studies which have been conducted in this area. In addition, Appendix A provides a summary of each study. Only those studies of interest to the objectives of the study have been included and will be examined. This review and discussion will serve as a basis for the development of the research hypotheses for the study. These hypotheses will be presented within each section of this chapter.

The first section of this chapter will contain the research which has examined the relationship of power possessed by an organization and the organization's implementation of influence strategies. Section two includes research in which the relationship between an



→ INDICATES DIRECTION OF HYPOTHESIZED RELATIONSHIP
- = INVERSE RELATIONSHIP
+ = POSITIVE RELATIONSHIP

A. ROERING (1977)

B. BROWN AND FRAZIER (1978)

C. WILKINSON AND KIPNIS (1978)

D. MICHIE (1978)

E. DWYER AND WALKER (1981)

F. FRAZIER AND SUMMERS (1984)

G. GASKI AND NEVIN (1985)

H. GASKI (1986)

I. FRAZIER AND SUMMERS (1986)

J. KALE (1986)

K. LUSCH (1976)

L. WILKINSON (1981)

M. STERN, SCHULZ AND GRABNER (1973)

N. LUSCH AND BROWN (1982)

O. HUNT AND NEVIN (1974)

P. ETGAR (1976)

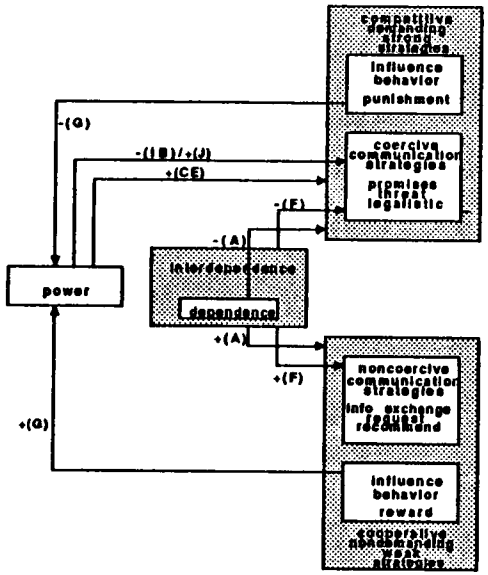
Figure III-1. A Framework Of Interorganizational Influence Research

organization's implementation of influence strategies and attributed influence was studied. The final section of this chapter contains studies which have examined the relationship between an organization's employment of influence strategies and the presence of conflict in the channel relationship.

II. POWER AND INFLUENCE STRATEGIES

The relationship between channel member power and influence strategies employed by channel members has been empirically examined in several studies. Each study has attempted to link power with the general category of influence, influence communications, or influence behaviors. See Figure III-2 for a summary of the relationships hypothesized in these studies.

The basic question surrounding these studies has been a determination of which strategies will be utilized by channel members in their influence attempts. With regard to this question, the majority of research has centered upon the strategies employed by more powerful channel members. These studies have produced divergent findings. Some researchers have argued that a high level of power will lead its possessor to exploit such power and make frequent use of



→ INDICATES DIRECTION OF HYPOTHESIZED RELATIONSHIP
- = INVERSE RELATIONSHIP
+ = POSITIVE RELATIONSHIP

A. ROERING (1977)

B. BROWN AND FRAZIER (1978)

C. WILKINSON AND KIPNIS (1978)

D. MICHIE (1978)

E. DWYER AND WALKER (1981)

F. FRAZIER AND SUMMERS (1984)

G. GASKI AND NEVIN (1985)

H. GASKI (1986)

I. FRAZIER AND SUMMERS (1986)

J. KALE (1986)

K. LUSCH (1976)

L. WILKINSON (1981)

M. STERN, SCHULZ AND GRABNER (1973)

N. LUSCH AND BROWN (1982)

O. HUNT AND NEVIN (1974)

P. ETGAR (1978)

Figure III-2. A Framework Of Interorganizational Influence Research (Power - Influence Strategies)

relatively coercive influence strategies (Wilkinson and Kipnis 1978, Roering 1977, Dwyer and Walker 1981, and Kale 1986). Other researchers have emphasized the positive aspects of power. (Brown and Frazier 1978, Frazier and Summers 1986)

Prior Research

Several studies have found a positive correlation between the frequency of use of coercive strategies and the level of perceived power possessed by an organization. In one such attempt, Wilkinson and Kipnis (1978) interviewed 67 evening graduate students and asked them to describe critical incidents between their organization and other organizations. Through content analysis, the authors found that more powerful channel members employed strong means of influence more often than weak means of influence.

In a laboratory experiment, Roering (1977) observed in a channel bargaining game with business students that lower dependence (e.g. higher power) produced more competitive bargaining behavior. Competitive behavior was defined as making more extreme initial offers, conceding less and using the pronoun "we" less in their bargaining sessions.

Similarly, Dwyer and Walker (1981), utilizing a laboratory game theoretic approach, found a bargainer's (MBA's) relative power, as contrived in the laboratory game, did influence the content of communications. Powerful bargainers sent more demanding-threatening messages when power was asymmetrical than symmetrical. The bargainers communicated via the selection of 15 standard messages which were developed apriori. These statements reflected three content categories: demanding-threatening, cooperative, and submissive-yielding.

In a field examination of this phenomenon, Kale (1986) found a similar positive relationship when he examined the frequency of the implementation of pressurized influence communication strategies and the level of perceived power possessed by organizations in the tungsten carbide tools channel. This channel represented a "sellers market" in India. Kale found threats, promises and legalistic communication strategies to be implemented by a powerful organization more frequently than less pressurized strategies (information exchange, recommendations).

In a slightly different context, Gaski and Nevin (1985) found a positive relationship between the frequency of the exercise of reward power sources (i.e. reward behavior influences) and the level of power possessed by an

organization. Their study examined this relationship in the heavy industrial equipment distribution channel. Gaski and Nevin sought to explore whether the exercise of a power source (implementation of a behavior strategy) impacts the level of power perceived in an organization more that the mere presence of the perceptual power source itself. The authors noted the possible dual role power may have and suggested that power may also bring about the use of reward strategies.

In direct contrast to the findings reported above, three studies have found a negative relationship between power and the use of coercive strategies. Brown and Frazier (1978) report such findings in their study of 26 automobile dealers. They found that the perceived power of the automobile manufacturers was inversely related to the manufacturer's use of reward, coercive and legalistic influence communication strategies.

Frazier's (1979) research correlated an automobile manufacturer's power, as perceived by distributors, with the manufacturer's choice of pressurized versus nonpressurized influence strategies. The results, based on a survey of automobile dealers, indicated that a manufacturer's perceived power was (1) positively related to its use of relatively unpressurized influence strategies, and (2)

negatively related to the use of relatively pressurized influence strategies in the channel relationship.

A latter, more extensive study of the automobile channel by Frazier and Summers (1986), also found an inverse relationship between the level of power and the frequency of coercive communication strategies implemented by an organization. The frequency of threats, legalistic, and promise communication strategies, as perceived by automobile dealers, were found to be inversely related to the level of perceived power possessed by the influencing organization. In discussing their results, the authors attributed the negative relationship found between dealers' perception of their manufacturer's power and the manufacturer's use of coercion primarily due to two factors:

> 1. The positions of the manufacturer and it's dealers tend to be more congruent when the manufacturer has high power based on the dealer's dependence in the interfirm relationship. ... the manufacture is able to make more effective use of information exchange ... tend[ing] to reduce the manufacturer's need to engage in overt influence attempts (both coercive and noncoercive) ...
>
> 2. Manufacturers with high power are better able to effectively utilize noncoercive influence strategies (e.g., requests) when overt influence attempts seem appropriate, and thereby avoid the use of coercion (Frazier and Summers 1986, p. 175).

One possible explanation for the inconsistent results of studies relating power and influence strategies may be

the measures employed. In all three of the studies which found an inverse relationship between power and coercive influence communications (Brown and Frazier 1978, Frazier 1979, Frazier and Summers 1986), power was operationalized via Frazier's role performance conceptualization (for further discussion see Chapter II.) without a separate indicator of power. This conceptualization is drawn from Emerson's dependence theory of power. The role performance conceptualization of power requires distributor respondents to gauge the relative performance of each manufacturer on certain role elements against the average industry performance of these elements. In Frazier's studies, these elements included: (1) manufacturer generated demand, (2) interfirm assistance, (3) quality of advice, (4) cooperativeness, (5) car allocation and delivery, (6) reimbursement for warranty claims, and (7) vehicle preparation. In addition, respondent's are required to gauge the relative importance of each of these elements to their goal attainment. Frazier (1983) has suggested above average performance on important role elements will make a target "...highly motivated to maintain the exchange relationship" (p. 159). "Furthermore, the higher the perceived role performance of a source, the fewer the alternatives that should be available to the target to

replace it sufficiently" (Frazier 1983). According to Frazier (1983), "[B]y specifying the primary elements of a source firm's channel role, one can identify the domain of elements needed to represent a target firm's dependence in the relationship" (p. 159).

Given Frazier's conceptualization of power, it may occur that above average performance on certain role elements (i.e. interfirm assistance, quality of advice, cooperativeness, etc.) would be found where firm's employed more cooperative, noncoercive forms of influence communications. Restated, it may be possible that some of Frazier's power conceptualization role elements overlap with elements contained within the domain of communication influence strategies. For example, a respondents rating of interfirm assistance may include a rating of how those assistances were conveyed via communications. The use of more positive, noncoercive forms of communications appear to impact the rating of interfirm assistance in a positive sense. Alternatively, the use of negative, coercive communications appear to impact the rating of interfirm assistance in a negative sense. In addition, a respondent's rating of the quality of advice may include a rating of the style of communication employed. For example, where positive, noncoercive forms of communication are employed it

may enhance the rater's perception of the quality of advice. Alternatively, where negative, coercive forms of communication are employed the rater may evaluate the quality of advice with a lower rating. Finally, a respondent's rating of cooperativeness may include a rating of the nature of the communications employed by the source. For example, the use of positive, noncoercive forms of communication appear promotive of cooperation. Alternatively, the use of negative, coercive forms of communication appear promotive of conflict or a lower level of cooperation.

The above discussion suggests, where an organization is rated more highly on these role elements they may also be expected to employ more cooperative, noncoercive communication strategies.

Role of Interdependence in Prior Research

As can be determined from the studies reviewed, research on the relationship between power and influence strategies has produced conflicting results. A possible theoretical explanation for these divergent findings is the role of interdependence as reflected in the balance of power in a channel relationship. Power balance refers to the equality

or inequality of the power possessed by members relative to one another in a dyadic relationship (Emerson 1962). Where members hold equal power the power relation is said to be balanced and the members are mutually interdependent. Alternately, where power is unequal it is said to be unbalanced. Conceptually, balanced power refers to "a mutually dependent situation where no one member or group has clear dominance over the other..." (Beir and Stern 1969, pp. 108-109). Economists refer to this power state, in its most extreme form, as a bilateral oligopoly or bilateral monopoly. Alternatively, unbalanced power refers to an unequal dependence distribution where one member or a group has clear dominance over another (Emerson 1962). This power state is often referred to as unilateral dependence.

The studies conducted which have led to different results regarding the use of coercive influence and power depict very different symmetries of power within the power relationship. Those studies which found an inverse relationship between power and the use of coercive communication influence strategies were based on the domestic automobile industry. This industry is highly competitive and both the manufacturers and dealers are highly interdependent. Regarding this point, Ridgeway (1957) has observed:

> ... there is a community of interest and interdependence such that unless the manufacturer survives and is successful the welfare of the dealer...is in jeopardy. Simultaneously, the manufacturer is so dependent upon the successful performance of the ...dealers that he cannot afford to let them sink or swim on their own merits (p. 118).

This community of interest and interdependence requires the channel members to gauge the ramifications of their actions, tending to increase cooperation between the members. While it is clear that the manufacturer dominates the relationship, the dealer maintains a degree of power as well (Ridgeway 1957).

In addition, the automobile manufacturer - dealer channel relationship, is generally long-term in nature and is characterized by the performance of interdependent roles and expectations by both parties. For example, The manufacturer looks to the dealer to provide a large volume of sales, provide a storage function, maintain adequate service facilities, engage in local advertising, participate in promotional programs, to have an adequate staff and to follow standardized service and maintenance procedures (Ridgeway 1957). Alternately, the dealer has definite expectations for the manufacturer's role, including the provision of merchantable products at competitive prices, to provide national advertising, to distribute stocks to

maintain adequate inventories, to keep the dealer informed of technical features and changes, and to keep the dealer informed as to the proper treatment and handling of the product (Ridgeway 1957).

The above studies which have found an inverse relationship between power and coercive influence appear to represent a symmetry of power which is non-unilateral. These relationships, as studied in the automobile channel, represent something less than the extremely unbalanced nature of the relationships previously described as unilateral. These relationships represent a middleground between unilateral and balanced or bilateral power relationships. Figure III-3 illustrates the distinction between these power relationships.

In contrast, the studies which found a positive relationship between power and coercive influence appear to represent extremely unbalanced or unilateral power relationships. As Kale (1986) points out, the experimental scenarios created by Roering (1977) and Dwyer and Walker (1981) depict a setting where one bargainer is almost unilaterally dependent on the more powerful bargainer.

According to Kale (1986), these studies were conducted in settings where actors holding higher levels of power: (1) knew they had a definite power advantage, (2) knew that

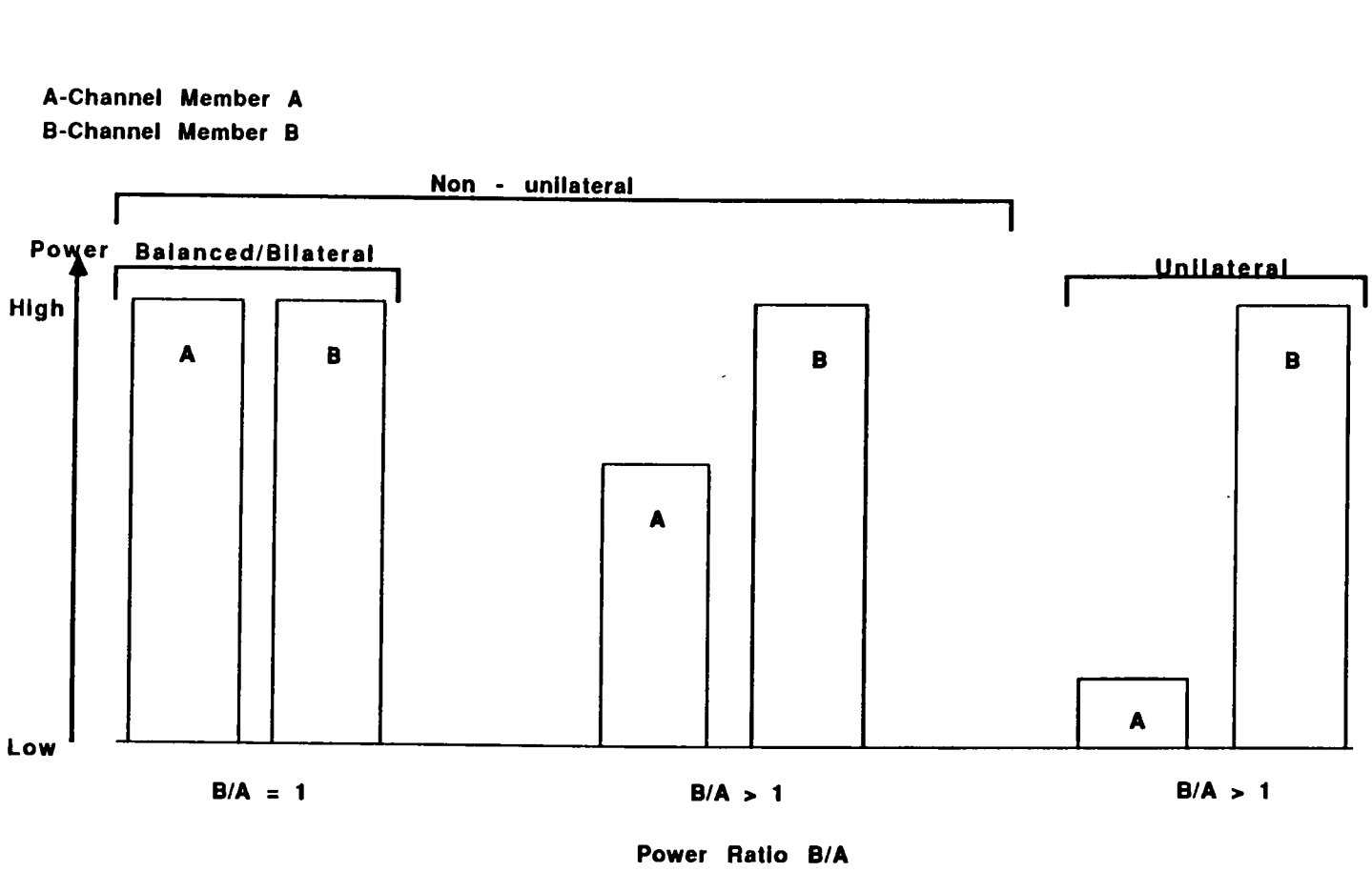


Figure III-3. Power Symmetry Relationships

their power position would not erode in the foreseeable future (i.e. the course of the game), and (3) that the scenario as depicted was so designed that actors holding power positions would not be penalized for the use of pressurized or coercive strategies. These studies were all conducted in laboratory settings whereby these factors were insured through manipulation or control.

As well, the underlying market conditions in Kale's (1986) study illustrate a "seller's market" with the manufacturer dominating the relationship. Under such a scenario, as Kale states, "middleman... are almost unilaterally dependent on their manufacturers for their goal attainment" (p. 388). Applying Emerson's (1962) concept of power relations, these settings appear to depict an extremely unbalanced or unilateral power relationship.

Power Relationship

Beir and Stern (1969), argue that where power is balanced, "a highly stable but conflict - charged relationship emerges" (p. 109). The outcomes of such an environment, according to Thibaut and Kelly (1959) is that, a person will not use his power to affect the fate or behavior of another person without considering the effects

of the use upon his own outcomes. In other words, as stated by Secord and Backman (1964), "...one might suppose that (one) person's power is balanced by the counter power of the other, thereby producing mutual influence" (p. 283). Alternately, where power is unbalanced, the outcomes for the low power person are usually clear - he will enact responses or make other changes which the other person desires" (Schopler 1965). Conversely, the more powerful party will be, "...encourag[ed] to act in an opportunistic manner to take advantage of the target in order to gain a disproportionate share of rewards from their exchange" (Frazier and Summers 1986, pp. 169-170).

Various explanations have been offered as to why power holders employ different forms of influence where they possess varying levels of power within a dyadic relationship. The differences appear to be related to the symmetry of power between the two parties.

Non-unilateral Power Relationships

In a non-unilateral power relationship, several factors may contribute to the parties use of more cooperative influence strategies. One possible explanation is the cooperative and interdependent nature of this channel

relationship as noted above. Regarding this point, Frazier and Summers (1986) have observed:

> Because manufactures are dependent on the performance of their dealers, it would seem counter productive for manufacturers to exploit their power in ways which would eventually serve to significantly weaken their dealer capacities to perform their assigned channel tasks and/or reduce the cooperative nature of the interfirm relationship (Frazier and Summers 1986, p. 171).

Another factor, as Bacharach and Lawler (1980) observe is that, "the actual use of coercion involves a reduction in the dependence of the target on the user" (p. 24). Given this outcome, the use of coercion, by either dyadic member, would appear to erode the interdependency within the relationship at a detriment to both members. Contrary, the use of more cooperative strategies may provide "real benefits for both the source and the target, and ... result in a stronger interorganizational relationship (e.g. higher target dependence, higher credibility for the source)" (Frazier and Summers 1984, p. 45). In a latter study, Frazier and Summers (1986), make a similar observation:

> ...where a manufacturer's boundary personnel effectively utilize persuasive (e.g. information exchange, recommendations) to influence its dealers to take action or adopt practices which are in their mutual best interest, persuasion is likely to enhance personal relationships between the two firms... (p. 171).

A third explanation for the lack of coercive forms of influence may be the level surveillance needed for these types of strategies. The use of cooperative forms of influence may not require surveillance by the focal member over the target, thereby reducing the cost of influence (Tedeschi 1972). In contrast, the use of coercive strategies may require surveillance on the part of the focal member (Tedeschi 1972). For example, where a promise or threat is made, the influencing firm must determine if the target has conformed before either rendering the reward or, in the event of a threat, sanctioning the punishment. The cost of this surveillance exceeds that cost associated with a strategy not contingent on this determination.

Finally, the use of noncoercive forms of influence may increase the source's ability to influence the target in the future, in contrast, coercive force requires consistent sanctioning and credibility (Thibaut and Kelly 1959, Kelman 1961). Threats which are not carried out tend to precipitate less intimidation, on the part of the influencee, for the next threat. These threats are viewed as "empty threats." Alternately, where promises are unfulfilled, the target may view future promises with less credibility. Once started, threats and promises must be

consistently applied in order to be effective (Thibaut and Kelly 1959).

Unilateral Power Relationships

Where power is unilateral, a channel member occupies either a position of extremely high power or a position of extremely low power. The strategies implemented from each of these positions vary greatly (Tedeschi 1972). Generally, according to Dwyer and Walker (1981), ".. an asymmetrical (e.g. unbalanced) distribution of group power will produce asymmetrical negotiations, with the powerful channel members dominating the bargaining" (p. 106). Under this scenario, the weaker channel member often will be restricted to more cooperative forms of influence, if any at all (Tedeschi 1972). Several explanations for these outcomes have been developed in the theoretical literature.

Frazier and Summers (1986) have shown that the use of coercive forms of influence is likely to bring about the use of coercive tactics in retaliation by a target channel member. As Frazier and Summers (1986) found, and Baldwin (1971) states, "...anxiety and resistance are typical responses to threats...." (p. 32). Wilkinson and Kipnis (1978) have also argued that firm's which are the target of

coercive strategies are more likely to retaliate. If a weaker firm were to employ coercive influence, the weaker firm's position may not provide it with the resources to enable it to sustain retaliation which is likely to occur from the more powerful, targeted firm (Wilkinson and Kipnis 1978). Further, a weaker party may not even possess or control the necessary resources to coercively influence a stronger, more powerful party. Tedeschi (1972) summarily describes this occurrence:

> It would be awkward for a weak person to threaten a powerful person, and the former seldom possesses rewards which could be promised to the latter. There, too, the powerful individual has so many resources at his disposal (and has special access to information) that it would be unusual for the weak individual to possess the kinds of information that could be used..." (Tedeschi 1972).

Another possible factor, is that the use of coercion may increase the cost of influence and decrease the probability of successful influence to the weaker party (Tedeschi 1972). This may occur as a result of several factors. First, the cost of surveillance for promises and threats is high, particularly over time (Tedeschi 1972). This cost may preclude a weaker, less resource rich, channel member from employing threats and promises. Second, regardless of the coercive influence strategy employed, implementation costs are greater than noncoercive strategies

(Frazier and Summers 1984). Where promises and threats are employed, dependent on the nature of the contingency promised or threatened, this cost could be more than the weaker channel member may be able to sustain (Frazier and Summers 1984, Raven and Kruglanski 1970). Further, to obtain the necessary resources which might be needed to persuade a more powerful and resourceful channel member, the weaker party may have to incur additional costs to make their promise attractive or their threat intimidating. Rather than obtaining the necessary resources, the weaker party may simply rely on more cooperative forms of influence. Third, the expected gain from an influence attempt, if engaged in, may be lower for a weaker channel member. Given the dominating stature and resources available to the more powerful channel member, the more powerful member's ability to exact more from any negotiation or bargaining is enhanced (Tedeschi 1972). Thus, the probability of the weaker channel member's expected gain is reduced. This lower potential return may preclude the weaker channel member from engaging in coercive strategies.

The dynamics of the channel relationship may also provide a basis for a weaker channel member avoiding coercive strategies. Several authors have commented on the magnifying effect coercion has on conflict (Cadotte and

Stern 1979, Stern and Gorman 1969); empirical support also exists for this relationship (Hunt and Nevin 1974, Lusch 1976). Coercive tactics have been suggested as increasing the probability that a target member will reduce his dependence or ultimately leave a relationship (Bacharach and Lawler 1980, French and Raven 1959). The weaker channel member's need for a channel partner, as represented by the power structure, may provide the motivation for avoiding any possible strategies that could lead to disengagement of the relationship. As Thibaut and Kelly (1959) have observed:

> One of the common disadvantages of low power is that the person finds it desirable to exercise great care in his interaction with those upon whom he is dependent (Thibaut and Kelly 1959).

All of the above factors, taken together, appear to restrain, as a result of resources and outcomes, a weaker channel member's employment of coercive forms of influence in a unilateral channel relationship.

Within a unilateral channel relationship, where a channel member possesses a greater level of power than his channel partner, the dominating member may be motivated to use more coercive forms of influence. Several reasons may be cited for this outcome. As noted above, in the event coercion is employed, retaliation is likely to occur. A more dominating firm may not ".. fear retaliation that is

more likely to occur from the use of strong rather than weak means of influence" (Wilkinson and Kipnis 1978, p. 319). The resources of a more powerful firm may allow it to sustain any form of retaliation brought about by the weaker firm. This will, in turn, increase the probability of success for the dominating firm due to its ability to "outlast" the weaker channel member (Tedeschi 1972). In addition, the lower relative costs of implementing coercive influence to the more powerful firm, may promote the use of coercive influence (Frazier and Summers 1986, Raven and Kruglanski 1970).

The basis of a unilateral relationship is the possession of a high level of power by one channel member, relative to a low level of power by the channel partner. A more powerful firm may simply consider this state of imbalance an opportunity and attempt to exploit the weaker party for the firm's own gain (Frazier and Summers 1986). This would be of particular significance in shorter term relationships.

As noted previously, the dynamics of a channel relationship, relative to conflict, may affect the use of coercive influence. As noted, the use of coercive forms of influence may have a magnifying effect upon channel conflict and may promote the lessening of dependence on the part of

the targeted member (Cadotte and Stern 1979). In a unilateral relationship the more powerful channel member need not rely on the weaker member for goal attainment (i.e. lower dependence). As a result, the negative outcomes, listed above, which are likely to occur, may not outweigh the potential gains possible through exploitation of the relationship.

Hypotheses Development

The above discussion suggests that where the symmetry of power in a channel relationship is other than unilateral, more cooperative, noncoercive forms of influence are to the advantage of both parties. Several reasons have been cited for this outcome including: (1) the interdependencies existing within the relationship, (2) the cooperation necessitated by this interdependence, (3) the long term nature of the relationship, and (4) the cost efficiencies associated with the use of noncoercive forms of influence. In contrast, where power is unilateral the consequences for the low power person are usually clear - he will enact responses which the other person desires (Schopler 1965). Alternately, the more powerful party will be motivated to exploit the less powerful member through the use of strong

means of influence. Several reasons have been cited for this outcome including: (1) the dominating nature of the relationship which produces opportunity for the more powerful member and fear for the weaker member; (2) the comparatively lower cost of implementation, surveillance and resources to the more powerful channel member; (3) the high probability of success for the more powerful channel member, and (4) the lower impact of conflict and lessening of dependence for a more powerful channel member within the channel relationship. Drawing upon the theoretical literature and empirical research cited above, the following hypotheses were developed for the study:

H1: Where the ratio of power held by organizations in a channel relationship is defined as:

$$\frac{\text{Level of power held by the more powerful channel member}}{\text{Level of power held by the less powerful channel member}}$$

A. For the more powerful channel member, the frequency of:

1. negative, pressurized communication influence strategies employed will be positively related to the value of the power ratio.

2. positive, unpressurized communication influence strategies employed will be negatively related to the value of the power ratio.

3. punishment behavior influence strategies employed will be positively related to the value of the power ratio.

4. reward behavior influence strategies employed will be positively related to the value of the power ratio.

B. For the less powerful channel member, the frequency of:

1. negative, pressurized communication influence strategies employed will be negatively related to the value of the power ratio.

2. positive, unpressurized communication influence strategies employed will be positively related to the value of the power ratio.

3. punishment behavior influence strategies employed will be negatively related to the value of the power ratio.

4. reward behavior influence strategies employed will be negatively related to the value of the power ratio.

III. INFLUENCE STRATEGIES AND ATTRIBUTED INFLUENCE

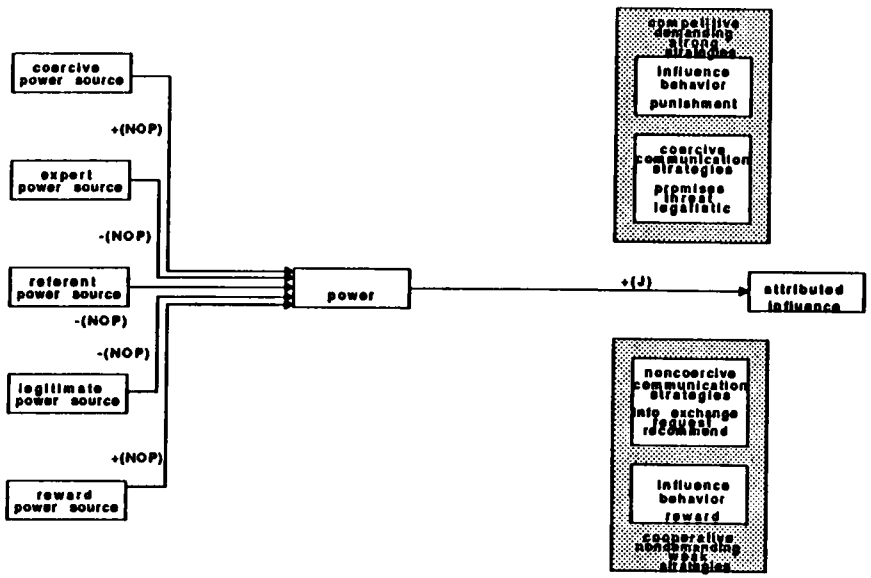
Achieved influence refers to the changes that occur as a result of the influence attempt (Frazier 1983). A somewhat related concept is attributed influence. Attributed influence refers to the degree of influence attributed to the focal party by a target. According to Kale (1986), "[T]he amount of influence a target attributes to a source firm reflects the degree of pressure the source exerts on the target" (p. 389). Further, Kale (1986) observes, the "...relationship between power and attributed influence probably has to do with the source firm's choice of influence strategies." Results from previous research which

has examined this relationship indirectly reflect this observation and are shown in Figure III-4.

Prior Research

Channel research has not directly examined the relationship between attributed influence and influence strategies. However, early power research by Hunt and Nevin (1974), Etgar (1978), and Lusch and Brown (1982), as well as a more recent study by Kale (1986), provide consistent indirect evidence of a positive relationship between coercive strategies and attributed influence and a negative relationship between noncoercive influence strategies and attributed influence.

Hunt and Nevin (1974) examined the use of power sources and their relation to levels of power as perceived by Franchisees in a franchisor - franchisee relationship. The study operationalized these measures to reflect influence strategies and attributed influence. The results indicated that coercive power sources (i.e. operationalized as threat influence strategies) provided more explanation of levels of perceived power (i.e operationalized as degree of "responsibility" for decision areas) than did noncoercive power sources.



→ INDICATES DIRECTION OF HYPOTHESIZED RELATIONSHIP
- = INVERSE RELATIONSHIP
+ = POSITIVE RELATIONSHIP

A. ROERING (1977)

B. BROWN AND FRAZIER (1978)

C. WILKINSON AND KIPNIS (1978)

D. MICHIE (1978)

E. DWYER AND WALKER (1981)

F. FRAZIER AND SUMMERS (1984)

G. GASKI AND NEVIN (1985)

H. GASKI (1986)

I. FRAZIER AND SUMMERS (1986)

J. KALE (1986)

K. LUSCH (1976)

L. WILKINSON (1981)

M. STERN, SCHULZ AND GRABNER (1973)

N. LUSCH AND BROWN (1982)

O. HUNT AND NEVIN (1974)

P. ETGAR (1978)

Figure III-4. A Framework of Interorganizational Influence Research (Influence Strategies - Attributed Influence)

A cross channel study by Etgar (1978), also found a positive relationship between the use of coercive strategies and attributed influence. Etgar examined the power source - power relationship found in the distribution channel for beer (bar owners), liquor, gasoline, boats, cars motorcycles, organs, and swimming pools. As with Hunt and Nevin (1974), Etgar operationalized his power source and power measures to reflect influence strategies (i.e. potency of assistances and other power source means) and perceived attributed influence (i.e. perception of control). The results indicated that economic power sources (i.e. coercive strategies) contributed more to the level of perceived power believed to be held by the source organization than did noneconomic (i.e. noncoercive strategies) power sources. In fact, a negative relationship between noneconomic strategies and power was found.

In another study, Lusch and Brown (1982) in an attempt to modify the Hunt and Nevin (1974) power model, found additional evidence that coercive strategies may be positively related to attributed influence and noncoercive strategies may be negatively related to attributed influence. In examining a franchisor - franchisee relationship, the authors found a positive relationship between coercive power sources and perceived power and a

negative relationship between noncoercive power sources and perceived power. As with the previous studies, Lusch and Brown operationalized their measures of the power sources and perceived power as influence strategies (i.e. quality and importance of assistances and punishments) and perceived attributed influence (i.e. extent of control).

Finally, a study by Kale (1986) examined the relationship of power and attributed influence in a "seller's" market in India. The results indicated that perceived power and attributed influence were positively related. In addition, the study also provided evidence which indicated that more powerful channel members employed coercive influence communications with greater frequency than did less powerful channel members. Kale postulated that the use of pressurized influence strategies by these more powerful channel members induced the less powerful channel member to attribute more influence to the powerful channel member.

Theoretical Discussion

The empirical findings above, while not providing direct evidence of the relationship between interorganizational influence strategies and attributed

influence, do provide some insight into this relationship. The theoretical literature which has examined this relationship provides additional support. The postulated relationships above have been well documented in this literature.

The main theoretical proposition which supports the empirical work cited above is centered in the early work of Kelman (1961). Kelman suggests that attributions of influence perceived by a channel member are determined relative to whether the channel member changes his behavior or perception as a result of internal or external locus's of motivation. If the target centers this locus of motivation in an external party, his attributions of influence will lie with that party. In contrast, if the target centers the locus of motivation within himself, his attributions of influence will reflect his perception of lower external influence. Kelman's explanation has been elaborated on by various researchers. These elaboration's differ only in their relative perspective.

One perspective is provided by Tedeschi (1972) who views this process from the point of the perceptions of the influencee, he states:

> The use of influence modes which require the mediation of rewards or punishments cause the target to perceive any control of his behavior as

> due to external causes (Ben 1967). Persuasive [e.g. noncoercive] modes of influence, on the other hand, allow the target to attribute compliance to internal causes (Tedeschi 1972).

These differences of perception, identified by Tedeschi, in turn, affect the influencee's view as to the locus of motivation for change. For example, as Tedeschi views this process, where noncoercive strategies are employed (i.e. information exchange, referent, etc.) compliance, if it occurs, will generally be rationalized as a result of the target's own logic or reason rather than extrinsic reinforcement. As a result, the target will attribute less influence to external parties. More specifically, the locus of motivation will occur within the target. Conversely, where forms of extrinsic persuasion are implemented (i.e. promises and threats) which require mediations, the influencee will view his behavior as predicated on the manifestations of these extrinsic reinforcements. As such, the influencee will perceive the locus of motivation to be external and his attributions of influencee will rest in this external source.

A second perspective of Kelman's explanation, which views these outcomes from the beliefs and inconsistencies of beliefs and actions by the channel member, is provided by Lusch and Brown (1982):

> If channel member i uses coercive power to influence channel member j, j may change his underlying beliefs or opinions so that they are opposite the position advocated by i. Channel member j may privately maintain his original beliefs when channel member i attempts to use reward power to influence him. ...j may change his behavior to comply... even though j may privately feel very differently.
>
> If channel member i uses referent, expert, traditional legitimate or information power sources to influence channel member j, the consequences are very different. In addition to channel member j complying with i's request, j is likely to change his beliefs so that they are consistent with i's (p. 320).

Consistent with this view, Kasulis, Spekman and Bagozzi (1979) have classified the seven power sources according to the directness of their outcome control. According to Kasulis et al. (1979):

> Direct outcome control results when the powerholder has the ability and intentions to mediate directly the consequences of influence; indirect outcome control occurs when the powerholder can predict the consequences of a particular course of action independent of the channel relationship (Kasulis et al. 1979).

Kasulis et al. suggest, the use of legal legitimate, reward, and coercion power relate more closely to direct outcome control. The use of traditional legitimate, expert and referent power sources relate more closely to indirect outcome control. This direct, indirect classification appears closely related to Lusch and Brown's view.

Finally a third perspective of Kelman's explanation is offered by Kale (1986). Kale examines the level of role behavior as it relates to the internalization of norms and values of the influencee as a potential rationale for differing attributions of influence produced by varying forms of influence strategies. According to Kale (1986):

> ...influence strategies [e.g. nonpressurized] achieve a change in the target's behavior through a change in the target's perceptions. [And] through superior role performance in areas critical to the target's goal attainment (Frazier 1983). It could be argued that high role performance by a manufacturer results in the manufacturer being viewed as an expert by the target dealer. The dealer would therefore tend to internalize the norms and values of the highly credible manufacturer, especially if the latter relies on nonpressurized means of influence (Bonoma 1976). When a dealer thus internalizes the norms and values of his manufacturers, he believes that he is acting on his own initiative, and therefore attributes less influence to the manufacturer (kale 1986, p. 171).

Hypotheses Development

The above discussion suggests that where noncoercive strategies are employed, a target member will attribute less influence to the focal channel member. Alternately, where coercive strategies are employed, a target member will attribute higher levels of influence to the focal channel member. Various explanations have been offered in support

of these outcomes. These explanations appear, broadly based in the early work of Kelman (1961) who suggests the channel member's perceived locus of motivation provides the basis for attributions of influence. These explanations vary relative to the perspective taken and include: (1) the external and internal causes of behavior change which produce varying external and internal attributions of influence (Tedeschi 1972); (2) changes in beliefs versus changes in behavior without a change in beliefs brought about through the use of coercive and noncoercive modes of influence; and (3) the process of the internalization of norms and values brought about through the presence of power and the use of noncoercive versus coercive strategies of influence. These views appear to be indirectly supported by the empirical studies cited previously. As yet, the relationship between interorganizational influence strategies and attributed influence, in a channel relationship, has not been examined directly. However, the theoretical and empirical research cited above, lead to the development of the following hypotheses for the study:

H2: The level of attributed influence perceived by a target channel member will be:

A: positively related to the frequency of negative, pressurized communication influence strategies implemented by a focal channel member.

B: not significantly related to the frequency of positive, unpressurized communication influence strategies implemented by a focal channel member.

C: positively related to the frequency of punishment behavior influence strategies implemented by a focal channel member.

D: positively related to the frequency of reward behavior influence strategies implemented by a focal channel member.

IV. INFLUENCE STRATEGIES AND CONFLICT

Conflict, in a manifest sense, is reflective of "a situation in which one channel member perceives another channel member to be engaged in behavior that is preventing or impeding him from achieving his goals" (Stern and El Ansary 1977, p. 283). However, as Lusch (1976a) states, "conflict is such an elastic concept that it also has been referred to in the marketing literature on channels as a feeling of stress, tension, or hostility of one channel member toward another (affective conflict), and the antecedent conditions of conflictual behavior (latent conflict)" (p. 383). As Tedeschi (1972) has observed, the element of conflict is always present in social interaction. Further, as Dahl (1957) postulates in the following statement from the context of political science, a

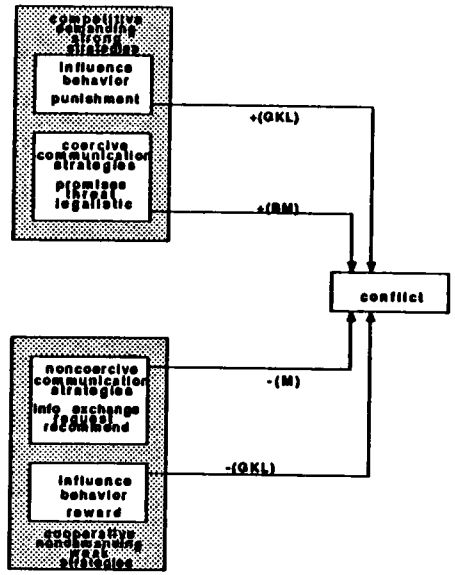
relationship exists between the use of power (e.g. influence) and conflict.

> If everyone were perfectly agreed on ends and means, no one would ever need to change the way anyone else behaved. Hence no relations of influence or power would arise. ... Let one person frustrate another in the pursuit of his goals,... For the one may then try to change the behavior of the other. If he does so by creating the expectations of sizable rewards or deprivations, then relations of power come into existence (p. 72).

Prior Research

In the channels context, two studies have examined the relationship between influence strategies and conflict (Figure III-5). In an automobile channel context, Brown and Frazier (1978) examined a channel member's use of communication strategies and conflict. Brown and Frazier found the dealer's perception of conflict to be positively related to the the automobile manufacturer's use of reward (operationalized as promises), legalistic, and direct statement communication strategies.

Gaski and Nevin (1985), examined behavior influence strategies within the heavy industrial equipment channel. They found a positive relationship between the presence of conflict and the perceived exercise of punishment power



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F. FRAZIER AND SUMMERS (1984)

G. GASKI AND NEVIN (1985)

H. GASKI (1984)

I. FRAZIER AND SUMMERS (1984)

J. KALE (1986)

K. LUSCH (1976)

L. WILKINSON (1981)

M. STERN, SCHULZ AND GRABNER (1973)

N. LUSCH AND BROWN (1982)

O. HUNT AND NEVIN (1974)

P. ETGAR (1976)

Figure III-5. A Framework Of Interorganizational Influence Research (Influence Strategies - Conflict)

sources by a supplier. These punishment power sources included influence behaviors such as delaying delivery, refusing to sell, and taking legal action. In addition Gaski and Nevin found a negative relationship between the presence of conflict and a suppliers exercise of reward power sources. These reward power sources included behavior influences such as training personnel, granting favors (golf, lunches, etc.), and providing inventory management assistance.

In addition to the above research, which directly focuses on the relationship between influence strategies and perceived conflict, there are several studies which may, indirectly, provide insight into this relationship. These studies were conducted for other purposes but operationalized various constructs which may be interpreted as influence strategies.

A study conducted by Lusch (1976b) may be helpful due to the measures employed for power sources within the research. The study examined the relationship between power sources and conflict. The measures implemented by Lusch for the study, however, did not distinguish between the latent state of power sources and the activated state of power sources (i.e. influence behaviors). In the study, Lusch found a significant positive relationship between coercive

power sources held by automobile franchisors and conflict as perceived by automobile dealers. Because the measures did not differentiate between the nonexercised and exercised states of the power sources; the study actually examined the combined impact of latent power sources and influence behavior strategies relative to conflict. Thus, the study may be useful in understanding the relationship between influence strategies and conflict present in a channel relationship.

Another study by Wilkinson (1981) provided similar results. The study examined the bulk beer distribution channel in Australia. The measures employed by Wilkinson required distributor's to gauge the likelihood that the more powerful brewers would implement various tactics of both noncoercive and coercive influence. These tactics included rewards and punishments and were labeled noncoercive and coercive power, respectfully. The results indicated a positive relationship between coercive tactics (power) and conflict and a negative relationship between noncoercive tactics (power) and conflict.

In another study, within a laboratory setting, Stern, Schultz and Grabner (1973) found "scant" evidence to suggest that certain influence communications, which are based upon the power sources possessed by a firm, will increase

conflict. Stern et. al. found weak evidence to suggest that coercive, legitimate and reward based communication strategies positively affected conflict with a greater degree than did referent and expert power based communication strategies. The laboratory experiment employed students who communicated via precoded strategies from behind screens in a game developed for the study.

Theoretical discussion

One possible explanation for the above empirical findings may be that coercive strategies breed feelings of fear, anxiety and promote retaliation which may breed further episodes of conflict (Baldwin 1971). These multiple cycles of conflict have often been referred to as "escalating spirals of conflict", where conflict produces conflict as well as being the result of conflict (Thibaut 1959). This has lead many to observe, as Tedeschi (1972), that:

> Just as high levels of conflict result in the use of coercive modes of influence, the use of coercive modes of influence appears to increase the perception of conflict by the interacting parties... [resulting in] intensified conflict, ... mutual hostility and reduced bargaining outcomes (Tedeschi 1972).

In the channels context, the adage that threats promote threats is especially applicable, as Stern and Gorman (1969) observe:

> The issuance of threats, usually of an economic nature in the case of intra-channel friction, is generally a pathological response to conflict, because threats tend to elicit threats, thus increasing the degree of conflict... when one party establishes the use of coercion, the other is likely to respond in kind, intensifying conflict rather than resolving it (p. 161).

Consistent with the iterative view of conflict, Baldwin (1971) observes, if A uses negative sanctions today, B will tend to be less willing to cooperate with A in the future. Further, Raven and Kruglanski (1970) state, "...where coercive power is brought into the manifest conflict situation, it is particularly likely to increase the underlying basis of conflict. With a personal rejection ...the influencee increases his desire to retaliate and to avoid influence whenever possible" (p. 77).

Another explanation, in the context of the promise strategy, in some instances found to be a coercive type strategy (refer to Chapter 2), is offered by Frazier and Summers (1984):

> Each firm in a channel relationship has a certain role defined by a set of tasks and responsibilities (Gill and Stern 1969). The offering of rewards [i.e. promises] relating to specific tasks of a source firm's role (e.g. improved product allocation) may be perceived by

> the target as suggesting that the current level of the source firm's performance is inadequate. Furthermore, the target may perceive promises as a form of bribery and as very unprofessional and insulting... (p. 46).

Beir and Stern (1969) suggest the need to use care in offering incentives in return for favors (promises) in business interaction. The potential outcomes, as cited by Frazier and Summers (1984) may produce unwanted results.

In contrast, where noncoercive, as opposed to coercive strategies are employed, the outcomes for conflict are different. Recall, noncoercive strategies include communications which do not rely on mediations and behaviors which are of a reward nature. According to Brown and Frazier (1978) in the context of communications, these differences can be explained:

> When unweighted influence (e.g. noncoercive) is made, the influencee may perceive the influence objectives as being incompatible with his own. However, because no implication of compliance or noncompliance are mentioned, this potential incompatibility does not become operationalized. ... on the otherhand, ... use of explicit strategies (e.g. coercive) [which] spell out the consequences of compliance or noncompliance, may create resentment by the firm because rewards (e.g. promises) may be viewed as patronizing and punishment strategies may be seen as threatening. The resentment created by using these strategies may cause ... [the firm] to refuse to comply with or to purposefully subvert ... [the firm's] wishes. This may elicit even stronger strategies from ... [the firm] causing further increases in conflict... (p. 267).

Tedeschi (1972) explains the differential effect of noncoercive and coercive influence communication strategies on conflict from another perspective:

> The use of influence modes which require the mediation of rewards or punishments cause the target to perceive any control of his behavior as due to external causes. Persuasive (e.g. noncoercive) modes of influence, on the other hand, allow the target to attribute his compliance to internal causes. For example, the target is likely to rationalize compliance to persuasive attempts by viewing his behavior as predicated by the logic or reason of the source's communication rather that to any extrinsic reinforcement which is immediately attainable. Such self-attributions yield the illusion of freedom from outside influence and control, and minimize the perception of conflict by the target (Tedeschi 1972).

In the case of behavior strategies (i.e. nonverbal), the conflict outcome of punishments is similar to the outcome of communications in the form of threats - an increase in the level of conflict. In contrast, promises and rewards appear to produce differing outcomes. As Brown and Frazier (1978) have observed, a promise for a specific decision or act on the part of the influencee may bring on feelings of resentment by the influencee. A feeling that the influencee is being patronized. Perhaps the feeling of resentment is derived from the nature of the inducement, as Beir and Stern (1969) state, "coercive power is blunt and forceful; the subject must submit or else. The coercive

elements of reward power (e.g. promise) may be somewhat more subtle, but they are forceful nonetheless" (p. 112).

Contrary, the giving of a reward, rather than the communication of a promise, generally will bring a more positive outcome (Gaski and Nevin 1985). According to Baldwin (1971), "positive sanctions tend to enhance B's willingness to cooperate with A in the future" (pp. 32-33). Lusch (1976a) attributes this outcome to the "norm of reciprocity" which states, "B will engage in fewer and less intense conflicts with A. (because) B feels obligated to not disagree (conflict) with A because A has provided him with rewards" (p. 384).

Hypotheses Development

The above discussion suggests that where a focal channel member employs coercive strategies of influence the target member will perceive higher levels of conflict. Alternately, where noncoercive strategies are employed, the target member will perceive lower levels of conflict. Various theoretical arguments have been cited in support of these propositions. The arguments which have suggested that coercive strategies and conflict are positively related include: (1) coercive strategies build fear, anxiety,

promote retaliation and produce further episodes of conflict; (2) the use of promises may promote feelings of impropriety, bribery, lack of professionalism, and inadequacy; and (3) threats result in reduced cooperation. Alternately, the arguments which have suggested that noncoercive strategies and conflict are negatively related include: (1) the focal member's influence objective is perceived by the influencee as compatible with his own objective due to the implicit means of influence; (2) the target member perceives his behavior predicated on his own logic or reason rather than external mediated causes; and (3) the "norm of reciprocity" which brings about positive feelings towards the party which renders a reward.

These views appear to be directly supported by the empirical studies cited. As a result of the research, both theoretical and empirical, the following hypotheses were developed for the study:

H3: The level of affective conflict perceived by a target channel member within a channel relationship will be:

A: positively related to the frequency of negative, pressurized communication influence strategies implemented by a focal channel member.

B: negatively related to the frequency of positive, unpressurized communication influence strategies implemented by a focal channel member.

C: positively related to the frequency of punishment behavior influence strategies implemented by a focal channel member.

D: negatively related to the frequency of reward behavior influence strategies implemented by a focal channel member.

V. SUMMARY

In this chapter, the theoretical and empirical research which has examined the relationship of power, interorganizational influence strategies, attributed influence, and conflict has been reviewed and discussed. This discussion has centered on the particular objectives and questions of the proposed study as developed in Chapter I. In addition, this discussion has served as a basis for the development of the hypotheses for the study. These hypotheses and their theoretical and empirical support have been presented.

CHAPTER IV

RESEARCH METHODOLOGY

I. INTRODUCTION

In this chapter, the research methodology for testing the previously stated hypotheses is presented. The chapter begins with a discussion of the alternative research settings available for the study. Next, the research design for the study is presented. The last section of this chapter contains the measures developed for the study.

II. RESEARCH SETTING

In this section, alternative research settings available for the study are reviewed and discussed. This discussion begins with a review of the criteria by which alternative research settings may be evaluated. The alternative settings are then evaluated against these criteria. The section concludes with a presentation of the research setting employed in the study.

Evaluative Criteria

According to Kerlinger (1973), a research design is created to allow the researcher to answer research questions as validly, objectively, accurately and economically as feasible. Several criteria are useful in evaluating alternative research settings. These criteria represent characteristics which are desirous in a chosen research setting. An ideal setting will allow for: (1) ease of data collection, (2) ease of measurement, (3) generalizability, (4) a high degree of control, (5) ease of finding or generating the setting, (6) degree of realism, and (7) simplicity (Churchill 1979 Keyt 1980, Mcgown 1979, Cox and Enis 1969).

The presence of all of the above characteristics in a single research setting may be difficult to achieve. For example, maintaining a high degree of realism and a high degree of control in the same setting may be incompatible. As Jones (1985) has observed, there is no one superior method. Often the best setting represents a balance among these characteristics and their trade-offs (Churchill 1979).

Alternative Research Settings

The alternative research settings available for the study represent a continuum of settings from a field setting to a laboratory setting. The field setting represents the utilization of an actual channel setting. The laboratory setting represents a strictly controlled, programmed setting in which the environment would be contrived and manipulated. These two extreme research settings are discussed below. A research setting which took advantage of the realism present in a field setting and the control found in a laboratory setting was desired.

Field Setting

Representing one end of the research setting continuum is the research setting found within a real world environment. This setting involves the gathering of data in an actual business setting and has been utilized successfully in several past interorganizational studies including: automobiles (Frazier 1984, Frazier and Summers 1986), heavy industrial equipment (Gaski and Nevin 1985, Gaski 1986), and the carbide tool industry (Kale 1986).

The use of a field setting provides various positive characteristics (Cox and Enis 1969). The most prominent characteristic is the realism produced by such a setting. This characteristic allows for high external validity. Conducting research in this setting produces a more generalizable study. In addition, the setting is attractive because it is readily available, in all its complexity, in the real world. Finally, as noted above, this setting has been employed in several prior interorganizational studies.

However, a real world setting does have negative characteristics (Cox and Enis (1969). Data collection presents a major task under this setting. Prior research, which has examined interorganizational relations in a field setting represent data collections from only one side of the channel dyad. Obtaining data from channel members on both sides of the dyad is very difficult, time consuming and would require the matching of manufacturers and distributors. In addition, it is difficult to obtain information beyond the perceptions of the dyad members (Keyt 1981). The employment of unobtrusive measures is very difficult in a field setting. Finding dyadic pairs of organizations which accumulate the necessary data and would allow access to this type of data is difficult.

A second problem involves the complexity of the field setting. While insuring realism under this setting, the environment is also complex because of the large number of variables and interrelationships found in most channel relationships. As this complexity increases, the ability to account for confounding effects becomes more difficult (Kerlinger 1973).

A third negative characteristic present is the lack of control under a real world setting (Jones 1985). A given channel environment may or may not provide the specified situation for any study. The researcher must accept the conditions found in the particular environment and adapt to them. The inability to control, at least some aspects of the environment, may render the study task impossible.

Finally, the expenditures necessary to study important variables and relationships in a real world setting may be prohibitive (Cox and Enis 1969).

Laboratory Setting

An alternative to the real world setting, is the laboratory setting. This setting has also been utilized successfully for research in interorganizational relations (Dwyer and Walker 1981, Roering 1977).

Several positive characteristics underlie this research setting. The laboratory setting affords the researcher maximum control of the variables and relationships of interest to the study (Jones 1985). This degree of control allows for ease of data collection and measurement (Cox and Enis 1969). Since only variables and relationships of interest to the researcher are included in the setting, the researcher can design the study to accommodate the necessary data collection tools and the proper measurement methodologies.

Finally, in addition, the relative simplicity afforded by the research setting allows for the isolation and study of cause and effect relationships more readily than under a real world setting (Kerlinger 1973).

The most serious shortcoming of the laboratory setting is its inability to provide a real life abstraction in which to study the variables and relationships of interest (Kerlinger 1973, Churchill 1979, Cox and Enis 1969). This characteristic has been the topic of debate with regard to general research in the marketing area. This debate has focused on the requisite nature of external validity (see Cook and Campbell 1979) in experimental research. External validity "refers to the approximate validity with which we can infer that the presumed causal relationship can be

generalized to and across alternate measures of the cause and effect, and across different types of persons, settings, and times" (Cook and Campbell 1979, p. 83). The essence of this debate is captured in a series of articles on the topic by Caulder et al. (1981, 1982, 1983) and Lynch (1982, 1983). In each, both authors stress the importance of external validity but disagree as to the intensity of its application. Lynch (1983) argues for a greater relative emphasis on external validity in experimental research:

> External validity is highly relevant to theoretical consumer research. Evidence demonstrating that theoretically predicted effects lack external validity - in that they fail to generalize across various levels of background factors presumed to be theoretically irrelevant - would indicate that the theory lacked construct validity (p. 109).

Lynch contends that the validity of generalizations drawn from experimental data is limited by the validity of the apriori specified models of behavior under study. These models tend to guide our treatment, either deliberate or inadvertently, of background variables, experimental design, and data analysis. As a result, Lynch argues, external validity should be as major a concern for theoretical studies as applied forms of research. According to Lynch, if data "supporting" one's theory lacks external validity, then it lacks construct validity as well.

In contrast, Calder et al. (1982) suggests a less strenuous view of external validity in experimental research:

> ...research progress does not require external validity for any single research setting... the applicability or external validity should not be the objective of individual theory tests; rather, it must evolve from scientific progress and address the problems of applying incomplete theories (p. 114).

Calder et al. (1982) stress the inability of a single study to establish external validity. External validity, according to Calder et al., is established over time, through several studies. This position suggests a "walk before you run" approach where concern for construct and internal validity are more important at the theoretical stage of the research process than the generalizability of the results. This position is echoed by Cook and Campbell (1979):

> For persons interested in theory testing it is almost as important to show that the variables involved in the research are constructs A and B (construct validity) ...For investigators with theoretical interests ... the type of validity, in order of importance, are probably internal, construct, statistical... and external validity (p. 183).

A similar assessment of the role of external validity is offered by Kerlinger (1973) who states:

> In basic research,... generalizability is not the first consideration, because the central interest

> is in the relations among variables and why the variables are related as they are. In applied research,... the central interest forces more concern for generalizability because one certainly wishes to apply the research (Kerlinger 1973).

Kerlinger's and Cook and Campbell's statements provide the conceptual base from which the requisite nature of external validity within experimental settings may be assessed. Kerlinger suggests two kinds of research - basic and applied. Each, according to Kerlinger, deserves differing levels of rigor in the area of external validity. Extending this statement, Mcgrath and Brinberg (1983) suggest, that the differing "kinds" of research are really separate "paths" or "sequences of steps for carrying out certain portions of the same overall research process" (p. 116). Within this research process, given the purpose or interest of a single study, i.e. focal interest in substantive, conceptual or methodological matter, the emphasis, attention, and care given to various aspects of validity will differ.

Simulation Setting

The research setting, chosen for the study, falls within the classification of a laboratory setting. The

specific form of laboratory setting employed is described as a simulation. As Jones (1985) has observed:

> ...[A] simulation takes advantage of the rigor and precision of the experimental approach while at the same time allowing you to investigate some of the more complex dynamic processes usually thought of as the provisions of some of the less structured methods (p. 325).

Although not an experimental approach, the simulation allows for a level of control as found in an experimental approach while allowing for the development of a more complex setting. The simulation setting is often regarded as "...an imitation of the processes and products of a system, an initiation that is intended to expose the basic operating characteristics of the system being simulated" (Jones 1985, p. 327). The simulation is an "undercomplication" of an existing system (Kaplan 1964). Its validity is in its ability to represent the processes involved in the system being simulated. Jones (1985) notes four types of simulations: (1) computer simulation, (2) experimental simulation, (3) role playing and (4) games. Game simulations are especially well suited for behavioral research. The usual focus of research using games is in the social interaction that occurs between the game players (Jones 1985). The game attempts to provide a structure with

defined tasks by which the dynamics of interaction may be studied.

The game simulation environment is conducive for the present study for several reasons. First, the setting allows for ease in the data collection process and for data measurement. The setting also allows for the develop of a research design in order to access data as well as design measurement instruments particularly tailored to the study at hand.

Second, the game simulation provided a life-like setting in which variables and relationships of social interaction could be specified and studied. By creating a controlled macro environment in which participants were free to control their micro behaviors, conditions of interest to the study were created and studied.

As with the other alternatives, the game simulation presents some disadvantages. The major limitation of the game simulation is that it is not a superior alternative on any one of the selection criteria. It minimizes the deficiencies of both field and laboratory studies but does not achieve all of their strengths. Another limitation is the limited generalizability of the conclusions of the study given the contrived and abstracted nature of the simulation.

However, as noted earlier, this disadvantage may be outweighed by the contributions that may be provided.

Upon review of the available alternatives, it was found that a field setting, while providing a realistic environment, high external validity and a relative advantage in terms of its availability; did provide several limitations. The most prominent limitation was the difficulty associated with the settings ability to fulfill the requirements of the proposed research, namely to provide matched dyads and allow for the collection of data from each dyad member. While not unattainable, in the context of the study, the resources necessary to accomplish these tasks in a field setting, proved unavailable. In contrast, a game simulation allowed for the development of the necessary behavioral interaction, dyadic matching and the cross dyad member data collection necessary for the objectives of the study. As well, the resources needed for the development of the game simulation were readily available. Additionally, the theoretical context of the study supported the use of the simulation setting, as noted previously. The game simulation was chosen as the research setting for these reasons. The simulation adopted is entitled Market Place and was designed to replicate the microcomputer market channel.

Market Place Game Simulation

The Market Place game simulation involves a computer enhanced simulation of the microcomputer industry. Participants in group teams act as manufacturers and distributors of microcomputers to enduser markets. Manufacturers must sell through distributors to reach final consumers. The objective for each organization is to maximize shareholder wealth. Each manufacturer team is responsible for policy decisions in various areas including:

Plant capacity for production
Brand design of products to be produced
Production volume of designed products
Research and Development areas and expenditures
Advertising copy design
Advertising copy placement
Advertising expenditures
Point of purchase display decisions
Market research composition and expenditures
Financial strategies
Pricing of products
Negotiations with Distributors

Distributor teams are responsible for policy decisions including:

Inventory acquisition
Store opening/closing in sales territories
Number of salesman to a store
Dedication of salesman to Manufacturer brands
Shelf space designation for brands
Market research composition and expenditures
Placement of point of purchase displays
Pricing of products

Negotiations. In order to attain organizational goals, each organization is dependent upon other channel members and must interact with other channel members. This interaction comprises negotiations between manufacturers and distributors in various decision areas. Initially, neither channel member occupies a position of power in the simulation. The ongoing interactions which occur establish and shift the symmetry of power within the simulation. Each team must make decisions in the above areas over an 8-week period. This period of time allows for the development of relationships and the establishment of channel norms and roles. Each week of the simulation comprises a quarter within the normal business cycle of the computer industry. Parameters and cycles within the simulation have been drawn from historical data within the microcomputer industry.

III. RESEARCH DESIGN

This section presents the research design for the study. The design involved a longitudinal sequence of events as illustrated in Figure IV-1 and described in more depth in this section. The sequence of events were developed in order to insure that the study was conducted within accepted boundaries of scientific inquiry.

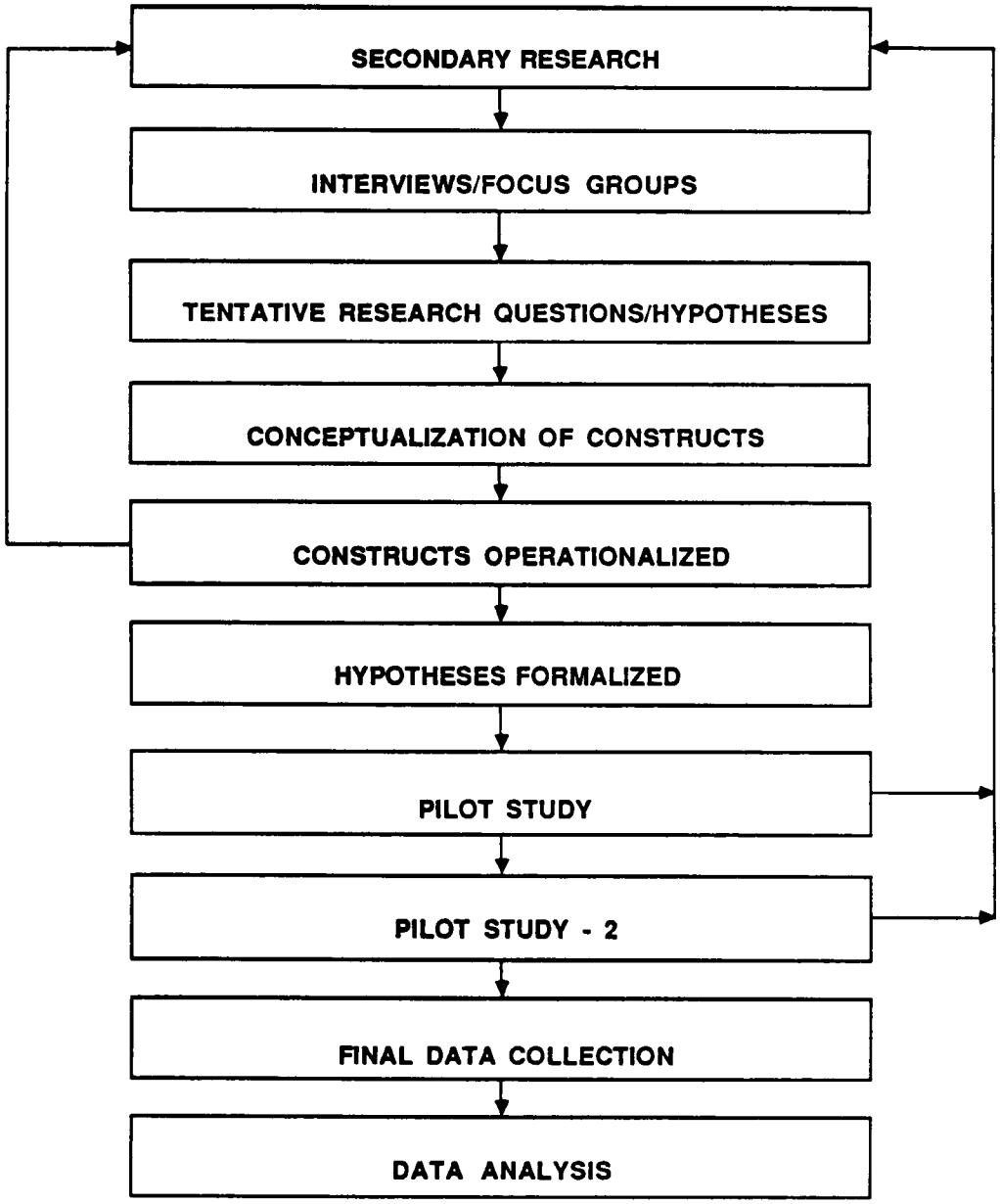


Figure IV-1. Research Design Steps

Secondary Research/Interviews/Focus Groups

Literature regarding the channels area was evaluated first, in order to obtain relevant studies and conceptual research dealing with channel influence, channel power and channel conflict issues. These studies were evaluated and categorized as to their relevant input into the study. A preliminary determination of the relevant constructs and possible questions to be examined was conducted based upon the literature reviewed.

The next step involved interviews and the use of focus groups at two levels. At the first level, discussions with actual channel members were undertaken. This involved informal interviews with channel members in various channels including the hotel franchise, and metal products channels. These discussions centered around influence, including its presence, antecedents, strategies, use and outcomes in the various channel settings. These interviews, in conjunction with the review of secondary literature, served as a basis for the development of the research questions for this study.

The second level of this process involved the use of focus groups with representatives of the sample groups to be used in the pilot study and final study. The first sample

group contained students who participated in a simulation similar to the simulation proposed for the final data collection. The second sample group was composed of actual participants engaged in an earlier version of the Marketplace simulation ultimately used for the final data collection. These focus discussions centered on the constructs of interest and environment provided in the simulation settings to determine if the settings provided the requisite environment necessary for the pilot and final study. Discussants were asked to respond to questions pertaining to the presence, antecedents, strategies, use and outcomes of influence in the simulation setting. These focus group discussions helped to establish the proposed study's strengths and limitations regarding the research questions which could be studied in the simulation setting.

Conceptualization/Operationalization of Variables

As a result of the integration of the secondary research findings, and the interviews and focus groups, the actual constructs of interest were determined and the relevant research questions developed. This step was followed by the operationalization of the variables for the study. This step involved returning to the literature base

and reviewing, more critically, the operationalizations utilized in past channel research. Each construct was operationalized and measures developed based upon evaluations of several past methodologies. Particular attention was given to operationalizations used in past simulation studies using similar respondents as were proposed for the present study.

Once the variables of interest were operationalized and their measurement methodologies developed, the measures were again submitted to rigorous review by focus groups. These focus groups, as before, contained representatives who participated in a earlier version of Market Place. Discussants were asked to recall incidents of their involvement in the simulation setting which were thought to be similar to the channel interaction required under the proposed study. Discussants were asked to complete a questionnaire similar to the questionnaire employed in the final study. Upon completion of the questionnaire the discussants were asked to convey what each question and response meant to them as it related to their experience in the simulation. This information provided insight into the measurement tools ability to capture and discern the relevant constructs for the study. Information obtained in

the focus groups also provided additional insight into the development of the hypotheses for the study.

Pilot Study

In order to obtain additional information pertaining to the measurement tools, as well as test the actual data collection format, a pilot study was conducted in a related simulation setting as described above. The setting employed for the pilot study was a less sophisticated channel simulation than the Market Place simulation and was entitled Chips. Its ability, however, to provide the requisite environment for the necessary channel interaction is documented from its past use (Keyt 1980, Cadotte 1986).

The pilot study involved the collection of data from manufacturers and distributors who participated in the channel game. Respondents were asked to complete questionnaires similar to the questionnaire employed for the final study.

All pilot questionnaires were screened and evaluated for completeness and accuracy. Data from the questionnaires were then coded and keypunched. This raw data was checked at random against the keypunched data to insure accuracy of the keypunch process.

In order to assess the usefulness of the measurement tools, the reliability of each multi-item scale was assessed via coefficient alpha. All of the scales yielded a coefficient alpha near or in excess of .70, which Nunnally (1978) recommends for basic research.

Once reliability had been assessed and established, the measurement scales were evaluated for their construct validity. Factor analysis was employed in order to assess the dimensionality of the scales. In addition, correlation analysis was used to assess the uniqueness of each construct and whether or not theoretical relationships between the constructs was supported by the data. These procedures yielded results which were consistent with what was expected at this exploratory research stage. The results of the pilot study were employed to further refine the measures for the proposed study.

Pilot Study - 2

The initial pilot study provided valuable information for the development and refinement of the measures and procedures to be employed in the final data collection. Prior to the final data collection effort, a second pilot study of the questionnaire was conducted. This second pilot

study provided information relative to the revised and expanded questionnaire's application within the actual Market Place setting. A multi-day pilot study of the Market Place simulation was conducted. Six graduate students played the role of three manufacturers and three distributors and conducted interactions as would be found in the actual simulation.

At the end of the simulation, respondents were given a questionnaire similar to the questionnaire employed for the final data collection. The questionnaire requested respondents to recall incidents of channel interactions with channel members during the pilot simulation. Each respondent was asked questions pertaining to power, influence strategies, attributed influence and conflict. Upon completion of the questionnaires, respondents were debriefed as to each questions accuracy and particular meaning to the respondent as well as their response rationale.

Final Data Collection

The preceding exploratory work lead to additional refinement of the measurement tools and the data collection procedures. In this section, the procedures for the final

data collection are presented. The actual measures employed in the final data collection are more fully described in the next section.

For the final data collection, two data sets were obtained, one in the fall of 1986 and the other in the winter of 1987. For the fall 1986 data collection, respondents were recruited from an MBA marketing strategy course in which the Market Place simulation was employed. For the winter 1987 data collection, respondents were recruited from an undergraduate marketing strategy course in which the Market Place simulation was also employed. In each instance, the simulation extended over a period of 8 weeks. For the fall data collection the simulation included 3 manufacturer and 4 distributor teams. For the winter data collection, the simulation included 6 manufacturer and 6 distributor teams. For each data collection, the seventh week of the simulation was denoted as the final data collection period. Gathering the data at this latter point during the simulation allowed for the fuller development of channel relationships and reduced the possibility of initial simulation learning from biasing the respondents answers. Further, by gathering the data prior to the end of the 8-week simulation period, the possibility of bias from

collecting data during the "wind-up" of the game, was reduced.

For both data collections, individual respondents were given a packet which contained a cover letter explaining the intent and purpose of the study and initial instructions for completing the questionnaire.

For both the manufacturers and distributors, a General Questionnaire was included. This questionnaire contained demographic and ranking questions pertaining to the respondents and their channel partners. This questionnaire served two purposes: (1) to gather general information regarding the respondents, and (2) to determine which of the channel partners the respondents would evaluate. General information included demographic and labeling data. In order to determine which channel partners the respondent would report on, two ranking questions were included. The first question asked the respondent to assess which channel partner they dealt with most often, as determined by purchases (distributor) or sales (manufacturer). The second question required respondents to determine, considering all factors, their primary, secondary, third etc. channel partner. Based upon the results of this question, the respondents were directed to evaluate their primary channel partner first, followed by their second and then their

third. By having respondents answer in this format, the most active dyad was evaluated first, followed by the second and then the third.

The process described above allowed data to be collected from only "active" dyad relationships. In addition, for the Individual Dyad Questionnaires respondents were asked to recall and answer with regard to the last three quarters (time of play) only. This was done to reduce the possibility of learning bias, as discussed above.

The Individual Dyad Questionnaires for each specific channel partner were also included in the packet. As previously described, only the primary, secondary and third channel partners were evaluated by the respondents. These dyad questionnaires contained questions regarding the constructs of interest for the study. The first set of questions related to the respondent's perception of their channel partner's power. These questions were followed by questions pertaining to the respondent's attributions of influence. The next set of questions contained items identifying strategies of influence which the respondent perceived the channel partner to employ during the simulation period. The final set of questions were directed at measuring the level of affective conflict perceived by the respondent in the channel relationship. This sequence of

questions was chosen in order to reduce the possible bias produced through question ordering.

Upon completion of the Individual Dyad Questionnaires, each respondent was asked to complete a Closing Questionnaire. This questionnaire contained questions pertaining to all of the respondent's channel partners. These questions dealt with global perceptions of the respondents regarding their channel partner's activities and performance during the simulation.

In addition to the perceptual measures, unobtrusive measures were collected from various sources within the simulation for the major constructs of interest. These measures and their sources as well as the perceptual measures are described in the following section.

IV. MEASUREMENT OF RESEARCH VARIABLES

In this section the sources and procedures utilized for the development of the variable measures are discussed and explained. A description and discussion of the steps leading to the measure's development is presented along with the measures. Both perceptual and unobtrusive measures were employed in the study. The actual research instrument employed for the perceptual measures is presented in

Appendices B and C. Appendices D and E contain the unobtrusive measures employed in the study (including measures employed for the validation process) and the protocols utilized for their derivation.

Perceptual Measures

Influence Communication Strategies

The influence communication strategy measures employed in the study are adaptations of measures implemented in previous research and conceptual literature by Frazier (1984), Frazier and Sheth (1985), Gaski and Nevin (1985), Gaski (1986), Kale (1986) and Gaski (1987). As discussed in Chapter II, past conceptualizations of these strategies have been incomplete because most have been composed of single item scales. The measures developed for the study attempted to capture a nonredundant classification of prior conceptualizations and expand the scales to include multiple items. Each strategy was operationalized with multiple tactics to represent multiple items for the overall strategy. These tactics were developed through extensive focus group interviews with respondents in the pilot study phases. For the communication strategies classified as

"threats" and "promises", subclassifications of (1) operational, (2) economic, and (3) global tactics were developed and scaled.

The influence communication strategy measures required respondents to recall communication tactics utilized by opposing channel members in order to attempt to influence their organization. Respondents were asked to consider the frequency of these attempts during the previous two quarters of play during the game. A 7-point scale requiring respondents to answer ranging from "never" to "very frequently" was employed for each communication influence strategy. Appendices B and C contain the questions and instructions employed for the influence communication strategies measure.

Influence Behavior Strategies

In order to measure influence behavior strategies, previous measures utilized in research, as well as discussed in conceptual articles, were adapted and employed in the study. These included studies and conceptual work by: Michie (1978), Wilkinson and Kipnis (1978), Gaski and Nevin (1985), Frazier and Sheth (1985), Gaski (1986) and Gaski (1987). In addition, focus group interviews provided

information as to the various items which should be included in these measures.

The behavior strategies comprised both reward and punishment tactics and represented nonverbal activities on the part of the focal organization. For both reward and punishment behaviors, subclassifications of (1) operational, (2) economic, and (3) global tactics were developed and scaled. The measures required the respondents to indicate the frequency in which the opposing channel members participated in specific "kinds of action" in their dealings with the channel member. A 7-point scale ranging from "never" to "very often" was employed. Appendix B and C contain the questions and instructions employed for the influence behavior strategies measure.

Attributions of Influence

In order to assess the channel member's attributions of influence, previous measures developed by Hunt and Nevin (1974), Etgar (1978) and Lusch and Brown (1982) were reviewed. These measures asked respondents to gauge the level of "control" or "responsibility" of an opposing channel member. In addition, a measure of attributed influence developed by Kale (1986), which also asked

respondents to gauge the level of "control", was reviewed. These measures were felt to only represent a singular position of attributed influence along a continuum of influence. "control" appears to represent the "domination" or "command" of a channel member, but not the more subtle levels of influence which might be found in a channel context.

The measure that was developed for attributed influence asked the respondent to gauge "how much influence" an opposing channel member had over their organization. A 10-point scale requiring respondents to answer ranging from "no influence" to "complete control" was employed. The scale included items which attempted to represent the domain of the decision areas for each channel member. Appendix B and C contain the questions and instructions employed for the attributed influence measure.

Conflict

An affective (felt) measure of conflict developed by Stern, Sternthal and Craig (1973) and later used by Hunger and Stern (1976) was adapted for use in the study. This dimension of conflict was chosen due to its representation of emotions and feelings of the respondents. The measure

consisted of a 7-point Semantic Differential scale containing 18 bipolar adjectives. Appendix B and C contain the questions and instructions employed for the conflict measure.

Unobtrusive Measures

Several sources of unobtrusive measures were available in the simulation. This section details these unobtrusive measures and their rationale. The sources of these measures included manufacturer and distributor interim and final reports, contracts and data from decisions and simulation results. Data gathered through unobtrusive means provides more objective data than perceptual based approaches (Churchill 1976). Appendix D and E contain the descriptions of the protocols employed in order to obtain the unobtrusive measures. The rationale for each unobtrusive measure is provided below.

Power

The Emerson (1962) conceptualization of power as the obverse of dependence was employed as the measure of channel member power. For manufacturer power, the level of

contribution margin as a percentage of overall contribution margin a distributor derived from a particular manufacturer, was employed to indicate the level of dependence that distributor had on the manufacturer.

For distributor power, the level of contribution margin, as a percentage of overall contribution margin, a manufacturer derived from a particular distributor, was employed to indicate the level of dependence that manufacturer had on the distributor. Both of these dependence indicators were employed as obverse measures of power possessed by the channel members.

V. SUMMARY

In this chapter the research design employed for the study has been presented and discussed. This discussion included an evaluation of possible research settings for the study and a discussion of the game simulation chosen for the study. In addition, the longitudinal research design steps employed in the study were reviewed. The final section within the chapter presented and discussed the measures developed in order to measure the variables of interest in the study.

CHAPTER V

EVALUATION OF THE DATA

I. INTRODUCTION

In this chapter the data and measures employed in the study are evaluated. Data collected in the study is described and the unit of analysis is developed. Additionally, the measures developed for the study are evaluated for their reliability and validity.

The chapter begins with a section which describes the characteristics of the simulation participants. The second section contains a discussion of the unit of analysis employed for the study. The third section in the chapter discusses the steps taken in the aggregation of the data collected. The fourth section describes the procedures and results for evaluating the reliability of the measures for the study. The last section of the chapter presents the procedures and results for the investigation of the validity of the measures.

II. CHARACTERISTICS OF SIMULATION PARTICIPANTS

For the analysis, two (2) sets of data were collected. One data set consisting of 33 Master of Business Administration students was collected in the fall of 1986. A second data set consisting of undergraduate marketing majors was collected in the winter of 1987. The following section contains the characteristics of these two data sets. A summary of the characteristics of the two data sets is shown in Table V-1.

Fall 1986

Data was collected from 33 Master of Business Administration (MBA's) students who participated in the Market Place simulation during the fall of 1986. Eighteen (18) respondents were representatives of manufacturer organizations. Of these eighteen respondents, 61.1% and 38.9% of the respondents were male and female, respectively. The mean age of the respondents was 27.72 and ranged from 22-41 years of age. 33.3% of the respondents were marketing majors, 33.3% finance majors, 5.6% accounting majors, and 21.8% undefined majors. 94.4% of the respondents were in their second year of the MBA program. The average number of years of previous work experience was 4.72 years (not including summer work etc.) and ranged from 0 to 22 years.

Table V-1. Characteristics of Simulation Participants

Measure	Fall Data	Winter Data
All Respondents		
Program	MBA	Undergraduate
Total Number of Student Respondents	33	58
Manufacturer Data		
Number of Respondents	18	29
Male Respondents	61.1%	52.1%
Female Respondents	38.9%	47.9%
Mean Age	27.72 years	22.23 years
Age Range	22-41 years	21-33 years
Major Area of Study		
Marketing:	33.3%	100.0%
Finance:	33.3%	000.0%
Accounting:	05.6%	000.0%
Management:	00.0%	000.0%
Undefined:	21.8%	000.0%
Year in Major Program		
Terminal Year:	94.4%	82.3%
Other:	05.6%	17.7%
Mean Number of Years of Previous Work Experience	4.72 years*	4.03 Years**
Range of Number of Years Previous Work Experience	0-22 years	1-10 years
Distributor Data		
Number of Respondents	15	29
Male Respondents	61.1%	36.7%
Female Respondents	38.9%	63.3%
Mean Age	26.20 years	23.90 years
Age Range	22-35 years	21-43 years
Major Area of Study		
Marketing:	40.0%	100.0%
Finance:	40.0%	000.0%
Accounting:	00.0%	000.0%
Management:	06.7%	000.0%
Undefined:	13.3%	000.0%
Year in Major Program		
Terminal Year:	100.0%	73.7%
Other:	000.0%	26.7%
Mean Number of Years of Previous Work Experience	3.13 years*	4.40 Years**
Range of Number of Years Previous Work Experience	0-9 years*	1-18 years**

* Years of work experience does not include summer jobs.
** Years of work experience includes summer jobs.

Fifteen (15) of the 33 MBA respondents represented distributor organizations. Of these fifteen respondents, 61.1% and 33.3% of the respondents were male and female, respectively. The mean age of the respondents was 26.2 and ranged from 22-35 years of age. 40.0% of the respondents were marketing majors, 40.0% finance majors, 6.7% management majors, and 13.3% undefined majors. All of the respondents were in their second year of the MBA program. The average number of years of previous work experience was 3.13 years (not including summer work etc.) and ranged from 0 to 9 years.

Winter 1987

In addition to the fall 1986 data, data was collected from 58 Undergraduate business students who participated in the Market Place simulation in the winter of 1987. Twenty-nine (29) of these respondents represented manufacturer organizations. Of these 29 respondents, 52.1% and 47.9% of the respondents were male and female, respectively. The mean age of the respondents was 22.23 and ranged from 21-33 years of age. All of the respondents were marketing majors. 82.3% of the respondents were in their fourth year of the their program, 17.7% were in either their

second or third year. The average number of years of previous work experience was 4.03 years (including summer work experience) and ranged from 1 to 10 years.

Twenty-nine (29) of the 58 undergraduate respondents represented distributor organizations. Of these 29 respondents, 36.7% and 63.3% of the respondents were male and female, respectively. The mean age of the respondents was 23.9 and ranged from 21-43 years of age. All of the respondents were marketing majors. 73.7% of the respondents were in their fourth year of the their program, 26.7% were in either their second or third year. The average number of years of previous work experience was 4.40 years (including summer work experience) and ranged from 1 to 18 years.

Comparison of Data

Comparing the data from the fall and winter, data gathered in the fall 1986 was comprised of MBA students while the winter 1987 data contained undergraduate respondents. In addition to this difference, the total number of students for each data collection varied. Data for the fall 1986 collection contained 33 respondents. Data collected in the winter 1987 contained 58 respondents. Within each data collection, the number of respondents

representing manufacturers and distributors was nearly equal. A greater proportion of the respondents were male across both data sets and within each organization with the exception of distributors in the winter 1987 data. The mean age was slightly higher for the respondents in the fall 1986 data. The major area of study for the fall 1986 data was distributed across the various discipline areas while the winter 1987 data contained only marketing majors. Almost all of the respondents for the fall 1986 data were in the terminal year of their program. Data collected in the winter 1987 contained respondents both in the terminal and nonterminal year of their respective programs.

As expected, differences as well as similarities were present in the data collected. These differences were expected given constraints present in the simulation design and data collection format.

III. UNIT OF ANALYSIS

Prior studies which have explored interorganizational interaction have not employed the organization as the unit of analysis (Frazier and Summers 1986, Kale 1986, Gaski and Nevin 1985). Rather, these studies have utilized key

informants within the organization for their data collection. Problems may occur with this methodology of data collection. Data gathered from a single individual within a complex organization may not be representative of the organization's perception. An individual respondent may not be familiar with all aspects of the organization or be biased given the position within the organization the individual holds (for example, accounting versus marketing positions). In addition, Phillips (1981) has pointed out statistical problems encountered when employing key informants in channel studies. These problems are a result of the method variance present with this form of measurement. These problems include: (1) the use of informant methodologies precludes the rigorous assessment of construct validity, (2) prohibits a determination of the extent to which variation in measures is due to the concepts of interest, (b) systematic error, or (c) random error, and (3) requires the respondent to make complex judgements on potentially sensitive or controversial issues. In an effort to avoid these problems, coupled with the research design which allowed for the methodology, the organization was chosen as the unit of analysis for the study. This required the aggregation of the individual organizational members into a single organizational unit. In this section, the

steps taken for the development of the organizational unit of analysis are presented. The steps are summarized in Figure V-1.

For the study, each organization was composed of either four (4) or five (5) members. Data was collected from each organizational member. Upon consultation with instructors involved in the Market Place simulation and independent observation, it was concluded that some members of each organization did not have knowledge, or were not involved with the variables and activities of particular interest to the study. For example, organizational members who were involved in only financial activities, as a result of their position, may not have participated, or had knowledge, of the power relationships between the channel members. This required their screening from the organizational unit of analysis.

In order to identify the three (3) most highly involved participants for the organizational unit of analysis, a Delphi process was employed. The Delphi process is a unique method of generating and refining group judgement and is based on the premise that several participant inputs are better than a single judgement when exact knowledge is not available (Jolson and Rossow 1971). The basic approach for the Delphi process is to collect anonymous judgements by

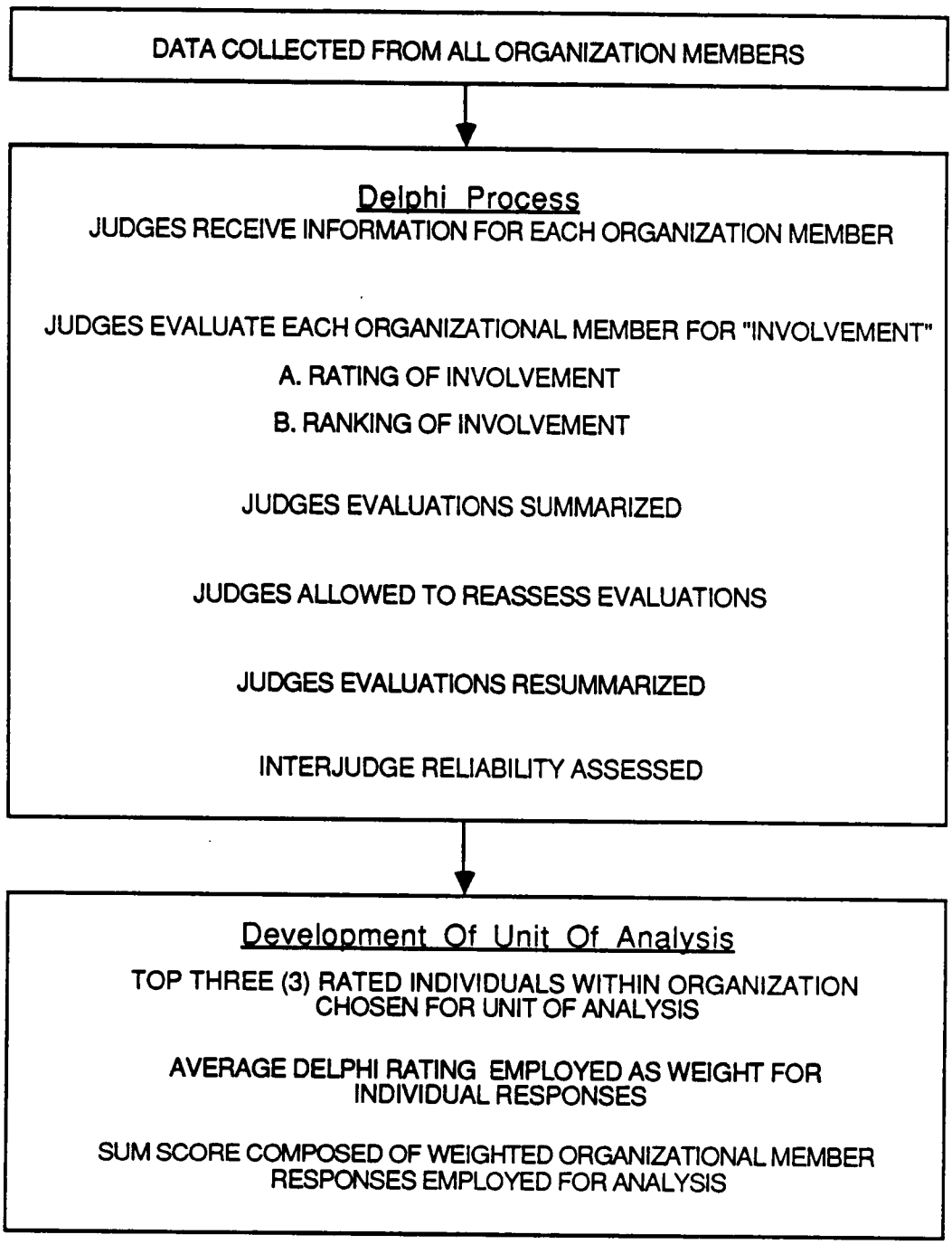


Figure V-1. Delphi Process and Development of Unit of Analysis

questionnaire, summarize these responses as the group consensus, and return this summary along with a second questionnaire to the judges for reassessment. The underlying belief is that the consensus estimate will tend to approach the true state of nature after several iterations of group judgment (Best 1974). While this procedure may continue for several iterations, studies have shown essentially no significant change after the second iteration (Best 1974).

For the application of the Delphi process to the current study, three (3) participants familiar with the Market Place simulation were recruited to act as judges. Each judge was briefed on the research and provided information and instructions pertaining to the Delphi process. Data employed for the process contained information related to the level of involvement of each organizational member in his/her organization. This information included: (1) organizational member's self-report information regarding the member's involvement, (hours involved in negotiations, estimate of familiarity with other channel members, ratings of channel members as primary, secondary business partners, and perceptions of the percentage of total business derived from channel partners); (2) objective data pertaining to the organization (actual

sales/purchases to/from other channel members); and (3) an instructor's rating of each organizational member's participation in the simulation. Table V-2 contains a summary of this information.

Initially, each judge was asked to evaluate and rate from 1-100, based upon the information provided, each organizational member for their involvement in negotiations and interactions with opposing channel members. In addition, each judge was asked to evaluate and rank (first, second, third, etc.) the three (3) individuals who were perceived to be the most involved with regard to negotiations and interaction with opposing channel members. These ratings and rankings were collected from each judge and summarized. The summary contained, for each individual organizational member, a disguised listing of the each judge's rating and ranking and the average of the ratings. This summary and the judge's original worksheet were returned to each judge for reassessment. Each judge was asked to review the information and reevaluate the original rating or ranking. A space was provided for each judge to adjust the original rating or ranking.

In order to gauge the relative consistency of the judge's evaluations, inter-judge reliabilities employing Pearson Product Moment correlations were calculated before

Table V-2. Delphi Process Variables

Information For Delphi Process
1. Individual.
2. Organization.
3. Number of hours the respondent was personally involved in negotiations with another organization.
4. Respondent's perception of the number of hours the respondent personally discussed with other members of his organization, the organization's relationship with another organization.
5. Respondent's perception of how familiar (1=not at all familiar, 7=extremely familiar) the respondent was with his organization's relationship with another organization.
6. Respondent's rating of an opposing channel member as a primary (1), secondary (2), etc. supplier or outlet. A response of (4) indicates that the respondent's organization did not use the supplier or outlet. Each respondent's observations are ranked beginning with the primary relationship, secondary, etc.
7. Respondent's perception of the percentage of purchases or sales their organization made to another organization.
8. Respondent organization's actual purchases or sales made to another organization.
9. Instructor's rating of the level of involvement (1=low involvement, 5=high involvement) each member within an organization had with the organization's decisions.

the application of the Delphi process. This estimate of scorer reliability is often employed where researchers rely on judgement to classify responses (Tull and Hawkins 1980). Prior to the application of the Delphi process the average inter-judge correlation was .703107 (range .57656 to .77216). In addition, the relative similarity of the judges evaluations were assessed after application of the Delphi process. The average inter-judge correlation after the application of the Delphi process was .87245 (range .85689 to .89552). The value of these average correlations was determined to be of sufficient magnitude for the study. Table V-3 shows the actual inter-judge correlations.

In order to obtain the organizational unit of analysis three (3) steps were employed. First, the three (3) highest rated organizational members were determined from the results of the Delphi process. Second, the average rating generated from the Delphi process was assigned to each of the three (3) highest ranked organizational members. Finally, the assigned rating was employed in a weighted composite summation of the organizational member's responses. This process allowed for assignment of greater weight to those organizational members perceived to be more involved with the activities and variables of interest for the study. This composite score, representing the weighted

Table V-3. Delphi Process Inter-judge Correlation Matrix

	Judge 1	Judge 2	Judge 3
Prior to Application of Delphi Process			
Judge 1	1.0	.77216	.57656
		(.0001)	(.0001)
Judge 2		1.0	.76060
			(.0001)
Judge 3			1.0
After Application of Delphi Process			
Judge 1	1.0	.85689	.86495
		(.0001)	(.0001)
Judge 2		1.0	.89552
			(.0001)
Judge 3			1.0

average of the three most involved members, was employed in all subsequent analysis.

Fall 1986 Data

As a result of the above process, 6 of the 18 manufacturer respondents from the fall 1986 data were screened from inclusion in the final respondent group. The 12 remaining manufacturer respondents, in groups of three (3), represented 4 organizations and comprised nonindependent observations of 9 channel relationships. Data relative to these 9 channel relationships composed the data employed in the study. For distributor respondents, 6 of the initial 15 respondents were screened from inclusion in the respondent group. The 9 remaining distributor respondents, in groups of three (3), represented 3 distributor organizations and comprised nonindependent observations of 9 channel relationships. Data relative to these 9 channel relationships composed the data employed in the study.

Winter 1987 Data

For the winter data, 11 of the 29 manufacturer respondents were screened from inclusion in the final respondent group. The 18 remaining manufacturer respondents, in groups of three (3), represented 6 organizations and comprised nonindependent observations of 18 channel relationships. Data relative to these 18 channel relationships composed the data employed in the study. For distributor respondents, 11 of the initial 29 respondents were screened from inclusion in the respondent group. The 18 remaining distributor respondents, in groups of three (3), represented 6 distributor organizations and comprised nonindependent observations of 15 channel relationships. Data relative to these 15 channel relationships composed the data employed in the study.

As noted above, data employed in the study represented observations by respondents of multiple channel partners. The nature of the simulation allowed for multiple channel member interaction and channel members generally maintained relationships with several channel partners. Observations of these multiple channel relationships by respondents within an organization represent nonindependent observations. These nonindependent observations may produce respondent bias and provide a limitation represented in the data.

IV. AGGREGATION OF SIMULATION DATA

For the analysis, data which was collected in the fall of 1986 was aggregated with data collected in the winter of 1987. The main consideration which contributed to this step was that of statistical power. Given the constraints of the simulation, a limited number of organizational units were available for the study. The fall data was comprised of 9 manufacturer observations and 9 distributor observations. The winter data was comprised of 18 manufacturer observations and 15 distributor observations. The analysis of these data independently, without aggregation, would have presented severe statistical limitations. This section contains a discussion of the steps taken to assess and evaluate the differences between these data, the impact of these differences on the study and the subsequent aggregation of the data.

As with many experimental designs, differences existed between participants for each data collection. MBA's were employed in the fall data collection, while undergraduate marketing majors were employed in the winter data collection. As noted earlier in the chapter, several demographic differences were also indicated. Another difference involved the structure of the research setting.

For the fall data collection, four (4) manufacturers and three (3) distributors participated in the simulation. For the winter data collection, six (6) manufacturers and six (6) distributors participated in the simulation.

As a result of these differences, it was necessary to assess and evaluate their impact upon the aggregation of the two data sets. Two steps were taken to assess the impact of these differences and included: (1) MANOVA of the fall and winter data sets employing the major variables in the study, and (2) comparison of the interrelationship (Pearson Product Moment Correlations) of the major variables across the fall and winter data sets. The procedures and findings of these steps is presented below.

MANOVA is a statistical technique which allows for the comparison of group mean differences on two or more dependent criterion variables simultaneously (Churchill 1979). The technique is a multivariate extension of the univariate technique ANOVA.

In the present study, separate MANOVA tests were conducted for the manufacturer data and for the distributor data. The dependent variables employed for each analysis included: channel member power, attributions of influence, conflict, and communication and behavior influence strategies. The independent variables included the fall

data and winter data for both the manufacturer and distributor. For the manufacturer data, the observed F value equaled 3.51 which corresponded to a p-value of .0156 with 13 and 13 degrees of freedom. For the distributor data, the observed F value equaled .73 which corresponded to a p-value of .7039 with 13 and 10 degrees of freedom.

The above results indicate a significant difference between the fall and winter manufacturer group centroids (group means) comprised of the major variables in the study. The results were not significant for the distributor data. These results suggest that, at least for the distributor data, differences did not exist between the fall and winter groups as represented by the group centroid means. For the manufacturer data, a statistical difference did exist between the group centroid means. However, this information was considered indeterminant in evaluating the impact of aggregating the fall and winter data. As noted previously, MANOVA is directed at testing for differences across group as represented by centroid means. Given that the objective of the study was to investigate the interrelationships of variables, MANOVA does not provide sufficient information for discerning the full impact of aggregating the data on these interrelationships.

In an effort to further investigate the similarities and differences existing between the groups, major variables within both the manufacturer and distributor data for fall and winter were correlated employing Pearson's correlation analysis and compared. This approach allowed for a direct examination of the interrelationship of the variables in the study. This comparison indicated the correlations of the major variables across the fall and winter data were consistently in the same direction. The magnitude of these varied. Table V-4 contains the matrix of correlations for both data sets including manufacturer and distributor data. As indicated in Table V-4, the correlation between attributed influence and conflict for both the manufacturer and distributor data varied from fall to winter. The magnitude of the correlations of these variables, for the fall data, were greater than those found in the winter. In addition, the correlation between manufacturer's attributed influence and distributor power, for the winter data, was lower in magnitude than the correlations of the variables in other instances. As a result of these differences, only a modest claim may be made for the similarity of the internal relationships of the variables across the fall and winter data.

Table V-4. Correlations of Major Variables for Fall 1986 and Winter 1987 Data

Measures	Power[1]	Attributed Influence[2]	Conflict[3]
Manufacturer Data (Distributor Respondents and Objective Data)			
Measures (Fall) n=9			
Power of Mfg. (obj.)[1]			
Dist. Attributions of Mfg.'s Influence[2]	.61003 (.0811)		
Conflict perceived by Dist.[3]	-.55596 (.1201)	-.47071 (.2010)	
Measures (Winter) n=15			
Power of Mfg. (obj.)[1]			
Dist. Attributions of Mfg.'s Influence[2]	.40954 (.1295)		
Conflict perceived by Dist.[3]	-.42435 (.1149)	-.01569 (.9557)	
Distributor Data (Manufacturer Respondents and Objective Data)			
Measures (Fall) n=9			
Power of Dist. (obj.)[1]			
Mfg. Attributions of Dist.'s Influence[2]	.88931 (.0013)		
Conflict perceived by Mfg.[3]	-.72727 (.0264)	-.69057 (.0395)	
Measures (Winter) n=18			
Power of Dist. (obj.)[1]			
Mfg. Attributions of Dist.'s Influence[2]	.06568 (.7957)		
Conflict perceived by Mfg.[3]	-.27867 (.2628)	-.24085 (.3357)	

[1]Channel member power was operationalized employing Emerson's (1962) dependence conceptualization of power. The percentage of a channel partner's total dollar value of contribution margin derived from a channel member reflected the channel member's level of power.

[2]A channel member's attributions of influence by a channel partner was operationalized through a perceputally based measure of attributions of influence by the channel member.

[3]A channel member's perceptions of conflict within the channel relationship was operationalized through a perceptually based measure of affective conflict by the channel member.

The evidence regarding the statistical interrelationships of the data, coupled with considerations of statistical power, were evaluated for the final decision regarding the aggregation of the data. Each represented a trade-off as to limitations for the study. Aggregating the data, given the differences in the magnitudes of the correlations, would contribute to possible attenuation of the relationships existing in the data. Conducting the analysis separately on the fall and winter data would contribute to low statistical power. It was determined that the aggregation of the fall and winter data, with the possibility of attenuation of the results, presented the least problematic outcome. The fall and winter data were aggregated and employed in subsequent analysis. For the manufacturer respondents, 27 observations comprised the data. For the distributor respondents, 24 observations comprised the data.

V. RELIABILITY AND DIMENSIONALITY

Reliability involves assessing the repeatability and consistency of empirical results (Zeller and Carmines 1980). A related evaluative procedure, dimensionality is concerned with the dimensional qualities of the empirical results.

For this study, it was not practical to assess the repeatability or stability of the data.

For the study, several steps were taken in the assessment of reliability and the investigation of the dimensional qualities of the measures. These steps are summarized and shown in Figure V-2. The following sections contain a discussion of these steps. Due to the repetitive nature of this process, the results of these steps are summarily presented in tables and appendices.

Reliability

Initial Internal Consistency Assessment

The first step for the investigation of reliability involved an initial assessment of the internal consistency of the multiple-item scales employing Chronbach's alpha (Chronbach 1951). This initial step provided tentative evidence regarding the internal consistency of the scales and did not represent the final coefficient alpha for each scale.

Chronbach's alpha is generally preferred over other forms of assessing reliability due to its ability to effectively examine all possible split-half correlations

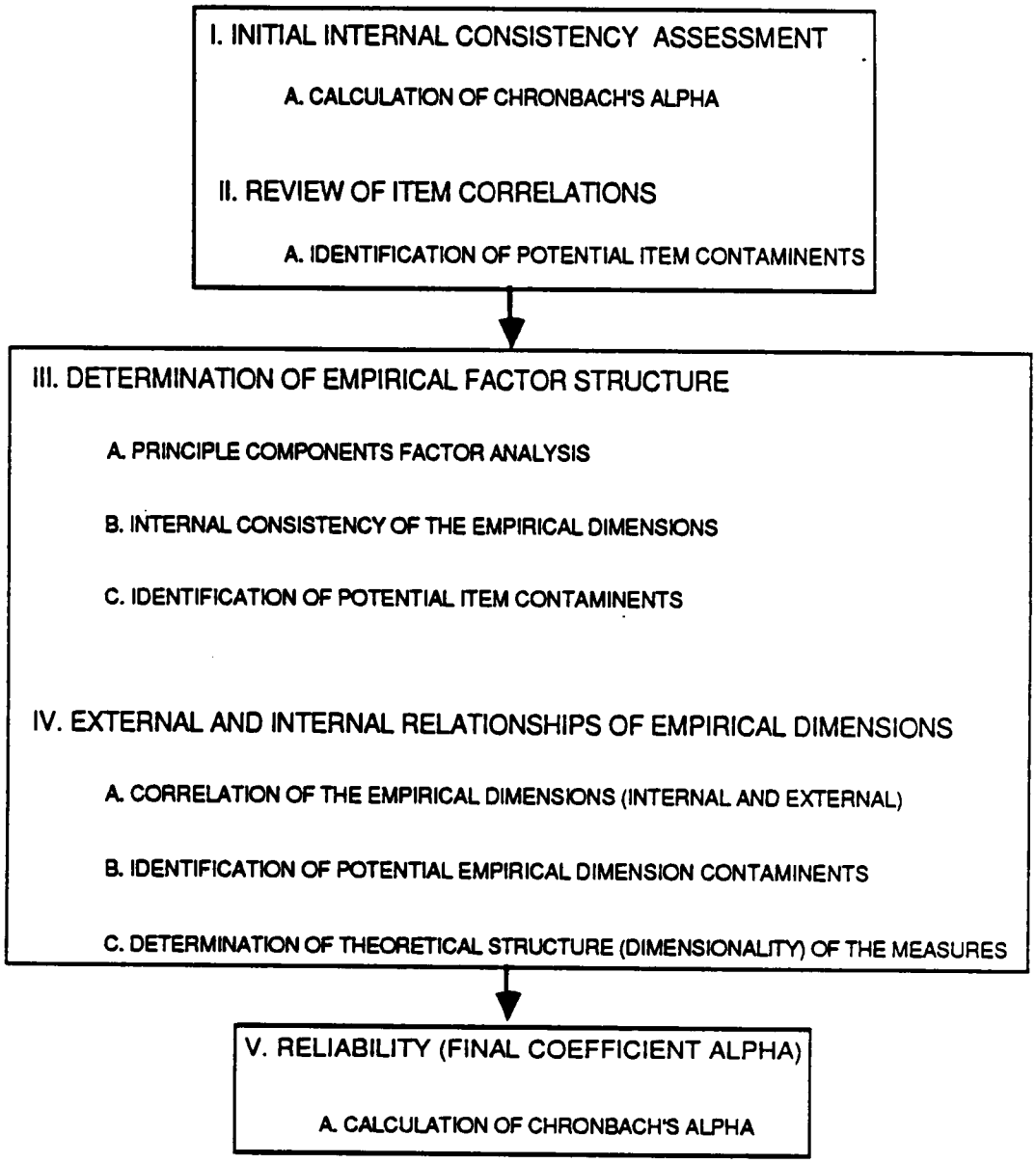


Figure V-2. Process for Evaluation of the Measures

between items within a scale. In general, Chronbach's alpha takes on a larger value (between .00 and 1.00), as: (1) the average correlation among the items within a scale increases, and (2) the total number of items within the scale increases (Zeller and Carmines 1980). The interpretation of Chronbach's alpha requires the researcher to bear these outcomes in mind. Nunnally (1978) has suggested the minimum acceptable alpha level be set at .70 for basic research.

For the study, items which contributed to a Chronbach's alpha being less than .70 were considered suspect and held as potential contaminants to the scale. These items were further investigated as described in the following sections. The other items within each scale were also included in this investigation; however, the items considered suspect were flagged for explicit consideration in the process.

Calculation of Chronbach's alpha. For the study, Chronbach's alpha was calculated for each multiple-item scale in the study. The magnitude of the alpha was employed as an initial determinant of the internal consistency of each scale. As noted previously, limitations in the calculation of Chronbach's alpha require consideration of additional factors in the assessment of a scale's internal

consistency. The initial calculation of Chronbach's alpha indicated every scale exceeded the .70 standard suggested by Nunnally (1978). These results provided tentative evidence of the internal consistency of the multiple-item scales.

Review of Item Correlation Matrix

The second step in the investigation of the reliability of the multiple-item scales involved an examination of the correlation matrix and item-to-total correlations of items within each multiple-item scale. As noted previously, coefficient alpha is sensitive to the pattern of inter-item correlations and the number of items within a scale. As a result of these limitations, it is important to examine the relationship of the items within a scale directly.

Identification of potential item contaminants. In the study, minimum, as well as the mean correlations for each item within a scale, were reviewed for patterns of low correlations. In addition, item-to-total correlations were reviewed. Item-to-total correlations which revealed an item to total correlation of less than .30 were considered suspect and held as potential contaminants to the scale. These items were investigated further, as described in the

following sections. Other items within each scale were also included in this investigation.

Employing .30 as the standard for the item to total correlation evaluation appeared prudent given the high initial coefficient alphas produced by the scales. At the same time, a .30 item to total correlation was thought to be low enough to identify problem items not detected through the coefficient alpha procedure.

As a result of the above procedure, several items within the various scales were identified as potential contaminants to the internal consistency of the scales which would not have been previously identified through assessment of the internal consistency of the scales employing Chronbach's alpha. These items included:

Manufacturer Respondent Data

Promises	("To set a retail price which would increase the sale of your brand if you would comply")

Distributor Respondent Data

Power	("...if [manufacturer] tried to influence you to purchase a brand you did not want...")
Attributed Influence	("... shelf-space locations")
Threats	("To stop/not agree to pay for store opening/operating costs if you did not comply")

	("To stop/not agree to pay salespeople salaries if you did not comply")
	("To stop/not agree to give you a loan or financial support of any kind if you did not comply")
Punishments	("Implement legal action against you")

Dimensionality

As a parallel step to the assessment of the internal consistency of the multiple-item scales, a second assessment was conducted. This assessment involved the investigation of each multiple-item measure's dimensional qualities. Given the constructs and complex nature of the measures employed in the study, the finding of measures composed of multiple empirical dimensions (i.e. factors determined through factor analysis) was considered not unreasonable. A finding of a scale composed of multiple dimensions, orthogonal in nature, may produce spurious results in subsequent analysis employing the scale. Alternately, if the empirical dimensions are related both among themselves and to external variables, the multiple dimensions may simply represent "aspects" of the construct, critical to the content domain of the construct an should be included in

subsequent analysis. The process employed for this investigation is described below.

Principal components analysis in conjunction with correlation analysis was employed in order to assess the dimensional qualities of the multiple-item scales (Zeller and Carmines 1980). A finding of multiple empirical dimensions through factor analysis may indicate multi-dimensionality or alternatively, nonrandom error present in the measurement instrument rather than multi-dimensionality. In order to determine the dimensional qualities of multiple-item scales, secondary analysis employing construct validation methodologies is required (Zeller and Carmines 1980). In this context, for a given multiple-item measure, if the multiple empirical dimensions derived through factor analysis correlate: (1) similarly with theoretically relevant external variables, and (2) similarly with other empirical dimensions within the scale; this provides evidence that the factor analytic structure represents a single dimension possibly contaminated by nonrandom measurement error. Nonrandom measurement error may be produced by method artifacts such as response set error.

Dimensionality Analysis Procedures Overview

For the study, a two-stage process was adopted in order to assess the dimensional qualities of the multiple-item scales employed in the study. The first stage was directed at determining the empirical factor structure of each measure. This stage was comprised of three (3) steps: (1) application of Principal Components Factor Analysis to each measure, (2) assessment of the internal consistency of each derived empirical dimension, and (3) disposition of suspect items considered to be potential contaminants to each empirical dimension.

The second stage was directed at evaluation of the derived empirical dimensions in the context of their relational nature to other empirical dimensions within the same scale and theoretically relevant external variables. This stage was comprised of three (3) steps: (1) the correlation of the empirical dimensions with other dimensions within the scale and relevant external variables, (2) disposition of dimensions considered contaminants to the scale, and (3) assessment of the theoretical structure (dimensionality) of the measures. The procedures and results of each of these stages and their steps is described in the following sections.

Determination of Empirical Factor Structure

Principal Components Factor Analysis. In order to determine the empirical factor structure of each multiple-item measure, Principal Components Analysis was employed. Principal Components Analysis is one of several factor analytic techniques directed at empirically identifying statistically interrelated variables (Churchill 1979). These interrelated variables are referred to as factors and may denote an empirical dimension within a scale.

The initial number of factors extracted for each principle component analysis was determined through review of three (3) criteria. These criteria included: (1) the percent of variance explained by each unrotated factor, (2) the "eigenvalue greater than one" rule which indicates the percent of variance explained by a factor is greater than the average variance partitioned for each variable, and (3) a scree test which plots the eigenvalues for each factor indicating the relational nature of the digression in the variance explained by each succeeding factor.

For each of the derived empirical dimensions, a factor loading greater or equal to .40 was considered significant and employed in the interpretation of the factor structure for the scale.

The results of the Principal Components analysis indicated 12 of the 22 scales for the manufacturer respondents contained multiple empirical dimensions. For the distributor respondent measures, 12 of the 22 scales contained multiple empirical scales. The scales that were identified as being composed of multiple empirical dimensions are shown in the results of the Principal Components analysis contained in Appendix F.

Internal consistency of the empirical dimensions. In order to further evaluate the scale items within each dimension, the internal consistency of items within each derived empirical dimension were assessed. In instances where principle component analysis revealed more than one empirical dimension within a multiple-item scale, each empirical dimension's internal consistency was evaluated employing Chronbach's alpha and item to total correlations as reported in the reliability assessment procedures above. This additional information was employed in the evaluation of scale items.

Identification of potential item contaminants. The results of the above steps provided evidence for the evaluation of scale items within their empirical dimensions.

This evidence, plus a substantive evaluation of each item, in the context of the study and prior developed theory, was considered for the disposition of individual items in the multiple-item scales. Items which were considered potential contaminants to (1) the aggregate scale (as identified previously), and (2) an empirical dimension, were evaluated and deleted where warranted.

The premise for an item's deletion rested upon two (2) evaluations: (1) whether the item was internally consistent with other items within the aggregate scale, and (2) whether the item was internally consistent with other items within the empirical dimension of the aggregate scale. If an item exhibited evidence which indicated it did not comply with these criteria, the item was evaluated substantively, as noted above, and where warranted, deleted. Where an item was deleted, the coefficient alpha for the scale and dimension was recalculated employing the procedures described earlier.

More specifically, the process above proceeded as follows: If an item within it's aggregate scale contributed to: (1) a coefficient alpha for the scale of less than .70, or (2) the item exhibited a item to total correlation within the scale of less than .30, it was considered suspect (these items were identified earlier within the Reliability

section). In addition, if an item as evaluated within it's dimension, contributed to: (1) a coefficient alpha less than .70, or (2) an item-to-total correlation within the dimension of less than .30, the item was also considered suspect.

If an item fell short on either of the criteria for both the scale and dimension evaluation, the item was evaluated substantively for the item's representation of information critical to the content domain of the scale, and deleted, if warranted. In the event an empirical dimension was composed of a single item, the above criteria were indeterminate, (coefficient alpha and item to total correlations are incalculable for a single item) and the empirical dimension (single item) was flagged for further investigation in the following sections.

The end result of this process was a scale composed of items which were internally consistent (scale alpha > .70 or item to total > .30) and scale empirical dimensions which were internally consistent (dimension alpha > .70 or item to total > .30).

All of the items within the manufacturer respondent data met met the evaluative criteria outlined above. For the distributor respondent data, all of the items within the scales, with the exception of 3, met the criteria. The

items that were deleted as a result of the above procedures are shown below.

Distributor Respondent Data

Threats	("To stop/not agree to pay for store opening/operating costs if you did not comply")
	("To stop/not agree to pay salespeople salaries if you did not comply")
	("To stop/not agree to give you a loan or financial support of any kind if you did not comply")

External and Internal Relationships of Empirical Dimensions

The above process was directed at obtaining measures for the study composed of internally consistent empirical dimensions (derived from principle components analysis) within the context of an internally consistent scale. While evidence of this type is important for the evaluation of the measures, evidence pertaining to (1) the interrelationship of the derived empirical dimensions (inter-dimension correlations), and (2) the relationship of the derived empirical dimensions to external variables is also of critical importance for the correct assessment of the theoretical dimensional structure of a multiple item measure. As noted earlier, this assessment requires three

(3) steps: (1) the initial correlation of the empirical dimensions (internally and externally, (2) the identification of potential empirical dimension contaminants and (1) the determination of the theoretical structure of the measures. The procedures and results of the steps taken for this assessment are described in the following sections.

Correlation of the empirical dimensions (internal and external). For the study, each scales's derived empirical dimensions (where determined) were correlated with both (1) other empirical dimensions comprising the aggregate scale for the measure (internal relationship), and (2) measures of theoretically relevant external variables (external relationship). The external variables were comprised of selected measures drawn from the same data. These correlations provided useful information and were employed for further evaluation of the empirical dimensions.

Identification of potential empirical dimension contaminants. Empirical dimensions which were potential contaminants to the measures were identified through two criteria. A dimension was considered suspect where inter-dimension correlations revealed (1) a weak relationship between an empirical dimension and other

empirical dimensions comprising a scale and, (2) the empirical dimension correlated inconsistently with measures of external constructs. The final disposition of a suspect dimension was determined through substantive review of the items in the dimension relative to accepted theory an pragmatic evaluation.

More specifically, the objective criteria representing the above process were as follows. For the evaluation of the internal relationship of the empirical dimensions, where an empirical dimension's inter-dimension correlation was less than .30, the distribution of the dimension's correlations with other empirical dimensions within the scale were examined (.30 was chosen in order to be consistent with earlier evaluations). A dimension was considered to represent a weak internally correlated empirical dimension where the distribution of correlations showed the majority of the correlations to be from .0 - .30. Appendix F contains the inter-dimension correlations of scales found to contain multiple empirical dimensions. All of the values of the dimension correlations, with the exception of 1, were determined to meet the .30 standard. The dimension which did not meet the standard was comprised of a single item within the distributor respondent data pertaining to a manufacturer's employment of punishments

("Implement legal action against you"). This item was flagged for further evaluation regarding it's relationship with external construct measures.

For the evaluation of the external relationship of the empirical dimensions, measures of various constructs were correlated with the empirical dimensions within each aggregate scale (several measures available in the study were employed for this evaluation). Where these correlations revealed strongly inconsistent patterns of correlations (both the direction and magnitude of the correlations were reviewed), the empirical dimension which represented the inconsistency was considered suspect. A suspect dimension was defined as a dimension which exhibited correlations with external variables which deviated consistently in excess of .30 from correlations exhibited by other empirical dimensions within the scale and these external variables.

Where an empirical dimension satisfied both the (1) internal (inter-dimension) correlation criterion and (2) the external correlation criterion, as identified above, the empirical dimension was evaluated substantively and deleted, where warranted. The substantive evaluation was directed at discerning if the items within the dimension represented information critical to the content domain of the scale.

The dimension identified previously (punishments), in the above section, was deleted as a result of this process.

Determination of theoretical structure (dimensionality) of the measures. The above process also provides information useful for the determination of the theoretical structure of the measures. In this context, the empirical dimensions relational behavior with external construct measures is helpful. If the derived empirical dimensions for a measure correlate differently with other construct measures, as well as exhibit only moderate inter-dimension correlations, evidence suggesting the empirical dimensions represent different theoretical dimensions or "aspects" (depending on the magnitude of the inter-dimension correlations) is present. Alternately, if the empirical dimensions correlate similarly with other construct measures and in addition, exhibit moderate to strong inter-dimension correlations, the empirical dimensions may represent a single theoretical dimension, contaminated by nonrandom measurement error.

In the present study, considering the length of the questionnaire and the complex nature of the constructs measured, it was plausible to find constructs which were multi-dimensional (aspectual) in nature. Table V-5 contains

Table V-5. Dimensional Structure of Multiple-item Scales Employed for Analysis

Measure	Manufacturer Respondent Data	Distributor Respondent Data
Power	unidimensional	unidimensional
Negative Pressurized Influence Communications		
Threats		
Operational	multi-aspectual*	unidimensional
Economic	unidimensional	unidimensional
Global	unidimensional	unidimensional
Promises		
Operational	unidimensional	unidimensional
Economic	unidimensional	multi-aspectual*
Global	unidimensional	unidimensional
Negative Normative	unidimensional	unidimensional
Demand/Command	unidimensional	unidimensional
Positive Unpressurized Influence Communications		
Positive Normative	unidimensional	unidimensional
Recommend	unidimensional	unidimensional
Request	unidimensional	unidimensional
Information Exchange	unidimensional	unidimensional
Reward Influence Behavior		
Operational	unidimensional	unidimensional
Economic	unidimensional	multi-aspectual*
Global	unidimensional	unidimensional
Punishment Influence Behavior		
Operational	unidimensional	unidimensional
Economic	unidimensional	unidimensional
Global	multi-aspectual*	unidimensional
Attributed Influence	unidimensional	unidimensional
Conflict	unidimensional	unidimensional

* The average inter-dimension correlations of these scales exceeded .50. As a result of the magnitude of the inter-dimension correlations, the scales were labeled multi-aspectual rather than multi-dimensional.

a listing of the multiple item measures employed in the study and each scales determined dimensional structure. All of the scales that were not unidimensional were evaluated and determined to be "aspects" of the construct rather than orthogonal dimensions of the construct. Each of the measures inter-dimension correlations averaged in excess of .50. The magnitude of these inter-dimension correlations was considered sufficiently strong for the empirical dimensions to be considered "aspects" and not theoretical dimensions. As a result of this determination, scales which contained "aspects" were employed in the final measures.

Confirmation of Apriori Defined Influence Indexes

In accompaniment to the above procedure for the evaluation of the dimensional composition of multiple-item scales employed in the study, an additional step was employed for evaluation of the apriori defined components contained within the indexes of threat and promise communications and reward and punishment behaviors. As noted in Chapter 4, each of these measures included separate components containing multiple-item scales of: (1) operationally based, (2) economic based, and (3) global based strategies. These separate components were thought to

represent different, yet related dimensions, of these influence strategies. As a result of their apriori classification and separate scaling, the hypothesized interrelationship of the components needed to be confirmed prior to their aggregation to a single measure (index). Each of the multiple-item scales within a component were evaluated independently, as described in the procedures above. In addition, the interrelationship of components for each measure was investigated. Where inter-component correlations revealed strong inter-component relationships, the scale dimensions were aggregated and labeled indexes of the particular strategy. These measures were labeled indexes rather than scales, as a result of the non-traditional scale construction and evaluation employed for their development.

The results of this analysis indicated that all of the inter-component correlations for the threat and promise communications and reward and punishment behaviors exceeded .65. These correlations provide evidence for the confirmation of the apriori hypothesized relationship between the components of the strategies and their subsequent inclusion and aggregation within each strategy index.

Reliability (final coefficient alpha)

As a final and iterative step to the above process, the internal consistency of each revised scale and index was calculated employing Chronbach's alpha and compared against Nunnally's (1978) standard of .70. In the event the scale or index coefficient alpha failed to meet this standard, the scale or index was evaluated again employing the procedures identified in the previous sections.

Calculation of Chronbach's Alpha. Table V-6 contains the final coefficient alphas for each scale and index employed for the study. All of the coefficient alpha's exceed the .70 standard identified by Nunnally (1978).

Conclusion

In the previous sections, the procedures taken in order to assess the reliability, dimensionality, and the identification of potential item contaminants to the multiple-item measures employed in the study have been presented. These procedures were discussed and their results presented. All of the items within the manufacturer respondent data were retained as a result of these

Table V-6. Coefficient Alpha for Multiple Item Scales Employed for Analysis

Measure	Coefficient Alpha Manufacturer Respondent Data	Coefficient Alpha Distributor Respondent Data
Power	.97	.90
Negative Pressurized Influence Communications		
Threats	.97	.97
Promises	.95	.97
Negative Normative	.93	.93
Demand/Command	.86	.89
Positive Unpressurized Influence Communications		
Positive Normative	.90	.89
Recommend	.94	.95
Request	.94	.86
Information Exchange	.92	.89
Reward Influence Behavior	.97	.97
Punishment Influence Behavior	.94	.97
Attributed Influence	.92	.75
Conflict	.98	.99

procedures. Within the distributor respondent data, 4 items were deleted. These items included: threats (3) and punishments (1). For the evaluation of the dimensional structure of the scales, 12 of the 22 manufacturer respondent scales were found to be comprised of multiple empirical dimensions. For the distributor respondent data, 12 of the 22 scales were comprised of multiple empirical dimensions. Where a scale was composed of multiple empirical dimensions, these dimensions were evaluated further, employing correlation analysis, in an attempt to discern their "true" dimensional nature. As a result of these evaluations all of the derived empirical dimensions within scales, were determined to represent nonorthogonal inter-dimension relationships. The magnitude of the average inter-dimension correlations for these dimensions was of sufficient magnitude (> .50) for the dimensions to be treated as "aspects" of the construct rather than separate theoretical dimensions. In addition, the process for the evaluation and purification of the measures yielded positive evidence regarding the reliability of the scales for the study. All of the scale and index coefficient alphas exceeded the minimum standard of .70 recommended by Nunnally (1978) for basic research. Reliability of measures is

considered a minimum, yet not sufficient, criteria for the assessment of the validity of measures.

V. VALIDITY

Forms of Validity

Validity is concerned with how well a scale measures the intended construct (Nunnally 1978). The assessment of validity is directed at determining the amount of systematic error present in the measurement process in contrast to reliability which concerns itself with random error (Churchill 1979). Two major forms of validity were assessed, where possible, in the present study. These included content and construct validity. Three (3) forms of construct validity were evaluated including: (1) convergent, (2) discriminant and (3) nomological validity. Pearson's Product Moment Correlation was employed in the assessment of construct validity.

Content validity

Content validity is the extent to which a set of items taps the content of some domain of interest (Nunnally 1978).

Evidence of content validity involves two steps as outlined by Zeller and Carmines (1980): (1) specification of the domain of the construct and (2) construction or selection of items within the domain of content. The amount of evidence required for the establishment of content validity is generally interpreted through a reasonableness criterion. As Nunnally (1978) points out:

> Inevitably, content validity rests mainly on appeals to reason regarding the adequacy with which important content has been sampled and on the adequacy with which the content has been cast in the form of test items (Nunnally 1978).

Construct Validity

Construct validity focuses on the assessment of whether a particular measure relates to other measures consistent with theoretically derived hypotheses concerning the concept (or constructs) that is being measured (Zeller and Carmines 1980). Construct validation involves: (1) specifying the theoretical relationship between concepts of interest, (2) examination of the empirical relationship between the concepts, and (3) interpretation of the empirical evidence as to its support of the construct validity of the concepts of interest.

Strictly speaking, it is impossible to establish construct validity within the context of a single study (Zeller and Carmines 1980). Construct validity is an ever extending process of investigation and development over a series of studies (Peter 1981). A lack of construct validity may suggest three possible outcomes: (1) the theoretical network used to generate the empirical predictions was incorrect, (2) the method or procedure used to test the theoretically derived hypotheses was faulty or inappropriate, or (3) the variables used in the theoretical network were lacking in construct validity (Zeller and Carmines 1980).

Convergent, discriminant, and nomological validity are forms of construct validity. Convergent validity of a measure is provided by the extent to which it correlates highly with other methods which are maximally different in nature but designed to measure the same construct (Churchill 1979).

Discriminant validity requires that a measure not correlate too highly with measures with which it is supposed to differ (Campbell and Fiske 1959). If the correlation is too high, this suggests that the measure is not actually capturing an isolatable trait or is reflecting method

variance (variance attributable to the method of data collection) (Churchill 1979).

A useful way for assessing both the discriminant and convergent validity of a measure is through the use of the multi-trait multi-method matrix (MTMM) (Campbell and Fiske 1959). The MTMM format is a matrix of correlations between different traits when measured by different methods. Within this format, the use of maximally different methods is generally suggested but often difficult to achieve in the social sciences (Peter 1981). When this situation arises, the researcher's efforts should be directed to obtaining as much diversity as possible in terms of the data sources and scoring methods (Churchill 1979).

Another form of construct validity is nomological validity. Nomological validity is based on the explicit investigation of constructs and measures of items employing formal hypotheses derived from theory (Peter 1981). Nomological validity is primarily external and entails investigating both the theoretical relationship between different constructs and the empirical relationship between measures of those different constructs. Evidence of nomological validity is provided by showing a relationship between measures purported to assess different but conceptually related constructs.

In the present study, content and construct validity was assessed, where possible, for each of the major constructs. The procedures and results of the validation process are presented in the following sections.

Content Validity Investigation Results

In the present study, evidence of content validity is supported by the process through which the measures were developed. For all measures, this process included a thorough evaluation of prior research, both theoretical and empirical, in an attempt to initially map the domain of the constructs. Once the theoretical domain for each construct had been reasonably estimated, items to be included within each measure were determined by reviewing scales employed in prior research and several focus groups and pilot surveys within the study environment. A more complete discussion of this process is provided in Chapter IV.

The above process was determined to provide sufficient evidence of content validity for the measures.

Convergent Validity Investigation Results

In this section, the results of the investigation of the convergent validity for the major constructs in the study is presented. The section begins with the presentation of the results pertaining to the measure of channel member power employed for the study. The results pertaining to the measure of channel member influence are presented next. These results are followed by the findings of the convergent validity investigation for the measure of channel member conflict in the study. For the study, correlations in excess of .40 were considered to be of sufficient magnitude to provide some evidence of convergent validity.

Channel Member Power

The measure of channel member power employed for the study was an objective measure of power employing Emerson's (1962) dependence conceptualization of power. A channel partner's percentage of total contribution margin derived from a channel member was operationalized to represent the level of power possessed by the channel member. For the convergent validation process, several alternative measures of channel member power were developed. These included: (1) opposing channel partner perceptions of power held by the

focal organization, (2) objective measures of the focal organization's power, and (3) self-report measures of a focal organization's power. The results of the convergent validation process for the measure of manufacturer power are presented first. The results for the measure of distributor power are presented second.

Manufacturer Power. Table V-7 contains the correlations of the objective measure of manufacturer power employed in the study with other measures of manufacturer power.

Manufacturer power - distributor perceptual measures. In and effort to provide evidence of convergent validity, two different perceptually based conceptualizations of power were developed. These measures included: (1) a potential influence conceptualization of power adapted from Gaski and Nevin (1985), and (2) a role performance conceptualization of power adapted from Frazier (1986). The results regarding the convergent validity of the power measure employing these two measures is presented below.

The multiple-item measure of potential influence developed for the study asked distributor respondents to

Table V-7. Pearson's Correlations of the Percentage of a Distributor's Total Dollar Value of Contribution Margin Derived From a Manufacturer (Manufacturer Power) and Convergent Validation Measures of Manufacturer Power

Measure	Percentage of D's total $ value of contribution margin derived from M
Perceptual Measures (others-report) [1]	
Multiple item measure of D's perception of M's potential influence	.48785 (.0156)
Index of D's perception of various attributes of M's role performance	.24225 (.2541)
Objective Measures [1]	
Percentage of D's total unit purchases purchased from M	.90277 (.0001)
Percentage of D's total $ value of purchases purchased from M	.93463 (.0001)
M's percentage market share	.60199 (.0019)
Perceptual Measures (self-report) [2]	
M's perception of M's power	.38744 (.1244)

[1] n=24
[2] n=17

indicate their probability of compliance if influenced by a manufacturer in certain decision areas. The response categories for the measure were "0% probability" and "100% probability" on a 10-point scale. This measure was adopted from previous studies by Gaski and Nevin (1985) and Gaski (1986) and is consistent with the "potential influence" definition of power. This measure correlated .48785 (.0156) with the measure of manufacturer power employed for the study and provides evidence of convergent validity.

In another attempt to provide evidence of the convergent validity of the power measure, Frazier's (1983) role performance conceptualization of the power construct was employed. Frazier (1983) has argued that an organization's role performance on important factors to a channel relationship will affect it's power. Greater role performance on these important factors will increase the firm's power and vice-versa. A multiple-item index of role performance was correlated with the power measure. This index contained items which asked the respondent to assess the overall ability of each manufacturer to "outsmart competitors", "understand the needs of the market", make "good financial decisions", "negotiate contracts in their favor", "work together towards a common purpose", make "good business judgements", "display market savvy", "win in the

Marketplace", and the "quality" of decisions and the firm's "leadership ability".. The response categories for this measure were "extremely poor" to "extremely good" over a 7-point scale. This scale was summed to produce an overall index of role performance. The correlation coefficient of this multiple-item role performance index with the manufacturer power measure was .24225 (.2541) for the distributor's assessment of the manufacturer's role performance. The value of this correlation coefficient indicated a nonsignificant relationship existed between the measures.

As a result of the value of the correlation coefficient's of the potential influence and role performance conceptualization of power, only a modest claim can be made regarding evidence of convergent validity for the measure of manufacturer power.

Manufacturer power - objective measures. In addition to the distributor perceptions of the power held by each manufacturer, objective measures of power were employed to provide evidence of convergent validity. These objective measures cannot be considered maximally different from the measure of manufacturer power employed for the study. However, as Churchill (1979) has noted, the use of methods

which are "diverse" in nature may provide evidence of convergent validity. The objective measures were grouped into two (2) categories. The first of these categories employed the dependence conceptualization of power developed by Emerson (1966). Emerson and others have suggested that power is the obverse of dependence (Cadotte and Stern 1979). According to Emerson, as the dependence of one firm increases on another, that firm's power should increase. Two dependence measures of power were developed for the validation process. These measures included: (1) the percentage of total units purchased from each manufacturer, and (2) the percentage of the dollar value of purchases from each manufacturer. These measures were correlated with the manufacturer power measure. The correlation coefficients of these measures were .90277 (.0001) for the percentage of unit purchases from each manufacturer, and .93463 (.0001) for the dollar value of purchases from each manufacturer. Both the objective measures of dependence provide evidence of convergent validity for the power measure.

The second category of objective measures of power contained a more global assessment of each manufacturer's power. Wilemon (1972) suggests that some of the more important determinants of an organization's power are: brand ownership and the demand characteristics of a channel

member's products in the market place. According to Wilemon, the possession of one or more of these attributes does not guarantee that the channel member possesses power. Rather, the possession of these attributes is indicative that the channel member has a potential basis for modifying the behavior of another channel member (Wilemon 1972). One objective measure was developed in order to assess the attributes outlined by Wilemon. A measure of the percentage market share of each manufacturer's sales in units was derived. This measure was correlated with the measure of manufacturer power. A correlation coefficient of .60199 (.0019) was calculated. This correlation provides evidence of convergent validity of the manufacturer power measure.

Manufacturer power - self-report measures. In addition to the distributor's perceptions of manufacturer power and the objective measures, each manufacturer was asked to assess their own organization's power relative to opposing channel partners. The measure employed was a single-item measure. Single-item measures are not normally employed for validation purposes. However, given the maximally different nature of the measure, information provided through it's employment may be useful. Each respondent was asked, "All things considered, ... how much

power did your organization have over (distributor)." The response categories for the measure were "no power" and "very high power" over a 10-point scale. The correlation coefficient for the measure of manufacturer power was .38744 (.1244) and provides weak evidence as to the convergent validity of the manufacturer power measure.

Distributor power. Table V-8 contains the correlations of the objective measure of distributor power employed in the study with other measures of distributor power.

Distributor power - manufacturer perceptual measures. Both the "potential influence" and "dependence" conceptualizations of power were employed in the development of measures for the validation of the distributor power measure. The evidence regarding the convergent validity of the power measure employing these methods is reported below.

The multiple-item measure of potential influence asked manufacturer respondents to indicate their probability of compliance if influenced by a manufacturer in certain decision areas. The response categories for the measure were "0% probability" and "100% probability" on a 10-scale. This measure correlated .71799 (.0001) with the measure of

Table V-8. Pearson's Correlations of the Percentage of a Manufacturer's Total Dollar Value of Contribution Margin Derived From a Distributor (Distributor Power) and Convergent Validation Measures of Distributor Power

Measure	Percentage of M's total $ value of contribution margin derived from D
Perceptual Measures (others-report) [1]	
Multiple item measure of M's perception of D's potential influence	.71799 (.0001)
Index of M's perception of various attributes of D's role performance	.36947 (.0579)
Objective Measures [1]	
Percentage of M's total unit sales sold to D	.92525 (.0001)
Percentage of M's total $ value of sales sold to D	.94805 (.0001)
D's percentage market share	.43314 (.0240)
Perceptual Measures (self-report) [2]	
D's perception of D's power	.64700 (.0050)

[1] n=27
[2] n=17

distributor power and provides evidence of convergent validity.

The role performance measure of distributor power contained items which asked the manufacturer respondents to assess the overall ability of each distributor to "outsmart competitors", "understand the needs of the market", make "good financial decisions", "negotiate contracts in their favor", "work together towards a common purpose", make "good business judgements", "display market savvy", "win in the Marketplace", and the "quality" of decisions and the firm's "leadership ability". The response categories for this measure was "extremely poor" and "extremely good" over a 7-point scale. This scale was summed to produce an overall index of role performance. A correlation coefficient of .36947 (.0579) was calculated and provides weak evidence of convergent validity.

The results of the convergent validation process employing the potential influence and role performance measures provides modest evidence of the convergent validity of the distributor power measure. The measure of "potential influence" provided stronger evidence than the "role performance" measure.

Distributor power - objective measures. Two categories of objective measures of distributor power were employed to assess the convergent validity of the distributor power measure. The first of these categories employed the dependence conceptualization of power developed by Emerson (1962) as noted in the preceding section. Objective measures of: (1) the percentage of total units sold to each distributor by a manufacturer, and (2) the percentage of the dollar value of sales to each distributor by a manufacturer. These measures were correlated with the manufacturer power measure. The correlation coefficients of these measures were .92525 (.0001) for the percentage of total units sold to each distributor by a manufacturer, and .94805 (.0001) for the dollar value of sales to each distributor by a manufacturer. Both measures provide evidence of convergent validity for the power measure.

The second category of objective measures contained more global assessments of each distributor's power. As noted earlier, Wilemon (1972) suggests that some of the more important determinants of an organization's power are: brand ownership and the demand characteristics of a channel member's products in the market place. One objective measure was derived in order to assess the attributes outlined by Wilemon. A measure of the percentage market

share of each distributor's sales in units was derived. This objective measure was correlated with the measure of manufacturer power. A correlation coefficient of .43314 (.0240) was calculated and provides modest evidence of convergent validity for the measure of distributor power.

Distributor power - self-report measures. Each distributor was also asked to assess their organization's own power relative to an opposing channel partner. This single-item measure was correlated with the measure of distributor power employed in the study. The correlation of the self-report measure of power and the objective measure of distributor power employed in the study was .64700 (.0050) and provides evidence of convergent validity for the power measure.

Conclusion. Several varying methods for the measurement of channel member power were correlated with the objective measure of power employed for the study. Generally, the results of the analysis provide positive evidence of convergent validity for both the manufacturer and distributor power measures. Some inconsistencies were found, particularly with regard to the perceptual role performance measure of channel member power and channel

member self-report measures of power. The role performance conceptualizations of channel member power correlated .24225 (.2541) and .36947 (.0579) with the objective measure of channel member power employed for the manufacturer and distributor members, respectively. The self-report measure of manufacturer power correlated .38744 (.1244) with the objective measure of manufacturer power employed in the study.

Channel Member Attributed Influence

The measure of channel member attributed influence developed for the study asked respondent channel member's to indicate the level of influence they attributed their channel partner to have over the channel member's organization in various decisional areas. For the convergent validation process, two alternative measures of channel member attributed influence were developed. These measures included: (1) channel member perceptions of influence, and (2) objective measures of channel member influence. The results for the measure of manufacturer influence are presented first. The results for the measure of distributor influence are presented second.

Manufacturer Influence. Table V-9 contains the correlations of the perceptual measure of distributor attributions of manufacturer influence with other measures of manufacturer influence.

Manufacturer influence - distributor perceptual measure. A multiple-item measure of distributor perceptions of manufacturer negotiation/leadership was employed in the study to investigate convergent validity. The measure contained two items. The first item asked respondents "Overall, the ability of (manufacturer) to negotiate contracts in their favor was." The response categories included, "extremely poor" and "extremely good" over a 7-point scale. The ability of the manufacturer to negotiate contracts in their favor can be considered illustrative of the manufacturer's ability to convince or influence the distributor.

The second item asked respondents "Overall, (manufacturer)'s leadership ability was." The response categories included, "extremely poor" and "extremely good" over a 7-point scale. Leadership ability may be considered as representing manifestations of influence and therefore, should correlate positively with distributor attributions of manufacturer influence.

Table V-9. Pearson's Correlations of a Distributor's Multiple-item Perception of a Manufacturer's Influence and Convergent Validation Measures of Manufacturer Influence

Measure	D's multiple item perception of M's influence
Perceptual Measure [1]	
D's perception of M's negotiating/leadership ability	.61657 (.0014)
Objective Measure [1]	
Index of objective measures of M's influence	.49639 (.0136)

[1] n=24

The items were summed and correlated with the measure of manufacturer influence employed in the study. This measure correlated .61657 (.0014) with the measure of manufacturer influence and provides evidence of convergent validity.

Manufacturer influence - objective measures. In addition to the distributor perceptions of the influence of each manufacturer, an objective index of manufacturer influence was employed to assess convergent validity. This index contained a standardized summation of objective measures of actual influence between the distributor respondent and the manufacturer. Items within the index included: (1) the dollar value of advertising support given to the manufacturer by each distributor. (2) the number of shelf-space locations given to a manufacturer by a distributor, (3) the number of brands of a manufacturer carried by a distributor, (4) the number of salesman a distributor dedicated to the exclusive sale of a manufacturer's brands, (5) the percentage of total manufacturer POP displays carried by a distributor, and (6) the dollar amount of loans from the distributor to the manufacturer. These objective measures were hypothesized to capture actual outcomes within the domain of possible

influence areas extending from the manufacturer to the distributor. The correlation of this index with the measure of manufacturer influence was .49639 (.0136) and provides modest evidence of convergent validity.

Distributor influence. Table V-10 contains the correlations of the perceptual measure of manufacturer attributions of distributor influence with other measures of distributor influence.

Distributor influence - manufacturer perceptual measure. A two-item measure of manufacturer perceptions of distributor negotiations/leadership was employed in the study to assess convergent validity. The measure contained two items and was developed similar to the measure employed for manufacturer influence described above. The first item assessed the level of distributor influence in negotiations. The measure asked respondents "Overall, the ability of (distributor) to negotiate contracts in their favor was." The response categories included, "extremely poor" and "extremely good" and were scaled employing a 7-point scale. The second item asked respondents "Overall, (manufacturer)'s leadership ability was." The response categories included, "extremely poor" and "extremely good" over a 7-point scale.

Table V-10. Pearson's Correlations of a Manufacturer's Multiple-item Perception of a Distributor's Influence and Convergent Validation Measures of Distributor Influence

Measure	M's multiple item perception of D's influence
Perceptual Measure [1]	
M's perception of D's negotiating/leadership ability	.53329 (.0042)
Objective Measure [1]	
Index of objective measures of D's influence	.19461 (.3307)

[1] n=27

These items were summed and correlated with the measure of manufacturer attributions of distributor influence. A correlation coefficient of .53329 (.0042) was calculated and provides evidence of convergent validity.

Distributor influence - objective measures. An objective index of distributor influence was also employed to assess convergent validity. This index contained a standardized summation of objective measures of areas of potential influence between the manufacturer and distributor. Items within the index included: (1) the dollar value of support given to a distributor's salesforce by each manufacturer, (2) the dollar value of loans given to a distributor by each manufacturer, and (3) the dollar value of manufacturer advertising expenditures in markets operated in by a distributor. The correlation of this index with the measure of distributor influence was .19461 (.3307) and does not provide evidence of convergent validity.

A possible explanation for the low correlation found above may be as a result of the inadequate specification of the content domain of the objective measure of distributor influence. The three (3) objective indicants employed in the objective measure may be an incomplete specification of

the domain of influence elements existing in the distributor - manufacturer relationship.

A secondary explanation for the above result may also be attributable to the inability of the target of influence to distinguish varying forms of influence. Frazier (1983) has suggested that a target of influence may not be completely aware of being influenced because of certain attribution and cognitive selection processes (e.g. selective perception, retention, and manipulation). For example, the use of information exchange influence strategies may not be perceived as influence by a channel partner. As a result, a channel member may change or conform to the desires of a channel partner without realizing the channel partner is attempting to influence the channel member. Thus, a low correlation between objective measures of influence and perceptual measures may be expected.

In addition, given the nature and multitude of possible influences for any one decision or behavior, the complexity of making attributions of influence is evident. It may be that the organization simply chose to make, or change a decision, because of their own decision making. The objective index of influence cannot distinguish between

outcomes brought about by influence versus outcomes brought about as a result of an organization's own decision making.

Conclusion. Various methods for the measurement of channel member influence were correlated with the multiple-item measure of a channel member's attributions of channel partner influence employed for the study. The results of the analysis provide generally positive evidence of the convergent validity for both the manufacturer and distributor attributed influence measures. However, some inconsistencies were found in the results which contained an objective measure of distributor influence. The correlation of this measure with the perceptual measure of distributor influence employed in the study was .19461 (.3307) and did not provide evidence of convergent validity. Several possible explanations for this outcome were suggested. the most plausible explanation appears to be the incomplete specification of the content domain of the construct as represented in the objective measure of influence.

Channel Member Conflict

The measure of channel member conflict developed for the study measured affective conflict as perceived by

channel members. Channel members were asked to indicate their perception of channel partners relative to 18 bi-polar adjectives descriptive of affective conflict (generous - selfish, friendly - hostile, flexible - rigid). For the convergent validation process, two alternative measures of channel member conflict were developed. These included: (1) content analysis measures of conflict as reflected in channel member memos, and (2) channel partner's perceptions of conflict. The procedures and forms developed for the content analysis measure are contained in Appendix E.

For the validation process, measures of conflict from both channel members, employing the methods indicated above, were correlated with the measure of channel member conflict employed in the study. Channel conflict is a dyadic phenomenon, therefore, conflict existing in a channel relationship should be represented in the perceptions of both channel members. The results for the measure of manufacturer perceptions of conflict are presented first. The results for the measure of distributor perceptions of conflict are presented second.

Manufacturer perceptions of conflict. Table V-11 contains the correlations of the multiple-item perceptual

Table V-11. Pearson's Correlations of a Manufacturer's Perception of Conflict (Affective Conflict) and Convergent Validation Measures of Conflict

Measure	M's perception of conflict (affective conflict)
Content Analysis Measures	
Content analysis conflict measure of M's reports (manifest conflict) [1]	.52289 (.0051)
Content analysis conflict measure of D's reports (manifest conflict) [2]	.59232 (.0122)
Perceptual Measure	
D's perceptions of conflict (affective) [2]	.67729 (.0028)

[1] n=17
[2] n=24

measure of affective conflict with other measures of conflict.

Manufacturer perceptions of conflict - content analysis measures. A content analysis of both manufacturer and distributor reports was employed in order to assess the convergent validity of the conflict measure. Both the manufacturer and distributor reports were content-analyzed for evidence of conflict present in the dyadic relationship. The correlation coefficient for the relationship between the manufacturer conflict measure and the content analysis measure of conflict derived from the manufacturer reports was .52289 (.0051) The correlation coefficient for the relationship between the manufacturer conflict measure and the content analysis measure of conflict derived from the distributor reports was .59232 (.0122). Both of the content analysis approaches provide evidence of the convergent validity of the conflict measure.

Manufacturer perceptions of conflict - distributor perceptual measure. Conflict present within a channel relationship is a dyadic phenomenon. In this context, both channel members may hold similar perceptions of the level of conflict existing in the channel. The correlation

coefficient for the relationship between manufacturer attributions of conflict and distributor attributions of conflict was .67729 (.0028). This provides evidence of the convergent validity of the measure of manufacturer's perceptions of conflict.

Distributor perceptions of conflict. Table V-12 contains the correlations of the the multiple-item perceptual measure of affective conflict with the other measures of conflict.

Distributor perceptions of conflict - content analysis measures. Both the distributor and manufacturer reports were content-analyzed for conflict present in the dyadic relationship. The correlation coefficient for the relationship between the distributor conflict measure and the content analysis measure of conflict derived from the distributor reports was .58008 (.0037) The correlation coefficient for the relationship between the distributor conflict measure and the content analysis measure of conflict derived from the manufacturer reports was .47424 (.0544). Both of the content analysis approaches provide evidence of the convergent validity of the conflict measure.

Table V-12. Pearson's Correlations of a Distributor's Perception of Conflict (Affective Conflict) and Convergent Validation Measures of Conflict

Measure	D's perception of conflict (affective conflict)
Content Analysis Measures	
Content analysis conflict measure of D's reports (manifest conflict) [1]	.58008 (.0037)
Content analysis conflict measure of M's reports (manifest conflict) [2]	.47424 (.0544)
Perceptual Measure	
M's perceptions of conflict (affective) [2]	.67729 (.0028)

[1] n=17
[2] n=27

Distributor perceptions of conflict - manufacturer perceptual measure. Manufacturer attributions of conflict correlated .67729 (.0028) with distributor attributions of conflict. This result provides evidence of convergent validity.

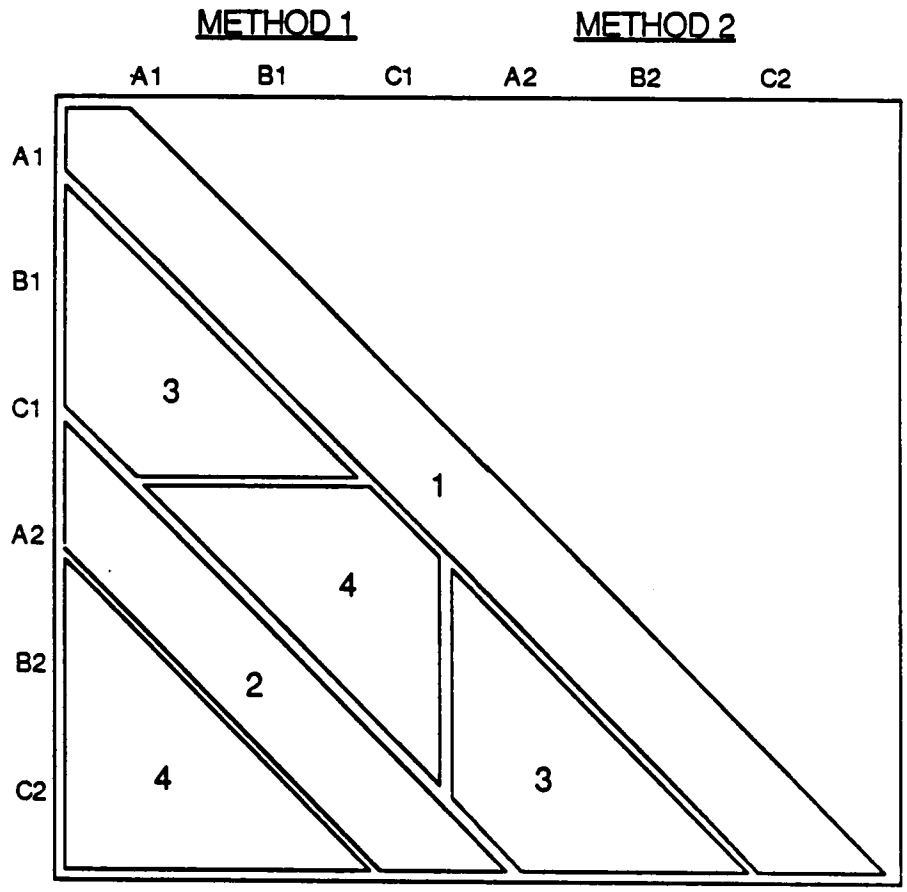
Conclusion. Varying methods of measuring channel member conflict were correlated with the multiple-item measure of channel member perceptions of conflict employed in the study. Results were provided for both the manufacturer and distributor attributions of conflict. For the investigation, all of the correlations which were calculated for the measure of conflict employed in the study and the measures employed for the convergent validation, exceeded .47. The results provide evidence of convergent validity of the conflict measure.

Discriminant Validity Investigation Results

Evidence of discriminant validity (and repetitive evidence of convergent validity) of the major construct measures is primarily provided through the multi-trait multi-method matrices. The MTMM matrix is a matrix of correlations between different traits when each of the

traits is measured by different methods (Churchill 1979). For the study, the traits employed for the MTMM matrices included channel member: (1) power and (2) conflict. Channel member influence was not included in the MTMM matrices as a result of its conceptual relationship with power. Kale (1986) has suggested that these constructs may be highly related. The format for the MTMM matrix requires that traits included in the matrices be maximally different (Churchill 1979). The traits included in the MTMM matrices were measured with two differing methods including: (1) perceptual measures, and (2) objective measures.

The four essential elements within a MTMM which are employed for interpretation of convergent and discriminant validity are: (1) the reliability diagonal, (2) the validity diagonal, (3) the hetero-trait, mono-method block, and (4) the hetero-trait, hetero-method block. These elements are shown in Figure V-3. The reliability diagonal is the main diagonal and contains information regarding the reliability of the measures. The validity diagonal is the diagonal which contains mono-trait, hetero-method correlations. This diagonal indicates how well different methods measuring each trait correspond (convergent validity). The hetero-trait mono-method block contains correlations of the different traits employing a single method. These correlations should



1 - RELIABILITY DIAGONAL

2 - VALIDITY DIAGONAL

3 - HETERO-TRAIT MONO-METHOD BLOCK

4 - HETERO-TRAIT HETERO-METHOD BLOCK

Figure V-3. Multi-trait Multi-method (MTMM) Matrix Reference Diagram

be low in relation to the validity diagonal and indicate discriminant validity. The correlations of two different methods for measuring a trait (validity diagonal) should be higher than the correlations of two different traits employing the same method.

The fourth element of the MTMM is the hetero-trait hetero-method block. This block contains correlations of different traits employing different methods. These correlations should also be low in relation to the validity diagonal, thereby indicating discriminant validity. The correlations of different traits employing different methods should be lower than the correlations of the same trait employing different methods. In addition, the pattern of correlations within the hetero-trait, hetero-method block should be consistent with the patterns found in the hetero-trait, mono-method block. Consistent patterns between these blocks provide further evidence of discriminant validity.

Campbell and Fiske (1959) have suggested, methods and traits employed in the matrix should be as independent as possible. For the present study, maximally different methods of measurement were employed. These methods included: (1) channel member perceptions employing multiple-item scales and (2) objective measures. Perceptual

measures included: channel member perceptions of power, and conflict. Objective measures included: for power, the dependence conceptualization of power using the percentage of contribution margin derived by a channel member from an opposing channel member as an obverse indicant, and for conflict, objective assessments of conflict derived from content analysis of organizational reports. These objective measures were chosen apriori as best reflective of the constructs of interest.

Tables V-13 and V-14 contain the MTMM matrices for the manufacturer and distributor data. In the following section, the findings and interpretations from the evaluation of the MTMM matrices is presented.

Manufacturer MTMM matrix

As evidenced in Table V-13, the values on the validity diagonal, representing the correlations of different methods measuring the same trait are .48785 (.0156) for the power measures, and .58008 (.0037) for the conflict measures. The value of each of these correlations is greater than their respective hetero-trait mono-method correlations and hetero-trait hetero-method correlations and provides evidence of discriminant validity.

Table V-13. Multi-trait Multi-method (MTMM) Matrix for Measures of Manufacturer Power and Conflict

Measure	A	B	C	D
Perceptual Measures				
(A) D's perception of M's power [2]	.90 [1]			
(B) D's perception of conflict [2]	-.34640 (.0973)	.99 [1]		
Objective Measures				
(C) Percentage of D's total $ value of contribution margin derived from M [2]	.48785 (.0156)	-.48613 (.0172)		
(D) Content analysis conflict measure of D's reports (manifest conflict) [2]	-.16924 (.4401)	.58008 (.0037)	-.02248 (.3603)	

[1] Scale coefficient alpha
[2] n=24

Table V-14. Multi-trait Multi-method (MTMM) Matrix for Measures of Distributor Power and Conflict

Measure	A	B	C	D
Perceptual Measures				
(A) M's perception of D's power [2]	.97 [1]			
(B) M's perception of conflict [2]	-.56959 (.0019)	.98 [1]		
Objective Measures				
(C) Percentage of M's total $ value of contribution margin derived from D [2]	.71799 (.0001)	-.32512 (.0980)		
(D) Content analysis conflict measure of M's reports (manifest conflict) [2]	-.32005 (.1036)	.52289 (.0051)	-.32445 (.0987)	

[1] Scale coefficient alpha

[2] n=27

In addition to the above evidence for discriminant validity, the pattern of correlations within each of hetero-trait mono-method and hetero-trait hetero-method blocks are consistent (negative in value). However, two correlations were not significantly different from zero.

Evidence of the discriminant validity is also provided by examination of the reliability diagonal. In all instances, none of the organization perception construct measures correlated more highly with any other construct measure than amongst themselves, as indicated by the coefficient alphas found in the reliability diagonal.

The above evidence provides support for the discriminant validity of the manufacturer power and conflict measures employed in the study.

Distributor MTMM Matrix

As evidenced in Table V-14 the values on the validity diagonal, representing the correlations of differing methods measuring the same trait are .71799 (.0001) for the power measures, and .52289 (.0051) for the conflict measures. The value of each of these correlations is greater than their respective hetero-trait mono-method correlations and hetero-trait hetero-method correlations and provides

evidence of discriminant validity. In addition to the above evidence, the pattern of correlations within each of the hetero-trait mono-method and hetero-trait hetero-method blocks is consistent (negative in value).

Evidence of the discriminant validity is also provided by examination of the reliability diagonal. In all instances, none of the organization perception construct measures correlated more highly with any other construct measure than amongst themselves as indicated by the coefficient alphas on the reliability diagonal.

The above evidence provides support for the discriminant validity of the distributor power and conflict measures employed in the study.

Nomological Validity Investigation Results

When a construct is related to other constructs by an established body of theory, the confirmation of the relationships predicted by the theory is evidence of nomological validity (Campbell 1960). Evidence of nomological validity is primarily external and entails investigating both the theoretical relationship between different constructs and the empirical relationship of the measures of the different constructs (Peter 1981). In the

present study, evidence regarding the nomological validity of the measures employed in the study is provided by correlation analysis between these measures and other variables. In each instance, as a result of constraints in the study and early theoretical development in this area, only a single variable has been employed for the investigation of the nomological validity of the specified measures. As a result, a full representation of the "nomological net" relevant to each construct was not possible. This limitation should be considered in the interpretation of the evidence provided below.

Channel Member Power and Influence

Channel theory suggests that power should be related positively to attributions of influence. Several studies have employed attributed influence as a surrogate measure of power (El-Ansary and Stern 1972, Hunt and Nevin 1974, Wilkinson 1974, Etgar 1977, 1978, and Lusch and Brown 1982). In addition, empirical research conducted by Kale (1986) in which power, based on dependence, and attributed influence were operationalized as separate constructs, found a positive correlation between these constructs.

Manufacturer Power and Influence. In the present study, the measure of manufacturer power was correlated with a measure of distributor perceptions of manufacturer influence. Manufacturer power was operationalized employing an objective assessment of dependence (percentage of a distributor's contribution margin derived from each manufacturer). This measure was correlated with distributor attributions of manufacturer influence.

The perceptual measure of manufacturer influence correlated .51136 (.0107) with the objective measure of manufacturer power. This result provides evidence for the nomological validity of the manufacturer power and influence measures.

Distributor Power and Influence. For the measures of distributor power and manufacturer attributions of distributor influence, the procedures described above were employed in order to investigate the nomological validity of the construct measures. The measure of objective distributor power was correlated with the measure of manufacturer attributions of distributor influence. The perceptual measure of manufacturer influence correlated .37721 (.0524) with the objective measure of manufacturer power. This result provides weak evidence for the

nomological validity of the distributor power and influence measures.

Channel Member Conflict

In addition to the above investigation of nomological validity, evidence of the nomological validity of the measures of conflict employed in the study were investigated. Channel theory suggests that compatibility of goals, and perceptual similarities are related negatively to conflict (Rosenberg and Stern 1971, Cadotte and Stern 1979, Eliasberg and Michie 1984). Cadotte and Stern (1979) theorize similar goals and compatibility of perceptions tend to illicit congruent decisions. Eliasberg and Michie (1984) suggest these relationships are as a result of individual differences and similarities of business philosophies and goals. In the present study, in an effort to capture these theoretical considerations, a single-item measure of channel member compatibility was developed. The use of a single-item measure is generally not employed for construct validation purposes. The information provided here should be considered in this context. The measure asked respondents, "overall, the ability of (manufacturer/distributor) to work towards a common purpose

was." The response categories for this measure were "extremely poor" and "extremely good". Therefore, a negative correlation was necessary for support of nomological validity. This measure was correlated with the conflict measures employed in the study.

Manufacturer perceptions of conflict. The correlation of the measure of manufacturer perceptions of conflict and distributor compatibility was -.60315 (.0009). This provides evidence of nomological validity for the measure of manufacturer attributions of conflict.

Distributor perceptions of conflict. The correlation of distributor perceptions of conflict and manufacturer compatibility was -.19328 (.3655). This does not provide evidence of nomological validity for the measure of manufacturer attributions of conflict.

Summary and Conclusion of Validity Investigation

The evidence regarding the validity of the measures employed in the study has been presented. This included an investigation and discussion of both the content and construct validity of the measures.

As noted earlier, a single study does not establish validity (Peter 1981). Validation is an ever-extending process of investigation and development across several studies. Even tentative acceptance of validity must be accompanied by some amount of aggregation of results including both reasoning and a history of reliability and validity studies.

The findings for the study provide results which are encouraging and generally consistent across the manufacturer and distributor channel members. For the investigation of the convergent validity of the measure of channel member power, the correlation results indicated all of the convergent validation process measures, with the exception of the role performance measures and manufacturer's self-perceptions, exceeded the standard of .40 identified in the study. For the measure of channel member influence, all of the correlation results exceeded the .40 standard except, the objective measure of distributor influence. For the conflict measure, all of the correlation results exceeded .40.

The results of the investigation of the discriminant validity of the measures were also promising. Following the Multi-trait multi-method format, evidence of discriminant

validity for the measures of channel member power, influence and conflict was provided.

The nomological validity of the measures was also investigated, the results provided support for the measures of channel member power, influence and conflict.

Overall, these results, provide evidence for the convergent validity of the measures employed in the study. This evidence was determined to be sufficient in order to proceed in the analysis.

VI. SUMMARY

In this chapter the procedures and results of the evaluation of the data and measures for the study has been presented. The chapter began with a discussion of the characteristics of the participants employed for the Market Place simulation. Two sets of data were employed for the study. This section was followed by a discussion of the unit of analysis employed in the study. The organization was chosen for the unit of analysis. A Delphi process was employed, for the derivation of the organizational unit. The third section in this chapter discussed the rationale and evidence pertaining to the aggregation of the two data sets. Considerations of statistical power required the aggregation

of the data. The fourth section described and presented the procedures and results of the steps taken for the purification of the measures and the investigation of their reliability and dimensionality. Four items were deleted from the scales as a result of this process. The process yielded reliabilities for all of the scales in excess of .70. Four of the scales were determined to contain closely related dimensions (aspects) and were employed in the analysis. The final section in the chapter presented the procedures and results for the investigation of the content and construct validity of the measures. Multiple measures of the constructs of interest in the study were correlated with the measures developed for the study in the investigation of convergent validity. The results provided evidence of convergent validity. Evidence was also provided for the discriminant validity of the measure through Multi-trait multi-method analysis. Nomological validity was also investigated. Evidence of nomological validity was found for the measures. Overall, the results of the procedures and steps taken in this chapter yielded positive evidence for the evaluation of the measures employed in the study.

INTERORGANIZATIONAL INFLUENCE PROCESSES IN MARKET CHANNELS

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Degree

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Gregory Thomas Gundlach

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CHAPTER VI

RESULTS OF THE STUDY

I. INTRODUCTION

In this chapter, the results of the study are presented and discussed. The chapter begins with a discussion and review of the research objectives for the study. This section is followed by a presentation of the results of the statistical tests for the research hypotheses. For each hypothesis, the research results are presented and discussed. The chapter concludes with a summary of the findings of the study.

II. RESEARCH OBJECTIVES

The study was composed of three research objectives. The first objective was to investigate the relationship between the ratio of power existing between channel members within a channel relationship and the channel member's employment of influence strategies. Eight (8) research hypotheses were developed to examine this relationship (H1a1 - h1a4, H1b1 - H1b4). The second objective was to assess

the relationship between channel member's employment of influence strategies and attributions of influence by targeted channel members. Four (4) research hypotheses were developed to examine this relationship (H2a - H2d). The third and final objective of the study was to examine the relationship between channel member's employment of influence strategies and conflict existing in the channel relationship. Four (4) research objectives were developed to examine this relationship (H3a - H3d).

The hypotheses developed for the study were tested employing two sets of data. The first set of data was composed of distributor perceptions and objective measures pertaining to the activities of a manufacturer (manufacturer data). The manufacturer data was composed of 27 observations. The second set of data was composed of manufacturer perceptions and objective measures of the activities of a distributor (distributor data). The distributor data was composed of 24 observations.

III. POWER RATIO AND INFLUENCE STRATEGIES

In this section, the procedures and findings for the test of the hypotheses developed for the first objective of the study are presented. The section begins with a

discussion of the procedures employed for the derivation of the ratio of channel member power. The results of the statistical tests utilized to evaluate the hypotheses are presented second. The section concludes with a summary of the findings of the hypotheses tests.

Channel Member Power Ratio

Basic to the analysis of the relationship between the power ratio existing within a channel relationship and channel member's employment of communication and behavior influence strategies, was the derivation of the ratio of power within the channel. The calculation of the channel member power ratio required an initial comparison of the measured levels of power held by channel partners within a channel relationship. The ratio of power was calculated by dividing the value of power held by the channel member with the higher level of power, by the value of power held by the channel member with the lower level of power. As a result of calculating the power ratio in this way, the ratio was able to indicate, when the levels of power were not the same, the extent of power held by a more powerful channel member relative to a less powerful channel member. For the actual calculation, a power ratio value of 1.00 indicates a

balance of power between the channel members, or a symmetrical power relationship. A power ratio in excess of 1.0 indicates an imbalance of power between the channel members, or an asymmetrical power relationship. As the value of the power ratio increases above 1.0 the channel relationship approaches a unilateral state (very high power held by a channel member relative to a channel partner). A fuller discussion of the theoretical development and operationalization of the power ratio is contained in Chapter III. The values of the computed power ratios and the power measure values employed for the calculation are shown in Table VI-1.

In each set of data, the derivation of one (1) power ratio was precluded due to a zero denominator. A review of the data for the channel member relationships represented by these power ratios, indicated the interaction between the channel members to be of such a small magnitude that they were deleted from the subsequent analysis. An alternative treatment may have been to include the channel member's in the data and represent the channel member relationships as "balanced" relationships. It was determined that this alternative was unacceptable given the minimal interaction between the channel members. The deletion of these channel relationship's reduced the data available for the analysis

Table VI-1. Derivation of Channel Member Power Ratio

Manufacturer Number	Distributor Number	Percentage of Manufacturer's Contribution Margin Derived From Distributor	Percentage of Distributor's Contribution Margin Derived From Manufacturer	Power Ratio Favoring Manufacturer	Power Ratio Favoring Distributor
Manufacturer Data					
01	01	00.0	00.0	.*	.*
01	02	65.3	35.4	.	1.84463
01	03	34.7	07.5	.	4.62667
02	02	68.5	48.3	.	1.41822
02	03	31.5	42.6	1.35238	.
03	01	100.0	92.6	.	1.07991
04	01	05.9	07.4	1.25424	.
04	02	14.1	16.3	1.15603	.
04	03	80.0	49.8	.	1.60643
10	10	13.2	40.9	3.09848	.
10	30	21.9	48.7	2.22374	.
10	60	19.8	34.3	1.73232	.
20	20	28.4	42.4	1.49296	.
30	30	23.9	24.9	1.04184	.
40	10	06.8	28.8	4.23529	.
40	60	18.5	10.6	.	1.74528
50	10	14.2	30.3	2.13380	.
50	20	04.2	08.7	2.07143	.
50	30	17.3	09.1	.	1.90110
50	40	13.5	20.7	1.53333	.
50	50	35.4	21.0	.	1.68571
50	60	15.2	27.1	1.78289	.
60	40	34.1	26.4	.	1.29167
60	50	39.4	24.6	.	1.60163
				n=13	n=10
Distributor Data					
01	02	65.3	35.4	.	1.84463
01	03	34.7	07.5	.	4.62667
02	02	68.5	48.3	.	1.41822
02	03	31.5	42.6	1.35238	.
03	01	100.0	92.6	.	1.07991
03	03	00.0	00.1	.*	.*
04	01	05.9	07.4	1.25424	.
04	02	14.1	16.3	1.15603	.
04	03	80.0	49.8	.	1.60643
10	30	21.9	48.7	2.22374	.
10	50	19.9	19.2	.	1.03646
10	60	19.8	34.3	1.73232	.
20	20	28.4	42.4	1.49296	.
20	40	18.7	16.8	.	1.11310
20	50	52.9	10.9	.	4.85321
30	30	23.9	24.9	1.04184	.
30	50	64.5	15.4	.	4.18831
30	60	11.6	10.2	.	1.13725
40	30	13.2	19.9	1.50758	
40	40	37.5	18.1	.	2.07182
40	50	24.0	08.9	.	2.69663
50	40	13.5	20.7	1.53333	.
50	50	35.4	21.0	.	1.68571
50	60	15.2	27.1	1.78289	.
60	20	08.0	16.0	2.00000	.
60	40	34.1	26.4	.	1.29167
60	50	39.4	24.6	.	1.60163
				n=11	n=15

* Power ratio's were not calculated for these channel member relationships as a result of: (1) the low interaction as evidenced by the percentage contribution derived by channel member's from their respective channel partner's, and (2) due to the inability of the ratio to be derived (denominator of the ratio equals zero)). These channel relationships were not included in the tests of hypotheses H1a1 - H1b4. These channel relationships were included in the tests of hypotheses H2a - H2d and H3a - H3d as a result of the hypothesized nature of these relationships. Attributions of influence and perceived conflict were hypothesized as being sensitive to the employment of influence strategies regardless of the power relationship.

to 23 organizational observations for the distributor data and 26 organizational observations for the manufacturer data.

As a result of the calculation of the power ratio, the organizational observations for both the manufacturer and distributor data were reduced further. For the manufacturer data, ten (10) power ratios favored the distributor, while thirteen (13) power ratios favored the manufacturer. For the distributor data, eleven (11) power ratios favored the manufacturer while fifteen (15) power ratios favored the distributor. This data was employed for the analysis of hypotheses H1a1 - H1a4 and H1b1 - H1b4.

The small number of organizational respondents represented in the data provides a limitation as to the statistical validity of the results of the study. This limitation should be considered when interpreting the results provided in the following section.

Results of Hypotheses Tests

The statistical test employed for the test of the hypotheses was Pearson's Product Moment Correlation. For the analysis, an alpha level of .10 was considered weakly significant. The results pertaining to the relationship

between a channel member's employment of influence strategies and a power ratio favoring the channel member is examined first (H1a1 - H1a4). The relationship when the power ratio favors the channel partner is examined second (H1b1 - H1b4).

Channel Member's Employment of Influence Strategies and a Power Ratio Favoring the Channel Member (H1a1 - H1a4)

Measures for the test of the hypotheses included the frequency and choice of influence strategies employed by a channel member, as perceived by a channel partner, and an objective measure of the power ratio favoring the channel member. The results of the Pearson Product Moment correlations (r value and significance) and hypothesized direction for each relationship are shown in Tables VI-2 and VI-3. These results are presented below:

A more powerful channel members' use of negative pressurized communication influence strategies (H1a1). The results of the correlations indicate partial support for the hypothesized positive relationship between the employment of negative pressurized communication influence strategies by a channel member and ratio of power favoring the channel

Table VI-2. Pearson's Correlations of Distributor Perceptions of the Type and Frequency of Influence Strategies Employed by a Manufacturer and a Channel Power Ratio Favoring the Manufacturer

Influence Strategies Employed by Manufacturer	Hypotheses	Hypothesized Relationship	Power Ratio Favoring Manufacturer[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H1a1			
Threats		+	.50517 (.0392)	supported
Promises		+	.05205 (.4330)	not supported
Negative Normative		+	.65251 (.0078)	supported
Demands		+	.50098 (.0406)	supported
Positive Unpressurized Strategies	H1a2			
Positive Normative		-	.58427 (.9820)	not supported
Information Exchange		-	.11637 (.6475)	not supported
Recommendations		-	.36168 (.8877)	not supported
Requests		-	.28812 (.8301)	not supported
Behaviors				
Punishments	H1a3	+	.63612 (.0097)	supported
Rewards	H1a4	+	-.12470 (.6576)	not supported

[1] n=13

Table VI-3. Pearson's Correlations of Manufacturer Perceptions of the Type and Frequency of Influence Strategies Employed by a Distributor and a Channel Member Power Ratio Favoring the Distributor

Influence Strategies Employed by Distributor	Hypotheses	Hypothesized Relationship	Power Ratio Favoring Distributor[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H1a1			
Threats		+	.28633 (.1505)	not supported
Promises		+	-.15128 (.7048)	not supported
Negative Normative		+	.39838 (.0707)	supported
Demands		+	.10118 (.3599)	not supported
Positive Unpressurized Strategies	H1a2			
Positive Normative		-	.16786 (.7251)	not supported
Information Exchange		-	-.17341 (.2683)	not supported
Recommendations		-	-.00188 (.4974)	not supported
Requests		-	.15866 (.7139)	not supported
Behaviors				
Punishments	H1a3	+	.18058 (.2598)	not supported
Rewards	H1a4	+	-.37272 (.9144)	not supported

[1] n=15

member. For the manufacturer data, negative normative strategies were positively correlated with the ratio of power favoring the manufacturer at the .01 level. Threat and demand strategies were positively correlated with the ratio of power at the .05 level. Promise strategies were correlated in the opposite direction of the hypothesized relationship, however, this correlation was not significant at the .10 level.

For the distributor data, threat, negative normative and demand strategies were positively correlated with the ratio of power favoring the distributor, however, only negative normative strategies were significant at the .10 level. Promise strategies were not significant and in the opposite direction of the hypothesized relationship.

A more powerful channel members' use of positive unpressurized communication influence strategies (H1a2). The results of the hypotheses tests did not support the hypothesized negative relationship between the employment of positive unpressurized communication influence strategies by a channel member and a ratio of power favoring the channel member. For the manufacturer data, positive normative, information exchange, recommendation and request communication influence strategies were correlated in the

opposite direction of the hypothesized relationship. These correlations were not significant at the .10 level.

For the distributor data, information exchange and recommendation strategies were negatively correlated with the ratio of power, however, both were not significant at the .10 level. Both positive normative and request strategies were positively correlated with the power ratio. These correlations were not significant at the .10 level.

A more powerful channel members' use of punishment behavior influence strategies (H1a3). Results of the correlations provide support for the hypothesized positive relationship between the employment of punishment behavior influence strategies by a manufacturer and a ratio of power favoring the manufacturer. Punishment behavior influence strategies were positively correlated with the ratio of power at the .01 level.

Alternately, for the distributor data, the results did not support the hypothesized positive relationship between the employment of punishment behavior influence strategies by a distributor and a ratio of power favoring the distributor. Punishment behavior influence strategies were positively correlated with the ratio of power, however, the correlation was not significant at the .10 level.

A more powerful channel members' use of reward behavior influence strategies (H1a4). The results of the hypotheses tests did not support the hypothesized positive relationship between the use of reward behavior influence strategies by a channel member and a ratio of power favoring the channel member. Manufacturer's use of reward behavior influence strategies were correlated in the opposite direction of the hypothesized relationship. The correlation was not significant at the .10 level.

For the distributor data, the results also did not support the hypothesized relationship. Distributor's use of reward behavior influence strategies were correlated in the opposite direction of the hypothesized relationship. This correlation was not significant at the .10 level.

Channel Member's Employment of Influence Strategies and a Power Ratio Favoring the Channel Partner (H1b1 - H1b4)

The results of the hypotheses tests pertaining to a less powerful channel member's employment of influence strategies against his channel partner (H1b1 - H1b4) are presented in this section. Measures for the test of the hypotheses included a measure of the frequency and choice of influence strategies employed by a channel member, as

perceived by a channel partner, and an objective measure of the power ratio favoring the channel partner. The Pearson Product Moment correlations (r value and significance) and hypothesized direction for each relationship is shown in Tables VI-4 and VI-5. These results are presented below:

A less powerful channel members' use of negative pressurized communication influence strategies (H1b1). For the data representing a manufacturer's employment of negative pressurized communication influence strategies, the results of the correlations did not support the hypothesized negative relationship between these strategies and a ratio of power favoring a distributor. Promises were negatively correlated with the power ratio, however, the correlation was not significant at the .10 level. Threat, negative normative and demand strategies were correlated in the opposite direction of the hypothesized relationship. These correlations were not significant at the .10 level.

Results of the correlations also did not support the hypothesized relationship employing the distributor data. Threat, negative normative and demand strategies by a distributor were correlated in the opposite direction of the hypothesized relationship. The correlations were not significant at the .10 level. Promise strategies were

Table VI-4. Pearson's Correlations of Distributor Perceptions of the Type and Frequency of Influence Strategies Employed by a Manufacturer and a Channel Member Power Ratio Favoring the Distributor

Influence Strategies Employed by Manufacturer	Hypotheses	Hypothesized Relationship	Power Ratio Favoring Distributor[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H1b1			
Threats		-	.20328 (.7134)	not supported
Promises		-	-.35086 (.1601)	not supported
Negative Normative		-	.49335 (.9264)	not supported
Demands		-	.60561 (.9683)	not supported
Positive Unpressurized Strategies	H1b2			
Positive Normative		+	.40104 (.1254)	not supported
Information Exchange		+	.30153 (.1986)	not supported
Recommendations		+	.34565 (.1640)	not supported
Requests		+	.32019 (.1836)	not supported
Behaviors				
Punishments	H1b3	-	.66304 (.9817)	not supported
Rewards	H1b4	-	-.43875 (.1023)	supported

[1] n=10

Table VI-5. Pearson's Correlations of Manufacturer Perceptions of the Type and Frequency of Influence Strategies Employed by a Distributor and a Channel Member Power Ratio Favoring the Manufacturer

Influence Strategies Employed by Distributor	Hypotheses	Hypothesized Relationship	Power Ratio Favoring Manufacturer[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H1b1			
Threats		-	.25017 (.7710)	not supported
Promises		-	-.07895 (.4088)	not supported
Negative Normative		-	.20155 (.7239)	not supported
Demands		-	.15824 (.6790)	not supported
Positive Unpressurized Strategies	H1b2			
Positive Normative		+	-.04534 (.5527)	not supported
Information Exchange		+	-.43841 (.9113)	not supported
Recommendations		+	-.08827 (.6018)	not supported
Requests		+	-.26045 (.7804)	not supported
Behaviors				
Punishments	H1b3	-	-.29105 (.1926)	not supported
Rewards	H1b4	-	-.04913 (.4430)	not supported

1 n=11

negatively correlated with the power ratio, however, not at the .10 level.

A less powerful channel members' use of positive unpressurized communication influence strategies (H1b2). Results of the correlations did not support the hypothesized positive relationship between positive pressurized communication influence strategies employed by a channel member and a ratio of power favoring a channel partner. For the manufacturer data, positive normative, information exchange, recommendation and request strategies were positively correlated with the power ratio, however, these correlations were not significant at the .10 level.

For the distributor data, positive normative, information exchange, recommendation and request strategies were correlated in the opposite direction of the hypothesized relationship. These correlations were not significant at the .10 level.

A less powerful channel members' use of punishment behavior influence strategies (H1b3). The results of the hypotheses tests did not support the hypothesized negative relationship between the use of punishment strategies by a channel member and a ratio of power favoring a channel

partner. For the manufacturer data, punishment behavior influence strategies were correlated in the opposite direction of the hypothesized relationship. The correlation was not significant at the .10 level.

For the distributor data, punishment behavior influence strategies were negatively correlated with the ratio of power, however, the correlation was not significant at the .10 level.

A less powerful channel members' use of rewards behavior influence strategies (H1b4). Results of the hypotheses indicate support for the hypothesized negative relationship between the employment of reward behavior influence strategies by a manufacturer and a ratio of power favoring the distributor. Reward behavior influence strategies were negatively correlated with the ratio of power, and were significant at the .10 level.

Alternately, the results for the distributor data did not support the hypothesized negative relationship between the employment of reward behavior influence strategies by a distributor and a ratio of power favoring a manufacturer. Reward behavior influence strategies were negatively correlated with the ratio of power, however, the correlation was not significant at the .10 level.

Summary of Research Findings for Hypotheses H1a1 - H1a4 and H1b1 - H1b4

The first objective of the study was directed at the investigation of the relationship between the ratio of power within a channel relationship, and the channel members' employment of various influence strategies. Two sets of 4 hypotheses were tested relative to this objective. The 2 sets of hypotheses evaluated the relationship when the ratio of power favored (1) the focal channel member and (2) the targeted channel partner. Two separate data sets were employed for the analysis. For the analysis, small sample sizes represented a limitation as to the statistical validity of the results.

For the investigation of the relationship between a focal channel member's employment and choice of influence strategies, as perceived by a targeted channel partner, and a ratio of power favoring the focal channel member (H1a1 - H1a4), the results varied across the manufacturer and distributor data. For the manufacturer data, one (1) of the hypotheses was fully supported. One (1) of the hypotheses was partially supported and two (2) of the hypotheses were not supported.

For the Distributor data, none of the hypotheses were fully supported. One (1) of the hypotheses was partially supported and three (3) of the hypotheses were not supported.

Across both the manufacturer and distributor data, the results were generally consistent as to the direction of the relationships. Exceptions to this outcome included: the use of promises, information exchange, and recommendation strategies. All, except one of the correlations which were consistent, indicated a positive relationship (not all these correlations were significant) between the use of influence strategies by a channel member and a power ratio favoring the channel member. An exception to this outcome was the use of rewards by channel members which was found to be negatively correlated in both the manufacturer and distributor data.

For the investigation of the relationship between a focal channel member's employment and choice of influence strategies, as perceived by a targeted channel partner, and a ratio of power favoring the targeted channel partner (H1b1 - H1b4), the results did not provide support for the hypothesized relationship. For the manufacturer data, one (1) of the hypotheses was fully supported and three (3) of

the hypotheses were not supported. For the distributor data, none of the hypotheses were supported.

Across both the manufacturer and distributor data, only the results which included negative pressurized communication strategies and reward behavior strategies were consistently in the same direction (not all of these correlations were significant). Negative pressurized communications were positively correlated while rewards were negatively correlated with the power ratio favoring the targeted channel partner.

Overall, the results appear to suggest that as the relative power of a channel member increases, the channel member will employ a greater frequency of all forms of influence strategies, with the exception of rewards and perhaps promises, recommendations and information exchange. While the results were not all significant, 15 of the 20 hypotheses were in the positive direction across both the manufacturer and distributor results. For rewards, the results, across both the manufacturer and distributor data, indicated a negative relationship for the employment of rewards by a channel member and a power ratio favoring the channel member.

It is interesting to note, for the channel member in a less powerful relative position, the direction of the

results suggest that the employment of negative pressurized strategies, with the exception of promises, also increases as the relative power of the channel member decreases. This result was not expected.

IV. INFLUENCE STRATEGIES AND ATTRIBUTIONS OF INFLUENCE

In this section, the procedures and findings for the statistical tests of the hypotheses developed for the second objective of the study are presented. Four hypotheses were developed for this objective. The section begins with a discussion of the statistical test employed for the analysis. The results pertaining to the statistical tests of the hypotheses are presented next. The section concludes with a summary of the research findings.

Statistical Analysis Methodology

The statistical test employed for the analysis, relative to hypotheses H3a1 - H3a4, required the calculation of partial-correlation coefficients controlling for the levels of dependence existing within the channel relationship. The level of dependence exhibited by a channel member toward a channel partner relates to the power

in the channel relationship (Emerson 1962). Greater dependence by one channel member, on another channel partner, increases the channel partner's absolute power. Frazier (1986) and Kale (1986) have suggested organizations may deal with channel partners differently depending on the power held by each organization. These organizations may employ different forms of influence strategies as a result of the dependence existing in the channel relationship.

In an effort to isolate the relationship between the employment of influence strategies and attributions of influence within a channel relationship, the levels of dependence exhibited by each channel member were controlled. The measure of dependence employed for the analysis (controlled out in the partial correlation analysis), was an objective measure of dependence operationalized as the percentage of contribution margin derived by a channel member from dealings with an opposing channel partner. Previous studies in interorganizational influence research by Frazier (1986), Kale (1986) and Gaski (1986) have employed a similar methodology.

In order to determine the effect of controlling for the dependence of the channel members, Pearson's Product Moment Correlations were also computed. The results of the two correlation methods were compared. An examination of these

correlations indicated the dependence of the channel members did affect the relationship. The Pearson correlation coefficients were found to generally differ from the corresponding partial correlation coefficients. For the manufacturer respondent data, an average absolute difference of .169 (range .022 - .248) was found between the values of the Pearson correlation coefficients and the partial correlation coefficients controlling for dependence. For the distributor respondent data, an average absolute difference of .095 (range .002 - .365) was found between the values of the Pearson correlation coefficients and the partial correlation coefficients controlling for dependence. These results indicate a moderate but consistent effect upon the relationship.

Results of Hypotheses Tests

The data employed for the analysis included both the manufacturer data and distributor data. The manufacturer data was comprised of 24 organizational observations. The distributor data was comprised of 27 organizational observations. The measures employed in the analysis included channel member's employment of influence strategies, as perceived by a channel partner, and the

channel partner's perception of influence by the channel member. For the analysis, an alpha level of .10 was considered weakly significant. The second order partial correlations (r value and significance) and the hypothesized relationships of the variables controlling for the dependence of each channel member are shown in Tables VI-6 and VI-7. The results of the hypotheses tests are presented below.

Negative pressurized communication influence strategies and attributions of influence (H2a). Results of the partial correlations indicate support for the hypothesized positive relationship between the employment of negative pressurized communication influence strategies by a channel member and channel member attributions of influence. For the manufacturer data, negative normative and demand strategies were positively correlated with attributions of influence at the .01 level. Threat and promise strategies were positively correlated with distributor attributions of influence at the .05 level.

For the distributor data, threat, demand, promise and negative normative strategies were positively correlated with attributions of influence at the .01 level.

Table VI-6. Partial Correlations of Distributor Perceptions of the Type and Frequency of Influence Strategies Employed by a Manufacturer and Distributor Attributions of Influence by a Manufacturer.

Influence Strategies Employed by Manufacturer	Hypotheses	Hypothesized Relationship	Attributed Influence by Distributor[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H2a			
Threats		+	.3726 (.022)	supported
Promises		+	.3003 (.044)	supported
Negative Normative		+	.5515 (.002)	supported
Demands		+	.4717 (.007)	supported
Positive Unpressurized Strategies	H2b			
Positive Normative		ns	.5442 (.004)	not supported
Information Exchange		ns	.5208 (.006)	not supported
Recommendations		ns	.6889 (.000)	not supported
Requests		ns	.5181 (.007)	not supported
Behaviors				
Punishments	H2c	+	.1770 (.108)	not supported
Rewards	H2d	+	.2779 (.053)	supported

[1] n=24

Table VI-7. Partial Correlations of Manufacturer Perceptions of the Type and Frequency of Influence Strategies Employed by a Distributor and Manufacturer Attributions of Influence by a Distributor

Influence Strategies Employed by Distributor	Hypotheses	Hypothesized Relationship	Attributed Influence by Manufacturer[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H2a			
Threats		+	.5476 (.010)	supported
Promises		+	.4328 (.008)	supported
Negative Normative		+	.4003 (.012)	supported
Demands		+	.4794 (.004)	supported
Positive Unpressurized Strategies	H2b			
Positive Normative		ns	.5430 (.003)	not supported
Information Exchange		ns	.4139 (.020)	not supported
Recommendations		ns	.4728 (.009)	not supported
Requests		ns	.2752 (.092)	not supported
Behaviors				
Punishments	H2c	+	.3679 (.018)	supported
Rewards	H2d	+	.3166 (.031)	supported

[1] n=27

Positive unpressurized communication influence strategies and attributions of influence (H2b). Results of the hypotheses tests did not support the hypothesized non-significant relationship between a channel member's employment of positive unpressurized communication influence strategies and channel partner's attributions of influence. For the manufacturer data, positive normative, information exchange, recommendation and request strategies were positively correlated with distributor attributions of influence at the .01 level.

For the distributor data, Positive normative and recommendation strategies were positively correlated with manufacturer attributions of influence at the .01 level. Information exchange strategies were positively correlated with attributions of influence at the .05 level. Request strategies were positively correlated with attributions of influence at the .10 level.

Punishment behavior influence strategies and attributions of influence (H2c). Results of the partial correlations did not support the hypothesized positive relationship between the employment of punishment behavior influence strategies by a manufacturer and distributor attributions of influence. Punishment behavior strategies

were positively correlated with attributions of influence, however, the correlation was not significant at the .10 level.

Alternately for the distributor data, the results provided support for the hypothesized positive relationship between a distributor's employment of punishment behavior influence strategies and manufacturers attributions of influence. Punishment behavior influence strategies were positively correlated with attributions of influence at the .05 level.

Reward behavior influence strategies and attributions of influence (H2d). Results of the hypotheses tests provided support for the hypothesized positive relationship between the employment of reward behavior influence strategies by a channel member and a channel partner's attributions of influence. For the manufacturer data, reward behavior influence strategies were positively correlated with distributor attributions of influence at the .05 level.

For the distributor data, reward behavior influence strategies were positively correlated with distributor attributions of influence at the .05 level.

Summary of Research Findings for Hypotheses H2a - H2d

In the previous sections, the results of the statistical tests of the hypotheses developed for the second objective of the study were presented and discussed. The second objective of the study was directed at the investigation of the relationship between a channel member's employment of various influence strategies and a targeted channel partner's attributions of influence. Four (4) hypotheses were developed and tested relative to this objective. Both the manufacturer data and distributor data were employed for the analysis. The manufacturer data contained 24 observations. The distributor data contained 27 observations. For the manufacturer data, two (2) of the hypotheses were fully supported. None of the hypotheses were partially supported. Two (2) of the hypotheses were not supported.

For the distributor data, three (3) of the hypotheses were fully supported and one (1) of the hypotheses was not supported.

Summarizing the results across both the manufacturer and distributor data, two (2) of the hypotheses were fully supported. One of the hypotheses was partially supported and one (1) of the hypotheses was not supported. For both

the manufacturer and distributor data, the direction of the results were all in the positive direction (not all of the correlations were significant).

Overall, the most interesting result was the positive relationship found for all of the influence strategies and attributions of influence. This result suggests channel member attributions of influence increase as a channel partner employes a greater frequency of influence strategies. This result was not expected given the "locus of motivation" theory of attributions of influence.

Another interesting result is the relative magnitude of the correlations for behavior and communication strategies. Across both the manufacturer and distributor data, the correlations for punishments and rewards were lower in magnitude than the correlations found for communication strategies, with the exception of distributor's employment of requests. This result was also not expected given the "locus of motivation" theory of attributions of influence.

V. INFLUENCE STRATEGIES AND PERCEPTIONS OF CONFLICT

In this section, the procedures and findings for the statistical tests of the hypotheses developed for the third objective of the study are presented. Four hypotheses were

developed for this objective (H3a - H3d). The section begins with a discussion of the statistical tests employed for the analysis of the four hypotheses. The results of the tests of the hypotheses are presented next. The section concludes with a summary of the research results.

Statistical Analysis Methodology

The statistical test employed for the analysis required the calculation of partial-correlation coefficients controlling for the levels of dependence existing within the channel relationship. As noted earlier, the level of dependence exhibited by a channel member on a channel partner relates to the power in the channel relationship (Emerson 1962). Greater dependence by one channel member on another channel partner increases the channel partner's absolute power. As Frazier (1986) and Kale (1986) have suggested, organizations may deal with channel partners differently depending on the power held by each organization. In addition, power may be correlated with the level of conflict present in a channel relationship (Brown, Lusch and Muehling 1983). In an effort to isolate the relationship between the employment of influence strategies and conflict within a channel relationship, the levels of

dependence exhibited by each channel member were controlled. An objective measure of dependence was employed in the analysis (controlled for in the partial correlation). The objective measure of dependence was operationalized as the percentage of contribution margin derived by a channel member from dealings with an opposing channel partner. Previous studies in interorganizational influence research by Frazier (1986), Kale (1986) and Gaski (1986) have employed a similar methodology.

In order to determine the effect of controlling for the dependence of the channel members, Pearson's Product Moment Correlations were also computed. The results of the two correlation methods were compared. An examination of these correlations indicated the dependence of the channel members did affect the relationship. The Pearson correlation coefficients were found to generally differ from the corresponding partial correlation coefficients. For the manufacturer respondent data, an average absolute difference of .113 (range .008 - .297) was found between the values of the Pearson correlation coefficients and the partial correlation coefficients controlling for dependence. For the distributor respondent data, an average absolute difference of .156 (range .011 - .644) was found between the values of the Pearson correlation coefficients and the

partial correlation coefficients controlling for dependence. These results indicate a moderate effect upon the relationship.

Results of Hypotheses Tests

The data employed for the analysis included both the manufacturer data and distributor data. The manufacturer data was comprised of 24 organizational observations. The distributor data was comprised of 27 organizational observations. The measures employed in the analysis included channel member's employment of influence strategies as perceived by a targeted channel partner and the targeted channel partner's perception of affective conflict. For the analysis, an alpha level of .10 was considered weakly significant. The second order partial correlations (r value and significance) and the hypothesized relationships of the variables controlling for the dependence of each channel member are shown in Tables VI-8 and VI-9. The results of each of the hypotheses tests are presented below:

Negative pressurized communication influence strategies and affective conflict (H3a). The results indicate partial support for the hypothesized positive relationship between

Table VI-8. Partial Correlations of Distributor Perceptions of the Type and Frequency of Influence Strategies Employed by a Manufacturer and Distributor Perceptions of Conflict (affective)

Influence Strategies Employed by Manufacturer	Hypotheses	Hypothesized Relationship	Perception of Conflict (Affective) By Distributor[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H3a			
Threats		+	.5956 (.001)	supported
Promises		+	-.0237 (.771)	not supported
Negative Normative		+	.6137 (.000)	supported
Demands		+	.6858 (.000)	supported
Positive Unpressurized Strategies	H3b			
Positive Normative		-	.5339 (.998)	not supported
Information Exchange		-	.3902 (.982)	not supported
Recommendations		-	.4130 (.986)	not supported
Requests		-	.3892 (.982)	not supported
Behaviors				
Punishments	H3c	+	.4551 (.009)	supported
Rewards	H3d	-	-.2015 (.092)	supported

[1] n=24

Table VI-9. Partial Correlations of Manufacturer Perceptions of the Type and Frequency of Influence Strategies Employed by a Distributor and Manufacturer Perceptions of Conflict (affective)

Influence Strategies Employed by Distributor	Hypotheses	Hypothesized Relationship	Perception of Conflict (Affective) By Manufacturer[1]	Hypotheses Result
Communications				
Negative Pressurized Strategies	H3a			
Threats		+	.2394 (.063)	supported
Promises		+	.2675 (.049)	supported
Negative Normative		+	.2755 (.046)	supported
Demands		+	.2459 (.059)	supported
Positive Unpressurized Strategies	H3b			
Positive Normative		-	.1476 (.880)	not supported
Information Exchange		-	.2918 (.961)	not supported
Recommendations		-	-.0775 (.178)	not supported
Requests		-	-.0279 (.224)	not supported
Behaviors				
Punishments	H3c	+	.3752 (.016)	supported
Rewards	H3d	-	.1707 (.897)	not supported

[1] n=27

the employment of negative pressurized communication influence strategies by a manufacturer and distributor perceptions of affective conflict. Threat, negative normative and demand strategies were positively correlated with affective conflict at the .01 level. Promises were correlated in the opposite direction of the hypothesized relationship. The correlation was not significant at the .10 level.

For the distributor data, the results provide support for the hypothesized relationship. Promises and negative normative strategies were positively correlated with affective conflict at the .05 level. Threats and demand strategies were positively correlated with affective conflict at the .10 level.

Positive unpressurized communication influence strategies and affective conflict (H3b). Results of the partial correlations did not support the hypothesized negative relationship between the employment of positive unpressurized communication influence strategies by a channel member and perceptions of affective conflict by a channel partner. For the manufacturer data, positive normative, information exchange, recommendation and request strategies were correlated with distributor perceptions of

affective conflict in the opposite direction of the hypothesized relationship. The correlations were not significant at the .10 level.

For the distributor data, recommendation and request strategies were negatively correlated with affective conflict, however, the correlations were not significant at the .10 level. Positive normative and information exchange strategies were correlated in the opposite direction of the hypothesized relationship. The correlations were not significant at the .10 level.

Punishment behavior influence strategies and affective conflict (H3c). Results of the partial correlations indicate support for the hypothesized positive relationship between the employment of punishment behavior influence strategies by a channel member and channel partner perceptions of affective conflict. For the manufacturer data, punishment behavior influence strategies were positively correlated with distributor perceptions of affective conflict at the .01 level.

For the distributor data, punishment behavior influence strategies were positively correlated with affective conflict at the .05 level.

Reward behavior influence strategies and affective conflict (H3d). Results of the partial correlations provided support for the hypothesized negative relationship between a manufacturer's employment of reward behavior influence strategies and distributor perceptions of affective conflict. Reward behavior influence strategies were negatively correlated with affective conflict and significant at the .10 level.

Alternately, for the distributor data, the partial correlations did not support the hypothesized relationship. Distributor's use of reward behavior influence strategies were correlated in the opposite direction of the hypothesized relationship. The correlation was not significant at the .10 level.

Summary of Research Findings for Hypotheses H3a - H3d

The third objective of the study was directed at the investigation of the relationship between a channel member's employment of various influence strategies and a targeted channel partner's perception of conflict. Four (4) hypotheses were developed and tested for this objective. Both the manufacturer and distributor data were employed for the analysis. The manufacturer data contained 24

observations. The distributor data contained 27 observations. For the manufacturer data, two (2) of the hypotheses were fully supported. One (1) of the hypotheses was partially supported and one (1) of the hypotheses were not supported.

For the distributor data, two (2) of the hypotheses were fully supported. None of the hypotheses were partially supported and two (2) of the hypotheses were not supported.

Summarizing the results across both the manufacturer and distributor data, one (1) of the hypotheses was fully supported. Two of the hypotheses were partially supported and one (1) of the hypotheses was not supported. Generally, for the manufacturer and distributor results, the direction of the correlations were consistent. Exceptions include the results found for promise, recommendation and request communication strategies and reward behavior strategies.

Overall, the direction of the results suggest that channel member perceptions of conflict increase as the employment of influence strategies increase by a channel partner. Sixteen of the 20 correlations, across both the manufacturer and distributor data, were in the positive direction. Negative correlations were found for manufacturer's employment of promises and rewards. Negative

correlations were also found for distributor's employment of recommendations and requests.

VI. SUMMARY

In this chapter, the results of the statistical analysis of the hypotheses for the study were presented and discussed. These hypotheses were developed in order to investigate: (1) the relationship between a ratio of power within a channel and the channel member's employment of influence strategies, (2) the relationship of a channel members employment of influence strategies and a channel partner's attributions of influence, and (3) the relationship of a channel member's employment of influence strategies and a channel partner's perception of conflict. Results of the statistical tests across both the manufacturer and distributor data indicated support or partial support for 14 of the 32 hypotheses. Overall, the results did not support the relationship between a channel members employment of influence strategies and a ratio of channel member power. Some support was found for the hypotheses which examined the relationship between a channel members employment of influence strategies and channel partner's attributions of influence and conflict. In the next chapter, interpretation and conclusions drawn from these findings is presented.

CHAPTER VII

CONCLUSIONS, IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

I. INTRODUCTION

In this chapter, conclusions, implications, limitations and recommendations for future research derived from the findings of the study are presented. The chapter begins with a summary of the purpose, objectives, methodology and results of the study. The chapter then focuses on the conclusions and implications drawn from the research results. Each hypothesis is discussed in this context. The limitations of the study are then discussed. The chapter concludes with a discussion of recommended future research directions.

II. SUMMARY OF THE STUDY

Purpose

The study sought to investigate the use of power and influence within interorganizational exchange relationships

present in market channels. The effective coordination and maintenance of interorganizational exchange relationships is critical for marketing practitioners attempting to conduct efficient long-term market channel exchanges.

A process model of dyadic interorganizational relations developed by Cadotte and Stern (1979) served as the basis for the development of a conceptual model of the interorganizational influence process. From the model, specific conceptual relationships were chosen as research objectives for investigation in the study. These included the relationship between a channel member's employment of influence strategies as perceived by a channel partner and: (1) a ratio of power existing in the channel relationship, (2) attributions of influence by a channel partner, and (3) channel partner's perception of conflict existing in the channel relationship. Hypotheses pertaining to these objectives were developed employing previous theoretical and empirical research.

Methodology

A laboratory game simulation served as the setting for the study. This setting was chosen as a result of (1) the control offered by such a contrived setting, (2) the

setting's ability to allow for data to be collected from both members of the channel relationship, and (3) the low relative cost of conducting research within this setting. A game simulation developed by Cadotte (1986) entitled Market Place was adopted for the laboratory environment. The Market Place simulates interorganizational exchange relationships involving manufacturers and distributors of a durable good (microcomputers). Teams of participants perform the role of manufacturer and distributor organizations involved in ongoing market exchanges in a simulated market environment. Graduate MBA and undergraduate marketing majors were recruited to participate across two (2) eight (8) week game sessions. Data gathered from these two (2) game sessions comprised the data for the study.

Major variables for the study were measured employing a cross sectional survey and unobtrusive methods of measurement. Measures were developed for respondents within both manufacturer and distributor organizations. Channel member power was operationalized employing Emerson's (1962) dependence conceptualization of power. Objective assessments of the percentage of total contribution margin derived from a channel partner, by a channel member, was operationalized as reflective of the channel partner's level

of power. For influence strategies, multiple item perceptual measures and indexes were developed in order to measure a variety of communication and behavior influence strategies. Channel member attributions of influence by a channel partner was measured employing a multiple item scale reflecting areas of potential influence by a channel partner. The measure of channel member conflict assessed perceptions of affective conflict existing in the channel relationship.

The unit of analysis for the study was the organization. Data gathered from organizational members involved in channel member interaction was weighted and aggregated for the development of the organizational unit of analysis. This data was employed for the hypotheses tests.

Results

The results of the study varied across the major hypotheses for the study. A complete discussion of the statistical tests and findings for the study is presented in Chapter 6. Generally, the hypotheses which pertained to the relationship between the ratio of channel member power present in a channel relationship and channel member's employment of influence strategies were not supported across

both data sets (manufacturer and distributor). Three (3) of the hypotheses were either fully or partially supported. A modest level of support was found for the hypotheses which examined the relationship between a channel member's employment of influence strategies and a channel partner's attributions of influence. Two (2) of the hypotheses were either fully or partially supported. For the hypotheses which examined the relationship between a channel member's employment of influence strategies and a channel partner's perception of conflict, a greater level of support was found. Three (3) of the hypotheses were either fully or partially supported.

In the following section, the conclusions and implications drawn from these research findings are presented.

III. RESEARCH CONCLUSIONS

Introduction

In this section, the conclusions and implications of the research findings are presented and discussed. The section begins with a discussion of the results of the hypotheses which examined the relationship between the ratio

of power present in a channel relationship and a channel member's employment of influence strategies. This discussion is followed by the results pertaining to the relationship between a channel member's employment of influence strategies and a channel partner's attributions of influence. The section concludes with a discussion of the results for the relationship between a channel member's employment of influence strategies and a channel partner's perception of conflict.

Discussion of Research Findings for Hypotheses H1a1 - H1a4 and H1b1 - H1b4

In this section, the results of the hypotheses tests which evaluated the relationship between the ratio of power present in a channel relationship and a channel member's employment of communication and behavior influence strategies is discussed. This discussion includes the results found for both data sets in the study. This discussion is grouped according to the major hypotheses.

A Channel Member's Employment of Influence Strategies When the Ratio of Power Favors the Channel Member (H1a1 - H1a4)

A More Powerful Channel Member's Use of Negative Pressurized Communication Influence Strategies (H1a1). The results of the study provided partial support for the hypothesized negative relationship between a channel member's employment of negative pressurized communication strategies and a ratio of power favoring the channel member. Analysis of the manufacturer's use of influence strategies produced significant, positive correlations between a manufacturer's employment of threat, negative normative and demand strategy and a ratio of power favoring the manufacturer. Analysis of the distributor's use of influence strategies also produced positive correlations between a distributor's employment of threat, negative normative and demand strategies and a ratio of power favoring the distributor, however, these correlations were not significant.

These results are generally (direction of the correlation values) consistent with previous research which has emphasized the negative role of power in dyadic relationships (Wilkinson and Kipnis 1978, Roering 1977, Dwyer and Walker 1981, and Kale 1986). These researchers found a positive relationship between power held by a channel member and the channel member's employment of coercive influence strategies.

In contrast, these results do not support prior research which has emphasized the positive role of power. Research by Brown and Frazier (1978) and Frazier and Summers (1986) found a negative relationship between power held by a channel member (automobile manufacturer) and the channel member's employment of coercive influence strategies.

A possible explanation for the inconsistent findings of prior studies and the results found in the current study, may be the operationalization of the power construct. In prior studies which found a positive relationship between power and coercive influence strategies, the power construct has been operationalized employing: (1) apriori experimental conditions (Roering 1977 and Dwyer and Walker 1981), (2) perceptions of potential influence (Wilkinson and Kipnis 1978), and (3) perceptions of dependence employing objective indices (current and expected profit and ROI).

In contrast, in those studies which have found a negative relationship, the power construct has been operationalized employing a role performance conceptualization of power developed by Frazier (1983). Under this operationalization, channel member power is theorized to relate to role performance by channel members. Better role performance by a channel member leads to: (1) increased motivation on the part of a channel partner to

maintain a channel relationship, and (2) fewer alternatives available to the channel partner to replace the role performer with a better channel member. According to Frazier (1983), these elements lead to greater dependence by the channel partner and increased relative power for the channel member.

These differing operationalizations of the power construct may account for the inconsistent findings found for the relationship between power and the employment of influence strategies. It is plausible that the domain of elements tapped through a measure of role performance includes and contains elements regarding the choice and use of influence strategies by an organization. For example, Frazier (1983) operationalized role performance to include: (1) "cooperativeness of the manufacturer reps on interfirm issues", (2) "interfirm assistances", and (3) "quality of advice from the manufacturer reps" among six role performance elements. A similar approach was employed by Brown and Frazier (1978) and Frazier and Summers (1986). It may be that a channel member's role performance, given these elements, may include an evaluation of whether the channel member employes coercive or noncoercive influence strategies in channel interactions. For example, a channel member who employed coercive strategies in it's channel interactions on

interfirm issues may be rated lower on "cooperativeness", "interfirm assistances" and "quality of advice...". Alternately, the use of noncoercive strategies may bring about a more highly rated role performance evaluation. Therefore, results which show a negative relationship between role performance and the use of coercive strategies may be as a result of the operationalizations of the power measure. This explanation appears plausible and may account for the inconsistency of the findings in previous research.

Regarding the use of promises by channel members, interestingly, the frequency of promise communication strategies did not correlate positively, nor significantly, with the ratio of power in the channel across both the manufacturer and distributor data. A possible explanation for this outcome may be that promises are viewed as both a positive and negative communication by channel members. Prior research has suggested that promises may have coercive as well as noncoercive elements. Promises may be somewhat more subtle than threats, but the coercive power of these strategies is forceful nonetheless (Beir and Stern 1969). With regard to this view, Frazier and Summers (1986) reported a negative relationship between power held by an organization (automobile manufacturers) and their employment of promises. Alternately, French and Raven (1959) suggest

that the faithful implementation of the promise strategy over time will result in elevating the target's dependence and strengthen the target's identification with the source. In support, Gaski and Nevin (1985) report positive correlations between power and both the reward power source and exercised reward power source (reward behaviors) in their study of the heavy equipment channel.

A More Powerful Channel Member's Use of Positive unpressurized Communication Influence Strategies (H1a2). The results of the study did not support the hypothesized negative relationship between the employment of positive unpressurized communications by a channel member and a power ratio favoring the channel member. The correlation results for both data sets were not significant. With the exception of information exchange and recommendation strategies within the data pertaining to the distributor's use of influence strategies, the correlations were all positive.

These findings, while nonsignificant, appear to suggest that as relative channel member power increases; the employment of unpressurized influence strategies increases. Perhaps as the the relative power of a channel member rises, the channel member asserts more guidance over the channel partner.

A More Powerful Channel Member's Use of Punishment Behavior Influence Strategies (H1a3). The results of the study provide partial support for the hypothesized positive relationship between a channel member's employment of punishment strategies and a power ratio favoring the channel member. Analysis of the relationship between a manufacturer's employment of punishment strategies and a ratio of power favoring the manufacturer produced a positive and significant correlation. A Positive correlation was also found for the distributor's employment of punishments when the power ratio favored the distributor, however, this correlation was not significant.

These findings (direction of the correlation value) are generally in contrast to indirect findings by Gaski and Nevin (1985). Their study viewed the channel power relationship, without consideration of the ratio of power existing in the channel, and found a weak negative relationship between power and an organization's use of coercive (punishment) power sources.

In contrast, the finding is consistent with the perspective that an organization with greater relative power will take advantage of an opportunity to exploit a less powerful organization in a channel relationship (Tedeschi 1972). Furthermore, the results follow the earlier finding

in which the employment of various negative pressurized communications by a channel member correlated positively with a power ratio favoring the channel member. The cumulative outcome of these findings provides additional evidence for the negative role of power in some channel relationships.

A More Powerful Channel Member's Use of Reward Behavior Influence Strategies (H1a4). The results of the study did not support the hypothesized positive relationship between a channel member's employment of reward behaviors and a ratio of power favoring the channel member. Analysis of both the manufacturer's and distributor's use of reward strategies produced nonsignificant negative correlations.

The direction of the correlations suggests channel members in more powerful positions reduce their reward giving activities as their power increases. Perhaps these organizations find it unnecessary to reward channel partners in order to influence, or "get their way", as a result of their power position.

A Channel Member's Employment of Influence Strategies When the Ratio of Power Favors the Channel Partner (H1b1 - H1b4)

A Less Powerful Channel Member's Use of Negative Pressurized Communication Influence Strategies (H1b1). The results of the study did not support the hypothesized negative relationship between the employment of negative pressurized communication strategies by a less powerful channel member and a ratio of power favoring their channel partner. All of the eight (8) correlations, across both data sets, which examined this relationship were not significant. Additionally, with the exception of promises, these nonsignificant correlations were positive and not in the hypothesized direction.

A possible explanation for this outcome may be attributable to the escalating nature of employing negative pressurized strategies. It is plausible that the employment of negative pressurized strategies, like threats, by one channel member, may bring about the return use of these strategies by channel partners. While this explanation must be considered speculative, Frazier and Summers (1986) found evidence to suggest this may occur in channel relationships. In their study of the automobile channel, a positive relationship was found between dealer's use of coercive strategies and manufacturer's reliance on coercive strategies.

A Less Powerful Channel Member's Use of Positive unpressurized Communication Influence Strategies (H1b2). The results of the study did not support the hypothesized positive relationship between the employment of positive unpressurized communications by a channel member and a power ratio favoring their channel partner. The correlation results of both data sets were not significant. The results of the manufacturer's use of influence strategies that were positive and unpressurized were in the hypothesized direction, while the results of the distributor's use of these strategies were not in the hypothesized direction.

A Less Powerful Channel Member's Use of Punishment Behavior Influence Strategies (H1b3). The results of the study did not support the hypothesized negative relationship between a less powerful channel member's employment of punishments and a power ratio favoring their channel partner. Analysis of the relationship between a power ratio favoring a distributor and a manufacturer's use of punishments produced a positive correlation (nonsignificant under the single tail test; significant (p=.0366) under the two tail test).

Alternately, for the distributor's use of punishments, a negative correlation was found between distributor's

employment of these strategies and a ratio of power favoring a manufacturer. This correlation was not significant.

With regard to the findings for the manufacturer's use of punishments, as noted previously, a positive correlation was found for the employment of threat communications by a manufacturer. Perhaps, as speculated for threats, the use of punishments by one channel member promotes the employment of punishments by a channel partner, even though the channel partner is in a lower power position.

A Less Powerful Channel Member's Use of Reward Behavior Influence Strategies (H1b4). The results of the study partially supported the hypothesized negative relationship between a less powerful channel member's employment of rewards and a power ratio favoring their channel partner. Analysis of both the manufacturer's and distributor's use of these strategies and the power ratio produced negative correlations, however, only the data pertaining to a manufacturer's use of rewards was significant at the .10 level.

Perhaps, the frequency of a less powerful channel member rendering a reward to a more powerful channel is reduced by the power position of the reward giver. Tedeschi (1972) suggests a weaker power holder may not possess

rewards which would be considered beneficial to a more powerful recipient.

Conclusion

In the previous sections, a discussion of the results of the hypotheses which were developed to investigate the relationship between a ratio of channel member power and channel members employment of influence strategies was presented. Conclusions and implications, as well as explanations, were discussed. Overall, the findings from the study provided only partial support for the hypothesized relationships. These findings were inconsistent and weaker than expected and suggest additional research is needed. Conceptually, further development of the theoretical relationship between influence strategies and relative (power ratio) power is needed. It is likely that the use of the objective measure of power did not adequately represent the power construct. In this context, the magnitude of power held by channel members was not represented in the power ratio. The power ratio only represented relative power. The operationalizing of the power construct to include both the relative and magnitude dimensions of power held by channel members may better represent power.

Alternately, it is plausible that objective assessments of power are not valid for the measurement of power. A perceptual operationalization of power may provide a more content valid representation of the power construct. As noted previously in Tables V-7 and V-8, the objective measure of power and the perceptual measure of power did not correlate highly. This may occur as a result of a channel member's perception of another channel member's power overriding any objective assessments of power. In this context, the channel member's perceptions, regardless of the validity of these perceptions, may represent the power construct.

Discussion of Research Findings for Hypotheses H2a - H2d

In this section the results of the hypotheses tests which evaluated the relationship between the frequency of influence strategies employed by channel members and attributions of influence by channel partners are discussed. This discussion includes the results found for both data sets in the study. This discussion is grouped according to the major hypotheses.

Negative Pressurized Communication Strategies and Attributions of Influence (H2a)

The results of the study provide support for the hypothesized positive relationship between a channel member's employment of negative pressurized communications and a channel partner's attributions of influence. As predicted, the frequency of negative pressurized communication influence strategies employed by a channel member correlated positively and significantly with a channel partner's attributions of influence. These results were consistent across both manufacturer and distributor data.

These results are also consistent with previous research by Hunt and Nevin (1974), Etgar (1978) and Lusch and Brown (1982) and theoretical argument suggested by Kale (1986). This prior research postulated that a channel member's attributions of influence are a result of the member's perception of the locus of influence (Kelman 1961). The employment of negative pressurized communications by a channel partner centers the locus of influence with the channel partner. The results of the present study contributes to this perspective of channel member influence attributions.

Positive Unpressurized Communication Strategies and Attributions of Influence (H2b)

The results of the study did not support the hypothesized nonsignificant relationship between the employment of positive unpressurized communication strategies by a channel member and attributions of influence by a channel partner. Significant positive correlations were found for all positive unpressurized communication strategies in both manufacturer and distributor data.

These results are in contrast to prior research by Hunt and Nevin (1974), Etgar (1978) and Lusch and Brown (1982). These researchers found a negative relationship between the use of positive unpressurized strategies and attributions of influence by channel members. In these studies, it was hypothesized that attributions of influence would be related to a target organization's recognition of the locus of influence. Where the locus of influence was centered with a channel partner, attributions of influence would rest with the channel partner. Alternatively, where the locus of influence was centered within the target organization, as a result of the organization's perceived self-determination, attributions of influence would not rest with a channel partner. Prior researchers hypothesized that the use of

positive unpressurized communications would create the latter result and thereby produce negative correlations between the use of these strategies and attributions of influence.

The results of this study seem to indicate that attributions of influence increase as the frequency of positive unpressurized communications increase. A possible explanation for this outcome may rest in the measures employed in prior research, in contrast to measures employed in the present study. Prior researchers operationalized attributed influence as "attributed control". As noted in the hypotheses development, "control" appears to characterize extreme or complete influence. It would appear plausible that the employment of positive, unpressurized communication strategies could be negatively correlated with attributions of influence operationalized in this fashion (control). In the present study, attributions of influence were measured employing a 10-point scale ranging from "no influence" to "complete control". Operationalizing attributions of influence in this way would appear to cover a broader range of influence. For example, a channel member's employment of positive unpressurized communications may not be considered as strategies leading to control, but might be recognized as influence by a target organization

through use of the "broader" measure of influence employed in the present study. In this context, it is plausible that a positive relationship might be found, and may explain the results of the present study.

Punishment Behavior Strategies and Attributions of Influence (H2c)

The results of the present study indicate partial support for the hypothesized positive relationship between the employment of punishment strategies by a channel member and a channel partner's attributions of influence. Analysis of the relationship between a distributor's employment of punishments and a manufacturer's attributions of influence produced a significant, positive correlation. Analysis of the relationship between a manufacturer's employment of punishments and a distributor's attributions of influence also produced a positive correlation, however, the correlation was not significant ($p=.108$).

These results (direction of the correlation value) are consistent with prior research which has emphasized the locus of motivation theory of channel member attributions of influence.

The correlation coefficients for the use of punishments were not as high as might be expected, given the coercive nature presumed of punishments. One possible explanation for this outcome may be that punishments are not recognized by a target organization, or employed by a source organization, for purposes of influence, per se. Perhaps, these strategies are recognized, and employed, as retaliation for the inability of the source organization to influence the target organization. A channel member may employ punishments as a last resort, or in frustration, in dealing with a channel partner.

An alternative explanation may be that channel members who employed punishments were considered by channel partners as undesirable and unreliable. As a result, these channel members disregarded the channel member's influence, thereby attributing lower levels of influence to these channel members.

Reward Behavior Strategies and Attributions of Influence (H2d)

The results of the study provide support for the hypothesized positive relationship between a channel member's employment of reward behaviors and a channel

partner's attributions of influence. The frequency of reward behavior influence strategies employed by a channel member correlated positively and significantly with a channel partner's attributions of influence. These results were consistent across both data sets.

These results are also consistent with the "locus of influence" perspective of channel member attributions of influence theory. The rendering of a reward by a channel member to a channel partner, by definition, would center the channel partner's locus of influence with the channel member giving the reward, particularly where the reward was given in recognition of compliance on the part of the recipient.

Conclusion

In the previous sections, a discussion of the results of the hypotheses which were developed to investigate the relationship between a channel member's employment of influence strategies and channel partner's attributions of influence were presented. Conclusions and implications for the results, as well as explanations were discussed. Overall, only partial support was found for the hypothesized relationships. A likely explanation for the findings, as noted previously, is as a result of the measure of

attributed influence employed in the study. Prior research which has examined attributed influence has operationalized the construct as "attributed control." In the current study, a measure which attempted to capture the full domain of influence was employed. This measure correlated positively with communication and behavior influence strategies. These results suggest attributions of influence increase as the employment of influence strategies increase. Given the distinction between the measures employed in the current study and those found in prior research, these findings appear plausible and consistent with previous research.

In the following section, the results of the hypotheses which investigated the relationship between a channel member's employment of influence strategies and a channel partner's perceptions of channel member conflict are presented.

Discussion of Research Findings for Hypotheses H3a - H3d

In this section the results of the hypotheses tests which evaluated the relationship between the frequency of influence strategies employed by channel members and channel partner's perceptions of affective conflict are discussed.

This discussion includes the results found for both the data sets in the study.

Negative Pressurized Communication Strategies and Conflict (H3a)

The results of the present study provide partial support for the hypothesized positive relationship between a channel member's employment of negative pressurized communications and a channel partner's perception of affective conflict. For both manufacturer and distributor data, the frequency of negative pressurized communication strategies employed by a channel member, with the exception of promises employed by a manufacturer, correlated positively and significantly with a channel partner's perception of affective conflict.

These results are consistent with previous research which has examined this relationship directly (Brown and Frazier 1978), and indirectly (Lusch 1976, and Wilkinson 1981). While these prior studies employed manifest measures of conflict, their results indicate support for the proposition that the employment of negative pressurized communications are positively correlated with conflict.

Positive Unpressurized Communication Influence Strategies and Conflict (H3b)

The results of the present study did not support the hypothesized negative relationship between the employment of positive unpressurized communications by a channel member and conflict. Results of both the manufacturer and distributor data, with two (2) exceptions, produced positive correlations between the employment of positive unpressurized communications by a channel member and perceptions of affective conflict. Several of these correlations were not significant. The two (2) exceptions, noted above, were negative correlations found within the data containing manufacturer perceptions of conflict relative to the employment of recommendation and request strategies by a distributor. These correlations were also not significant.

A possible explanation for this outcome may be attributable to the iterative nature of conflict (Baldwin 1971). Conflict may not only be the result of the employment of negative pressurized influence, but also may promote the employment of positive unpressurized influence in an effort to reduce conflict. In this context, it might

be expected that positive unpressurized communications would be positively correlated with conflict.

Punishment Behavior Influence Strategies and Conflict (H3c)

The results of the study provide support for the hypothesized positive relationship between a channel member's employment of punishment behavior and conflict. As predicted, the employment of punishment behaviors by a channel member correlated positively with affective conflict for both the manufacturer and distributor data.

The results are in general agreement with prior research which has examined this relationship directly and indirectly. This research includes studies by Gaski and Nevin (1985), Wilkinson (1981), Brown and Frazier (1978), Lusch (1976), and Stern, Schultz and Grabner (1973).

Reward Behavior Influence Strategies and Conflict (H3d)

The results of the study provide partial support for the hypothesized negative relationship between a channel member's employment of reward behavior and conflict. Analysis of the the relationship between distributor's

perceptions of conflict and the use of rewards by a manufacturer produced a negative, significant correlation. Analysis of the data containing manufacturer's perceptions of conflict and the employment of reward strategies by distributors produced a positive, nonsignificant correlation employing the affective measure of conflict.

A possible explanation for the inconsistency of the results may be attributable to the coercive as well as noncoercive dimensions of rewards. The rendering of a reward may be perceived as both a positive benefit or a coercive action. Perceiving a reward as a positive benefit would tend to reduce conflict (Lusch 1976, Gaski and Nevin 1985). Alternately, Brown and Frazier (1978) suggest that rewards may also be viewed as patronizing, and promote conflict in a channel environment.

In addition, possibly the granting of a reward implicitly signifies the threat of termination of the reward at a latter date, which may be dissatisfying and contribute to the perception of conflict (Gaski and Nevin 1985). Another possible explanation of these alternative outcomes may be attributable to the relationship between the level of reward and the dealer's expectation. Gaski and Nevin (1985) suggest, if the provision of reward by the supplier does not match the dealer's expectation, this may result in the

dealer being dissatisfied. A secondary outcome may be the perception of conflict by the channel member.

Conclusion

In the previous sections a discussion of the results of the hypotheses which were developed to investigate the relationship between a channel member's employment of influence strategies and channel partner's perception's of conflict was presented. Conclusions and implications for the results, including speculative explanations, were presented. Overall, the findings from the study provided only partial support for the hypothesized relationships. Unexpectedly, the use of positive, unpressurized influence strategies tended to be positively related to perceptions of conflict. A likely explanation for this outcome may be as a result of the iterative nature of conflict. Organization's may increase the frequency of positive, unpressurized strategies in order to reduce conflict.

Summary

In the previous sections, conclusions drawn from the research findings of the study were presented. In this

context, each hypothesis in the study was discussed. Conclusions and explanations relative to the results of the statistical tests of the hypotheses were discussed. In the next section, a discussion of research implications, relative to the entire study, is presented.

IV. RESEARCH IMPLICATIONS

In this section, implications drawn from the study will be presented. These implications concern: (1) the usefulness of the experimental game simulation setting, (2) the organizational unit of analysis, (3) the development of measures for the constructs in the study, and (4) the research findings.

Experimental Game Simulation

The experimental game simulation approach, as employed in this study, is a viable tool for marketing channel research. This approach is particularly suited for the generally, early conceptual development found in interorganizational exchange research, today. The experimental game simulation allowed for the study of major channel concepts and their interaction in a low cost,

manageable, yet not overly simplistic environment. A limitation of the experimental game simulation is the generalizability of the findings from the study. In this context, the simulation may not represent a real channel setting. In addition, the employment of student respondents in a 8-week simulated environment may have produced a system representing constructs and interrelationships which were not representative of channel member interaction. The inexperience of the student respondents and short duration of the simulation may have limited the development of channel interaction as represented in a real channel setting. The factors identified above represent trade-offs and should be considered in the employment of the simulation setting in interorganizational research.

Organizational Unit of Analysis

Unlike previous studies which have investigated interorganizational interaction, this study attempted to employ the "organization" as the unit of analysis. Previous studies have used key informants within the organization for their unit of analysis and data collection. Several researchers have pointed out the problems produced through the employment of the key informant methodologies (Phillips

1981). According to Phillips (1981) the use of key informant data (1) precludes a rigorous assessment of construct validity, (2) prohibits a determination of the extent to which variation in measures is due to (a) the concepts of interest, (b) systematic error, and (c) random error; and (3) requires the respondent to make complex judgements on potentially sensitive or controversial issues.

The use of the organization as the unit of analysis allows for a truer representation of the "organization's" perspective and reduces the problems present in "key informant" methodologies. A possible limitation of the organizational unit of analysis is the determination of the proper format for the weighting and aggregation of the respondents within the organization to form the organizational perspective. In the current study, members who were more highly involved received greater weight in the aggregation of organizational respondents. This approach, while directed at obtaining data from only knowledgeable organizational members, may not have represented the "true" organizational perspective.

Measures of Constructs

For the study, both perceptual and unobtrusive measures were developed for the major constructs. Within these methodologies, separate conceptualizations of the power, influence and conflict constructs were developed. These separate methodologies and conceptualizations allowed for an extensive and rigorous investigation of the construct validity of the measures. The information derived from this investigation may be useful in the development of future measures for these constructs as well as comparison of their current conceptualizations.

Additionally, for the measures of influence strategies, unlike previous research in market channels, influence communications were operationalized employing multiple item indices. These measures allowed for a more content valid measure of these constructs. Previous research has employed single item scales for communication influence strategies (cf. Frazier and Summers 1984, 1986; Kale 1986).

Research Findings

A dyadic conceptualization of the power construct was developed and related to channel member's employment of influence strategies in this study. Information pertaining to the ratio of channel member power was employed in this

context. Previous research in the channels area has focused on a single channel member's power and influence strategies.

Hypotheses were developed and tested which investigated the relationship of (1) a ratio of channel member power, (2) channel member perceptions of influence, and (3) perceptions of conflict to channel members employment of both influence communication and behavior strategies. These relationships were examined in a dyadic fashion.

This research represents the first attempt to investigate market channel interorganizational exchange behavior employing a measure of relative power. In addition, the research represents the first time interorganizational exchange behavior has been studied in an experimental simulation setting.

Conclusion

In the previous sections, implications drawn from the study have been presented. These implications included: (1) the use of the experimental game simulation as a viable research setting, (2) the use of the organization as the unit of analysis, (3) development of useful measures of the major constructs in the study, and (4) the contribution to

the development of theory in the market channel area provided by the results. In the next section, limitations in the study are presented.

V. LIMITATIONS OF THE STUDY

Classification of Limitations

Several limitations were present in the study. These limitations may be classified as: (1) statistical conclusion limitations, (2) internal validity limitations, (3) construct validity limitations, and (4) external validity limitations. Many of these limitations have been addressed throughout the study. A summary list of these limitations, as well as other possible limitations, is presented below:

Limitations

Statistical Conclusion Limitations

Low Statistical Power. As a result of limitations present in the research setting, sample size restrictions were present in the data collected. In addition, an alpha

level of .10 was considered acceptable. These factors may have increased the likelihood of making invalid statistical conclusions.

Violations of Assumptions. As a result of each respondent making observations of three (3) channel members, the observations were not independent. This violates the assumptions for statistical analysis methods employed in the analysis.

Error Rate of Statistical Results. As a result of the large number of correlations employed in the study, the overall probability of Type I Errors may have been increased.

Reliability of Simulation Implementation. Two simulation sessions were employed for the data collection. The consistency of implementation of the simulation may have varied across these sessions.

Random Irrelevancies in the Research Setting. Several sources of variation present in the simulation, other than the independent variables, may have affected the dependent variables.

Heterogeneity of Respondents. Respondents employed for the two data collections differed in various ways. Additional differences, besides those identified, may have affected the results.

Internal Validity Limitations

Testing Effect. As a result of the research design, respondents were required to answer three (3) similar questionnaires. Familiarity with the questionnaire may have affected an individuals subsequent responses in later questionnaires.

Selection Effect. For the unit of analysis, three (3) members from each organization who were determined to be highly involved with the variables of interest were selected. The process of selection for these members may have affected the results.

Ambiguity About the Direction of Causal Inference. In the study, causal inferences have been limited to suggestions of possible causal relationships. This point is restated at this time.

Diffusion of Information. During the data collection, communication between respondents was limited, but may have occurred. Respondents may have gathered information from other respondents and employed this information in their responses.

Construct Validity Limitations

Mono-Operation Bias. A single multiple-item measure was employed for both communication and behavior influence strategies. As a result, the investigation of the validity of these measures was limited.

Mono-Method Bias. The scales employed in each method did not vary in direction (positive - negative responses). As a result, the data may have been affected by response bias.

Evaluation Apprehension. The research design for the data collection required the gathering of data prior to the completion of the simulation. Respondents may have perceived the results of the study to be employed in their grade evaluation (respondents were assured of their

anonymity) and therefore been hesitant in responding to particular questions.

Levels of Constructs. As a result of the research setting, the variables of interest may not have been represented across their entire continuum. Nonlinear relationships may exist among the variables but may not have been represented in the data.

External Validity Limitations

Respondents. The respondents employed for the data collection were undergraduate and MBA students. Their responses may not have been representative of members of an organization.

Unit of Analysis. The method employed for the development of the organizational unit of analysis in the study, may not be representative of an actual "organization's" perspective.

Research Setting. The simulation setting employed for the study may not have represented and be generalizable to actual market channel interorganizational interaction.

VI. RECOMMENDED FUTURE RESEARCH DIRECTIONS

In this section, suggested directions for future interorganizational influence research is presented. The section begins with a discussion of needed research regarding the theoretical development of the major constructs of interest in the present study. This discussion will center on needed research regarding the conceptual development, clarification, and measurement of market channel constructs dealing with interorganizational exchange. Following this discussion, suggested future empirical research will be presented. The section will conclude with a discussion of methodological considerations for future interorganizational exchange research.

Theoretical Development

Various directions for future research in the conceptual development of the constructs employed in the current study will be presented in this section. This discussion will begin with channel member power and be followed by influence strategies, attributed influence and conflict.

Power

The power construct has been an elusive concept in market channel research. Additional conceptual development of this construct, including its related concepts - exercised power (actual influence), countervailing power and the power sources (both exercised and unexercised) is needed. Validation and further development of the various conceptualizations of power is also essential. Emerson's (1962) dependence conceptualization, employing both the subjective operationalization found with Frazier's (1983) role performance measure, and the more objective measure developed within this study; as well as the Gaski and Nevin (1985) measure of perception of "potential influence" and Wilemon's global power measure (market share, profitability etc..) need to be compared. Clarification as to which of these represents "power" is required for further development in this area.

With regard to any of the conceptualizations of power, further development of measures of power (where possible) including: (1) operationally, the enrichment of measures of power to include a more exhaustive representation of the domain of the measured construct (content validity), and (2) the inclusion of additional dimensions or components of the

power construct. With respect to these additional dimensions or components, if power is considered as the "potential ability to alter behavior", this ability may be the net result of several factors. These factors, together may compose the power construct and should be evaluated for inclusion in measures of power. Factors such as what Cartwright (1959) labeled the "domain" and "scope" of power; and what Kaplan (1964) labeled the "weight of power" may comprise these dimensions or components.

"Domain" refers to the set of agents over whom an agent exercises power (Cartwright 1959). "Scope" considers the states of an agent which can be affected by another agent (Beir and Stern 1969). Finally, the "weight of power" refers to the probability of influencing or changing behavior. Domain of power should not be confused with merely tapping the full area of a construct through measurement, as with content validity. Rather, "domain" considers the "reach" of the power holder in terms of people, agents and organizations. Further, scope of power should not be confused with the domain of power, "scope" refers to the operational areas of potential influence.

Gaski (1984) has suggested two additional components of power. These include both the "degree" and "time" of alteration by a power holder over another channel member.

"Degree" refers to the extent to which the power holder may affect or alter a single domain element (operational decision). Alternately, "time" refers to the temporal dimension of the ability to alter the behavior of another.

Attention also is needed with regard to the comparison of alternate channel member's perceptions of an organization's power. Self-perceived power and opposing channel member's perception's of power present differing perspectives of power. A comparison of these varying perspectives of power, relative to objective assessments of power is needed.

In addition, research is needed in furthering the power concept to include "relative" power. Currently, the majority of research has investigated power from only one perspective within the channel relationship and has not examined levels of power held by two channel members together.

A "relative" power construct, like the one employed in current study (power ratio), allows for the investigation of the power structure present in the channel relationship. The development of a "relative" assessment of the power held by channel members, operationalized to accommodate a "magnitude" dimension (not included in the present study) may provide additional information regarding market channel

power structure. "Magnitude", in this context, refers to the level of power one channel member has over another. A power ratio operationalized in this way accommodates the distinction between a power relationship which is balanced and low in value (power held by each channel member is low), and a balanced power relationship high in value (power held by each channel member is high).

Prior studies have attempted to control for the relative power (dependence) relationship existing in a channel by choosing channel relationships in which relative power was held by one channel member over another (Frazier and Summers 1984. 1986, Kale 1986). These studies have apriori assumed such a relationship exists. Validation of these apriori relationships is needed.

Influence Strategies

The development and classification of interorganizational influence strategies has received little attention in the marketing channels literature. Notable contributions include frameworks developed by Frazier and Summers (1984) and Frazier and Sheth (1985). Further development of frameworks and classification of the strategies employed by organizations engaged in exchange

relationships is needed. As Frazier and Sheth (1985) state, "[T]here exists only an acknowledgement that the efficient selection and application of varying strategies is highly complex" (p. 38).

A possible explanation for the lack of attention in this area may be as a result of the confusion existing between the possession of power and it's exercise. Several studies have included measures which appear to capture the use of power, while operationalizing the measure as representing the possession of power (cf. Frazier and Summers 1984). Further research should attempt to clarify the difference between the possession of power and it's use (i.e. influence strategies). In addition to the distinction noted above, further clarification is needed regarding the similar concepts of "exercised power sources" and "behavior influence strategies". These concepts appear to be similar, or overlapping in their content domain.

Additional research in the development of the frameworks and classification of both communication and behavior influence strategies and tactics is needed. Previous dichotomies of coercive and noncoercive strategies need to be expanded and more fully developed. Gaski (1984) and others have pointed out the difficulties of employing such a dichotomy when considering the difficulties of

classifying a strategy as coercive or noncoercive. For example, as Baldwin (1971) suggests, "Is withholding a reward ever a punishment? Always a punishment? Is withholding a punishment ever a reward? Always a reward?" (p. 23).

Additional classifications of the varying influence strategies available to an organization is needed. Research in inter-group behavior, inter-personal behavior and market channel research in buyer-seller relationships may be especially helpful in this development.

For individual influence strategies, further conceptual development, beyond the operationalization of these constructs along the dimensions of nature and frequency is essential. Additional dimensions may include: (1) intensity, (2) magnitude, (3) instrumentality, and (4) quality of the influence strategies and tactics. In addition to these dimensions, consideration of the costs, scope and domain would be helpful. The development of measures for these constructs employing multiple items is also suggested. These items should represent tactics within the domain of the strategy and are of considerable importance in understanding the nature of the influence process. Finally, normative evaluations of these strategies

such as found in work by Frazier and Sheth (1985) is essential.

Beyond individual strategies, the development of strategy sets, or commonly employed strategies would be informative. This would include (1) the short term and long term temporal nature of the strategies, and (2) the longitudinal ordering of influence strategies.

A consideration of multiple perceptions of influence strategy employment is also suggested. Given the positions of the focal or target organization, the perception of the nature and frequency of influence strategies differs. For example, a channel member may interpret a channel partner's influence strategies as negative and pressurized in nature while the channel partner intends them as positive and unpressurized.

In addition, further research which investigates the strategies employed by a targeted organization, in response to a focal organization's employment of influence strategies, is needed. In this context, Stern and Gorman (1969) suggest, "...threats tend to elicit threats... when one party establishes the use of coercion, the other is likely to respond in kind..." (p. 161).

Conflict

The topic of channel member conflict has received considerable attention in the marketing literature. However, further development of this important channel concept is needed. An accepted perspective of conflict is that it is comprised of iterative steps in a conflict process. At present, the investigation of the comparative differences between the stages contained within this process has not received as much attention. Research which comparatively evaluates the differences in latent, perceived, felt, manifest and conflict aftermath is needed. Perhaps, there exists a step function between these stages of conflict. For example, affective conflict may be present, but not of sufficient magnitude to trigger a manifestation or manifest conflict on the part of the organization until it reaches a sufficient level. The investigation of the relationship of these steps to an organization's employment of influence strategies is suggested.

Continued investigation of the origins of conflict including interdependence and antecedents of conflict is also suggested. Cadotte and Stern (1979) have identified several antecedents of conflict including: (1) goal incompatibility, (2) domain dissensus, and (3) perceptual incongruency. Further investigation of these antecedents of

conflict (Eliasberg and Michie 1984) as well as their relationship to an organization's employment of influence strategies is needed.

Attributed Influence

The attributions of a channel member regarding the level of influence possessed by a channel partner is attributed influence. Previous research which has examined this construct has operationalized it as attributed "control". Clarification as to the distinction between attributions of "influence" and "control" is needed. "Influence" appears to cover a broader range than that of "control". For example, a focal organization may "influence" a target organization with regard to a strategy decision, while not having "control" over the organization's decision. Future research in order to clarify this construct is needed.

A conceptually related, yet distinct construct, achieved influence, also needs clarification. Prior researchers have labeled the same construct "exercised power" (Gaski 1984) and "achieved influence" (Frazier 1983). Distinction as to the nature of this construct is needed.

With regard to achieved influence (or exercised power), continued exploration of the nature of achieved influence is necessary. Influence may be of a behavioral, attitude or perceptual form. Frazier and Sheth (1985) employed such an approach in their normative evaluation of influence strategies employing a attitude behavior framework.

The relationship between attributed influence and actual influence is also important given the relationship between various influence strategies and attributions of influence. Perceptions of influence and actual influence may not always be similar. For example, where information exchange strategies are employed, a target organization may not perceive the strategies to be related to an influence attempt. As a result, the target organization may not attribute influence to the focal organization, but may be influenced by the organization. The result is achieved influence without attributions of influence.

Empirical Relationships

Research relating the major variables of this study (communication and behavior influence strategies, power, attributed influence and conflict) with other market channel variables is essential to the continued development of

interorganizational exchange research. The investigation of market channel variables including: power sources, countervailing power, cooperation, satisfaction and performance; and their relationship to influence strategies, power, attributed influence, conflict and their various dimensions is necessary.

With regard to communication and behavior influence strategies, research investigating source organization variables such as attraction, esteem, status, credibility and prestige and their relationship to the employment of influence strategies is suggested. In addition, examination of these variables in the context of boundary role personnel is suggested.

Methodology

Unit of Analysis

The unit of analysis employed in the majority of market channel interorganizational exchange studies has been a single member within the organization of interest. These studies have employed the perceptions of a key informant as representing the perceptions of the organization. Previously, the problems associated with this methodology

were presented. In addition, problems associated with deriving the organizational unit of analysis were presented. Additional research directed at the development of better procedures for collecting, weighting and aggregating data from multiple organizational respondents is needed. The employment of the organizational unit of analysis in interorganizational research is critical to overcome limitations as to the generalizability of research results.

Research Setting and Design

Various research settings have been employed for the study of interorganizational exchange relationships. These include both laboratory and field settings. Both seem appropriate, if not necessary, for the continued investigation of constructs and relationships in this area.

Alternative designs, within these settings, are also suggested. The use of longitudinal designs may be especially helpful in understanding relationships involving achieved influence and "reply" influence strategies.

The use of various channel settings is also suggested. These would include, alternative product channels as with cross channel studies, and differing economic structures

(oligopoly, pure competition, etc..). In addition, both consumer and industrial channels should be investigated.

Finally, the investigation of interorganizational exchange relationships in international settings is recommended. Findings such as represented in Kale's (1986) study will allow for a better understanding of global interorganizational marketing practices.

Summary

In the previous sections, potential research directions for future investigation were suggested and discussed. These included: (1) further theoretical development of market channel constructs relative to interorganizational exchange, (2) suggested empirical relationships for investigation, and (3) methodological considerations for future interorganizational exchange research.

VII. SUMMARY

In this chapter, the conclusions, implications and limitations of the present study as well as recommended directions for future market channel interorganizational exchange research were presented. The chapter began with a

summary of the present study. Research conclusions regarding the hypothesized relationships was presented next. Each hypothesis was discussed in this context. This discussion was followed by research implications regarding the research setting, unit of analysis, measures and findings. Limitations present in the study were also presented. The chapter concluded with recommended future research directions including: theoretical development, empirical relationships and methodological considerations

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APPENDIXES

APPENDIX A

INTERORGANIZATIONAL INFLUENCE RESEARCH

STUDY SUMMARIES

A. Roering 1977

RESEARCH DESIGN
Laboratory study using 160 male undergraduate students participating in a automobile - trading game

CONSTRUCTS
Expected duration of channel bargaining relationship

Channel member dependence

Dimensions of bargaining behavior

MEASUREMENT
Expected duration of channel bargaining relationship - number of scheduled bargaining sessions

Channel member dependence - availability of alternative channel relationships manipulated through respondent indoctrination prior to experiment

Dimensions of bargaining behavior - videotape content analysis

RELIABILITY/VALIDITY
None reported

STATISTICAL ANALYSIS
Analysis of Variance

MAJOR STRENGTHS
Cross dyad measures, manipulation of dependence structure, bargaining behavior analysis

MAJOR WEAKNESSES
Laboratory setting, bargaining behavior analysis required experimenter interpretation, undergraduate respondents

B. Brown and Frazier 1978

RESEARCH DESIGN
Pilot study, personal interviews with 26 automobile dealers

CONSTRUCTS
Influence strategies

Power

Conflict

Satisfaction

MEASUREMENT
Influence strategies - dealer reports of percentage of contacts in which each influence strategy (reward, coercive, legalistic, direct statement) was used

Power - Indicant of dealer dependence - dealer perception of importance weighted manufacturers performance across 4 decision issues (11- point scale) multiplied by dealer report of percentage of agreements to total contacts multiplied by dealer attribution of manufacturer cooperation (11-point scale)

Conflict - dealer perception of importance weighted frequency of disagreements with manufacture across 8 issues

Satisfaction - Perceptual rating (7-point scale)

RELIABILITY/VALIDITY
None reported

MAJOR STRENGTHS
Innovative classification of influence strategies, strong attempt at power measure, incorporation of importance weights for constructs

MAJOR WEAKNESSES
Pilot study methodology, small sample, lack of reported reliability and validity, no grounds for causal inference

C. Wilkinson and Kipnis 1978

RESEARCH DESIGN
Personal interviews with 67 evening graduate students who described critical incidents between their organizations and others

CONSTRUCTS
Power

Opposing channel member power

Means of influence

Relative size of organization

Duration of relationship

MEASUREMENT
Power - perceptual rating of effect organization would have on plans operations etc. (7-point likert scale)

Opposing channel member power - same as power scale only perceptions of alternate dyad member

Means of influence - content analysis, ex post facto classification by researchers into weak and strong influence tactics

Relative size of organization - perceptual rating of smaller, same or larger than respondents own organization (3-point scale)

Duration of relationship - perceptual rating of years (1-5,6-16,16+) (3-point scale)

RELIABILITY/VALIDITY
None reported

MAJOR STRENGTHS
Novel data collection method, sample cross organizational

MAJOR WEAKNESSES
Small, nonrepresentative sample, only basis for causal inference is subjects retrospective reports of order of events

D. Michie 1978

RESEARCH DESIGN
Mail survey of 161 automobile dealers

CONSTRUCTS
Power sources

Managerial tactics

Satisfaction

MEASUREMENT
Power sources - dealer perceived quality (noncoercive sources) across 17 assistances and "likelihood of use" (coercive sources) across 7 areas

Managerial tactics - dealer perception of implementation of tactics in 3 warranty related areas (financial, promotional, and communications)

Satisfaction - dealers perception of level of gratitude with respect to 15 warranty related policies, averaged across 15 items (5-point scale)

RELIABILITY/VALIDITY
Power sources - content validity, discriminant validity via factor analysis

Satisfaction - reliability alpha = .93; content validity, convergent validity via correlation with another scale of satisfaction (correlation = .515)

STATISTICAL ANALYSIS
Factor analysis, multiple regression, analysis of variance

MAJOR STRENGTHS
Replication of earlier work in specific-issue context (warranty)

MAJOR WEAKNESSES
Lack of distinction between power source and satisfaction, low response rate (16%),

E. Dwyer and Walker 1981

RESEARCH DESIGN
Thirty-six male MBA students participating in a laboratory mixed motive bargaining game developed by Siegel and Fouraker (1960) under symmetrical and asymmetrical power conditions

CONSTRUCTS
Initial bid

Amount yielded

Number of offers

Message content

Communication frequency

Individual profits

Joint profits

Post bargaining attitudes

MEASUREMENT
Initial bid - unobtrusive

Amount yielded - unobtrusive

Number of offers - unobtrusive

Message content - unobtrusive

Communication frequency - unobtrusive

Individual profits - unobtrusive

Joint profits - unobtrusive

Post bargaining attitudes - perceptual ratings of both dyad members (15-item semantic differential) on 3 categories

RELIABILITY/VALIDITY
Post bargaining attitudes - alpha = .94,.95,.96

STATISTICAL ANALYSIS
Paired difference tests, t-tests

MAJOR STRENGTHS
Cross dyad measures, structural manipulation of power setting

MAJOR WEAKNESSES
Small sample, laboratory environment constrained from real setting

F. Frazier and Summers 1984

RESEARCH DESIGN
Mail survey of +184 regional new car dealers

CONSTRUCTS
Communication influence strategies (information exchange, requests, recommendations, threats legalistic pleas, promises)

Dealer's level of agreement with manufacturer

MEASUREMENT
Communication influence strategies - dealer perception of manufacturer influence attempts and percentage use of influence strategies (percentage scale)

Dealers level of agreement with manufacturer - dealer perceptions of agreement across 4 policy areas (7-point likert scale)

RELIABILITY/VALIDITY
None reported

STATISTICAL ANALYSIS
Frequency, correlation analysis

MAJOR STRENGTHS
Large sample size, conceptualization of influence strategies,

MAJOR WEAKNESSES
Single dyad member sample, power of analysis weak for causal inference, conceptualization of influence strategies incomplete

G. Gaski and Nevin 1985

RESEARCH DESIGN
Mail survey of 238 dealers and 43 district managers of heavy industrial machinery equipment in the U.S. and Canada

CONSTRUCTS
Power sources (coercive-punishments and noncoercive - rewards)

Exercised power sources (coercive - imposition of punishments and noncoercive - granting of rewards)

Power

Conflict

Satisfaction

Performance

MEASUREMENT
Power sources - dealers perception of manufacturers capability of action (5-point likert scale) in 21 areas

Exercised power sources - dealers perception of frequency of manufacturers action (4-point likert scale) in 21 areas

Power - dealers perceptions of suppliers ability to influence dealer in 8 policy areas (4-point likert scale)

Conflict - dealers perceptions (10 item 5-point likert scale)

Satisfaction - dealers perceptions (5 item 5-point likert scale)

Performance - district manager perceptions of dealer performance (2 item 5-point likert scale)

RELIABILITY/VALIDITY
Power sources - coefficient alpha = .866 noncoercive, .689 coercive; content, pragmatic, indirect evidence of construct validity via high alpha, discriminant validity via correlation with other scales (none as high as alpha), convergent validity via correlation with power measure

Exercised power sources - coefficient alpha = .832 noncoercive, .619 coercive; content, pragmatic, indirect evidence of construct validity via high alpha, discriminant validity via correlation with other scales (none as high as alpha), convergent validity via correlation with power measure

Power - coefficient alpha = .865; convergent validity via correlation with power source measures

Conflict - coefficient alpha = .892; face validity

Satisfaction - coefficient alpha = .764; face validity

Performance - convergent validity via correlation of scale items and sales measure, discriminant validity via correlation with satisfaction

STATISTICAL ANALYSIS
Regression, correlation, and partial correlation

MAJOR STRENGTHS
Distinction between latent and exercised power sources, large sample size, cross dyadic measures, thorough reliability and validity reporting, extensive domain sampling of power source attributes

MAJOR WEAKNESSES
Power measure perceptually based

H. Gaski 1986

RESEARCH DESIGN
See Gaski and Nevin 1985

CONSTRUCTS
Exercised power sources (reward and coercive)

Power sources (expert, referent and legitimate)

Power

Satisfaction

MEASUREMENT
Exercised power sources - See Gaski and Nevin 1985

Power sources - dealer perceptions (5 item 5-point likert scales)

Power - See Gaski and Nevin 1985

Satisfaction - See Gaski and Nevin 1985

RELIABILITY/VALIDITY
Exercised power sources - See Gaski and Nevin 1985

Power sources - alpha = .770 expert, .808 referent, .653 legitimate; Face validity, indirect evidence of construct validity via alphas, and discriminant validity via alpha coefficients higher than correlations of scales with other scales

Power - See Gaski and Nevin 1985

Satisfaction - See Gaski and Nevin 1985

STATISTICAL ANALYSIS
LISREL Structural Equation Model

MAJOR STRENGTHS
See Gaski and Nevin 1985, causal inference

MAJOR WEAKNESSES
See Gaski and Nevin 1985

I. Frazier and Summers 1986

RESEARCH DESIGN
Mail survey of 435 new car dealers

CONSTRUCTS
Influence strategies - (communications) (coercive - threats, legalistic pleas, promises) (noncoercive - requests, recommendations, information exchange)

Power

Dealer attitude towards manufacturer - accommodative intentions, satisfaction, consideration of dissolving relationship

MEASUREMENT
Influence strategies - dealer perception of manufacturer influence attempts and strategy employed across 4 areas (assigned percentage of use scale)

Influence strategies - dealer perception of dealer use of influence strategies (promises, legalistic pleas, and requests) (7-point likert scale)

Power - dealer perception of role performance of manufacturer at corporate strategic center and boundary personnel tactical center as compared to industry average performance (11-point likert scale)

Dealer attitude towards manufacturer - accommodative intentions - dealer perception (7-point likert scale)

Dealer attitude towards manufacturer - satisfaction - dealer perception (7-point likert scale)

Dealer attitude towards manufacturer - consideration of dissolving exchange relationship - dealer perception (7-point likert scale)

RELIABILITY/VALIDITY
Dealer attitude towards manufacturer - accommodative intentions (alpha = .76)

STATISTICAL ANALYSIS
Partial correlation analysis

MAJOR STRENGTHS
Large sample size, Dependence (power) measure dimensionalized at two strategic levels

MAJOR WEAKNESSES
Regional sample, limited classification of influence strategies, no causal inference, single dyad member sampled

J. Kale 1986

RESEARCH DESIGN
Personal interviews with 51 dealers of tungsten carbide tools in India

CONSTRUCTS
Power

Influence strategies - (information exchange, request, recommendations, legalistic pleas, promises, threats)

Attributed Influence

MEASUREMENT
Power - dealer perceptions of 4 factors related to dependence measured on 2 dimensions (relative contribution and importance) computed via a weighted linear additive function

Influence strategies - dealer perceptions of manufacture influence attempts and strategy implementation frequency (7-point likert scale)

Attributed Influence - dealer perceptions of manufacturer control (7-point likert scale)

VALIDITY/RELIABILITY
Power - convergent validity via correlation of global measure of dependence (7-point likert scale) correlation = .82 (p=.001)

Power - nomological validity via correlation of global measure of satisfaction (7-point likert scale) correlation = -.31 (p=.013)

STATISTICAL ANALYSIS
Factor analysis, Partial correlation analysis

MAJOR STRENGTHS
Attempt at investigation of influence strategies in international setting, personal interview format, confirmation of sellers market assumption, strong attempt at power measure via dependence conceptualization, convergent and nomological validation, control of external confounding variables

MAJOR WEAKNESSES
Small sample size, single dyad member sample, attributed influence measure actually measures of control

K. Lusch 1976

RESEARCH DESIGN
Mail survey of 567 new car dealers

CONSTRUCTS
Conflict

Sources of power

MEASURES
Conflict - perceived frequency of disagreement between manufacturer and dealer over 20 issues and an overall measure of perceived conflict

Power sources - noncoercive sources - perceived (5-point scale) quality of 16 assistances manufacturer provided dealers coercive sources - perceived (7-point scale) liklihood of manufacturer using 6 punishments towards dealer

RELIABILITY/VALIDITY
Internal consistency of conflict measures via coefficient alpha; content, convergent (via correlation analysis) and criterion validity

Content and discriminant (factor analysis) validity of both coercive and noncoercive power sources

MAJOR STRENGTHS
Development of measures, extensive sample

MAJOR WEAKNESSES
Dichotimization of power sources may be over simplification, strength of relationships low

L. Wilkinson 1981

RESEARCH DESIGN
Personal interviews of 60 hotel managers in Sydney, Australia

CONSTRUCTS
Power

Coercive power

Noncoercive power

Satisfaction

Conflict

MEASURES
Power - level (5-point scale) of influence in seven policy area

Coercive power - liklihood (5-point scale) that brewery would use four tactics of influence

Noncoercive power - quality ((5-point scale) of eight assistances

Satisfaction - ratings (5-point scale) of satisfaction or dissatisfaction on eight issues

Conflict - frequency (5-point scale) of disagreements between channel members on fourteen issues

RELIABILITY/VALIDITY
Reliability via coefficient alpha for all scales

MAJOR STRENGTHS
Measurement development, international setting,

MAJOR WEAKNESSES
Nonindependent observations, small sample size

M. Stern, Schultz and Grabner 1973

RESEARCH DESIGN
Laboratory dyadic game experiment involving 69 male students who bargained behind closed screens

CONSTRUCTS
Power bases

Perceived conflict (felt) both intrapersonal and interpersonal

Behavior conflict (manifest) both intrapersonal and interpersonal

MEASURES
Power bases - precoded messages derived from power bases which students employed in bargaining task

Perceived conflict - perceptions of agreement (9-point scale) for 9 intrapersonal and 9 interpersonal statements

Behavioral conflict - derived via the choice of strategies (power base messages) chosen by bargainers

RELIABILITY/VALIDITY
None respondent

MAJOR STRENGTHS
Cross dyadic measures, multi-conflict dimension measures

MAJOR WEAKNESSES
Weak results, contrived setting

N. Lusch and Brown 1982

RESEARCH DESIGN
National survey of 567 franchised new car dealers in U.S.

CONSTRUCTS
Power

Sources of power

MEASUREMENT
Power - dealer ratings (4-point scale) of manufacturer control over dealer decisions

Power sources - dealer evaluations (importance) (4-point scale) and belief (quality) (5-point scale) perceptions of noncoercive (16 assistances) and coercive (6 punishments) sources of power

RELIABILITY/VALIDITY
Power - split-half analysis, factor analysis, coefficient alpha

Power Sources - Discriminant validity through factor analysis

MAJOR STRENGTHS
Rigorous measurement construction, inclusion of evaluative component of power source, large sample, extension of power source classification

MAJOR WEAKNESSES
Power measure operationalized for "control" i.e. total power

O. Hunt and Nevin 1974

RESEARCH DESIGN
Survey of 815 fast food franchises

CONSTRUCTS
Power

Sources of power

Satisfaction

MEASUREMENTS
Power - franchisee perception (6-point scale) of ability of franchisor to control (responsibility) seven decision areas

Power sources - noncoercive - franchisee perception (5-point scale) of quality of 14 assistances,

Power sources - coercive - dichotomous measures of (1) control of building, (2) control of land, (3) occurrence of threats, to revoke franchise; and three likert scales of (1) perceived need for legislation (5-point scale), (2) extent of right to sell franchise (5-point scale), and (3) perceived fairness of agreement (6-point scale)

Satisfaction - franchisee's dichotomous perception of what he would do "if he had it to do all over again"

RELIABILITY/VALIDITY
None reported

MAJOR STRENGTHS
Innovative measures, large sample

MAJOR WEAKNESSES
Noninterval data

P. Etgar 1978

RESEARCH DESIGN
Cross channel study of 99 retail dealers of beer (bar owners), liquor, gasoline, boats, car, motorcycles, organs and swimming pools in northeastern metropolitan area

CONSTRUCTS
Power

Sources of power

MEASURES
Power - dealer perception (7-point scale) of suppliers control in 12 areas

Sources of power - economic - dealers perception (7-point scale) of potency of 8 reward and punishment actions

Sources of power - noneconomic - dealers perception of potency of 6 noneconomic actions

RELIABILITY/VALIDITY
None reported

MAJOR STRENGTHS
Attempt at extending power source classification, cross channel study

MAJOR WEAKNESSES
Insufficient discrimination between economic and noneconomic power sources, single member of dyad measured

APPENDIX B

MANUFACTURER QUESTIONNAIRES

THE UNIVERSITY OF TENNESSEE
KNOXVILLE

College of
Business
Administration

Department of
Marketing and
Transportation

Dear MarketPlace Participant:

The MarketPlace simulation that you have been participating in over the past quarter is the first of its kind to be implemented in an undergraduate program. By now you have experienced the challenge of negotiating, dealing and interacting with other organizations and their representatives in MarketPlace. As a researcher, I am very interested in your perceptions and feelings regarding these experiences. Your participation in this project will provide important information for research currently being conducted within the Department of Marketing at the University of Tennessee.

Attached you will find questionnaires which ask you to recall your experiences in MarketPlace over the past two quarters. You will be asked questions pertaining to your organization's relationship with the MarketPlace organizations you delt with. When responding to each question please keep in mind your relationship with these organizations. The information you provide will be kept completely confidential and you will remain anonymous.

Please begin with the questionnaire entitled **General Questionnaire** and follow the instructions as they are provided in each questionnaire. If you have questions during the period, please raise your hand. When you have completed the questionnaires, place the questionnaires in the provided envelope, and return them to the front of the room.

Your participation in this project is greatly appreciated by both myself and the Department of Marketing at the University of Tennessee.

Sincerely,

Gregory T. Gundlach

310 Stokely Management Center / Knoxville, Tennessee 37996-0530 / (615) 974-5311

(M)___ [1-2]

THE CURSOR CO.

THIS QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S DEALINGS AND EXPERIENCES WITH THE CURSOR CO..

A. PLEASE INDICATE (CIRCLE) THE NAME OF YOUR MARKET PLACE ORGANIZATION: 439

FRONTIER	JAEGERMEISTER	TIARA	PARAGON	MICRON	MEGA-TECH	
1	2	3	4	5	6	[3]

SECTION I.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR PERSONAL INTERACTION WITH THE CURSOR CO. IN THE LAST THREE QUARTERS. PLEASE ANSWER EACH QUESTION RECALLING YOUR PERSONAL INTERACTION WITH THE CURSOR CO..

1=[4]

A. PLEASE ESTIMATE (FILL IN) THE NUMBER OR HOURS YOU WERE PERSONALLY INVOLVED IN NEGOTIATIONS WITH THE CURSOR CO. DURING THE LAST THREE QUARTERS:

_____HOURS [5-6]

B. PLEASE ESTIMATE (CIRCLE) THE NUMBER OF HOURS, DURING THE PAST THREE QUARTERS, YOU HAVE PERSONALLY DISCUSSED WITH OTHER MEMBERS OF YOUR ORGANIZATION (FORMALLY OR INFORMALLY) YOUR RELATIONSHIP WITH THE CURSOR CO.:

_____HOURS [7-8]

C. EVEN IF YOU DID NOT PERSONALLY NEGOTIATE WITH REPRESENTATIVES OF THE CURSOR CO. DURING THE PAST THREE QUARTERS, PLEASE INDICATE (CIRCLE) HOW PERSONALLY FAMILIAR YOU ARE WITH THE RELATIONSHIP:

NOT AT ALL FAMILIAR						EXTREMELY FAMILIAR	
1	2	3	4	5	6	7	[9]

SECTION II.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S RELATIONSHIP WITH THE CURSOR CO.. PLEASE ANSWER EACH QUESTION RECALLING YOUR ORGANIZATION'S RELATIONSHIP WITH THE CURSOR CO..

B. RECALLING YOUR ORGANIZATION'S RELATIONSHIP WITH THE CURSOR CO., PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO EACH OF THE FOLLOWING:

	0% PROBABILITY										100% PROBABILITY	
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO LOWER YOUR WHOLESALE BRAND PRICES BY 15%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[10-11]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO ALLOW THEM TO DELAY THEIR PAYMENT OF INVENTORY PURCHASED BY ONE (1) QUARTER, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[12-13]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO INCREASE YOUR PLANT CAPACITY BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[14-15]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO INCREASE THE PRODUCTION OF YOUR BRANDS BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[16-17]

	0% PROBABILITY										100% PROBABILITY	
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO DEVELOP A SPECIFIC BRAND FOR THEM AT YOUR EXPENSE, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[18-19]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR RESEARCH AND DEVELOPMENT BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[20-21]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR MARKET RESEARCH BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[22-23]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO EXCLUSIVELY PROVIDE THEM WITH ALL OF YOUR POP DISPLAYS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[24-25]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO CHANGE YOUR ADVERTISING AD COPY, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[26-27]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO CHANGE YOUR ADVERTISING MEDIA SELECTION TO TARGET THEIR MARKETS VS. THEIR COMPETITOR MARKETS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[28-29]
IF THE CURSOR CO. TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR ADVERTISING BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[30-31]

B. RECALLING YOUR ORGANIZATION'S DECISIONS IN THE FOLLOWING POLICY AREAS DURING THE LAST THREE QUARTERS, PLEASE INDICATE (CIRCLE) HOW MUCH INFLUENCE THE CURSOR CO. HAD ON YOUR ORGANIZATION'S DECISIONS:

	NO INFLUENCE										COMPLETE CONTROL	
YOUR WHOLESALE BRAND PRICE	0	1	2	3	4	5	6	7	8	9	10	[32-33]
YOUR REQUIREMENTS FOR TIME OF PAYMENT (PREPAY,ON TIME, DELAY)	0	1	2	3	4	5	6	7	8	9	10	[34-35]
YOUR PLANT CAPACITY	0	1	2	3	4	5	6	7	8	9	10	[36-37]
YOUR PRODUCTION VOLUME	0	1	2	3	4	5	6	7	8	9	10	[38-39]
YOUR R&D EXPENDITURES	0	1	2	3	4	5	6	7	8	9	10	[40-41]
YOUR MARKET RESEARCH EXPENDITURES	0	1	2	3	4	5	6	7	8	9	10	[42-43]
YOUR POP DISPLAY DECISIONS	0	1	2	3	4	5	6	7	8	9	10	[44-45]
YOUR AD COPY DESIGN	0	1	2	3	4	5	6	7	8	9	10	[46-47]
YOUR ADVERTISEMENT PLACEMENT (MEDIA)	0	1	2	3	4	5	6	7	8	9	10	[48-49]
YOUR ADVERTISING EXPENDITURES	0	1	2	3	4	5	6	7	8	9	10	[50-51]

SECTION III.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S NEGOTIATIONS (COMMUNICATIONS/DISCUSSIONS) WITH THE CURSOR CO. DURING THE PAST THREE QUARTERS. PLEASE ANSWER EACH QUESTION RECALLING YOUR ORGANIZATION'S NEGOTIATIONS WITH THE CURSOR CO..

A. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. STATE OR IMPLY:

	NEVER						EXTREMELY OFTEN	
THAT A GOOD OR LOYAL ORGANIZATION WOULD COMPLY	1	2	3	4	5	6	7	[52]
THAT YOU WOULD BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[53]
THAT YOUR PERSONAL RELATIONSHIP WOULD IMPROVE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[54]
THAT YOU WOULD GAIN THEIR RESPECT OR GAIN THEIR APPROVAL IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[55]
THAT ONLY A BAD OR DISLOYAL ORGANIZATION WOULD NOT COMPLY	1	2	3	4	5	6	7	[56]
THAT YOU WOULD NOT BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD NOT COMPLY	1	2	3	4	5	6	7	[57]
THAT YOUR PERSONAL RELATIONSHIP WOULD WORSEN IF YOU WOULD NOT COMPLY	1	2	3	4	5	6	7	[58]
THAT YOU WOULD LOSE THEIR RESPECT OR NOT GAIN THEIR APPROVAL IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[59]

B. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. DIRECTLY:

	NEVER						EXTREMELY OFTEN	
ASK YOU TO COMPLY	1	2	3	4	5	6	7	[60]
REQUEST THAT YOU COMPLY	1	2	3	4	5	6	7	[61]
RECOMMEND THAT YOU COMPLY	1	2	3	4	5	6	7	[62]
SUGGEST THAT YOU COMPLY	1	2	3	4	5	6	7	[63]
TELL YOU TO COMPLY	1	2	3	4	5	6	7	[64]
DEMAND THAT YOU COMPLY	1	2	3	4	5	6	7	[65]
COMMAND YOU TO COMPLY	1	2	3	4	5	6	7	[66]

C. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. ARGUE/ MAKE A CASE:

	NEVER						EXTREMELY OFTEN	
BASED UPON FINANCIAL PAYOFF/OUTCOME THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[67]
BASED UPON PAST EXPERIENCE THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[68]
BASED UPON GOOD SOUND BUSINESS JUDGMENT THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[69]
BASED UPON MARKET RESEARCH THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[70]

D. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. PROMISE:

	NEVER						EXTREMELY OFTEN	
TO PURCHASE A BRAND THEY DID NOT WANT IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[71]
THEY WOULD BUY ADDITIONAL INVENTORY IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[72]
THEY WOULD GIVE YOU MARKET RESEARCH IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[73]
TO OPEN STORES CRITICAL TO YOUR BRAND MARKETS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[74]
TO GIVE YOU FAVORED ARRANGEMENTS IN SALES TERRITORIES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[75]
TO INCREASE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[1]
TO DEDICATE ADDITIONAL SALESPEOPLE TO YOUR BRANDS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[2]
YOU WOULD GET BETTER SHELF LOCATIONS FOR YOUR BRANDS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[3]

E. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. PROMISE:

	NEVER						EXTREMELY OFTEN	
TO SET A RETAIL BRAND PRICE WHICH WOULD INCREASE THE SALE OF YOUR BRAND IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[4]
TO PREPURCHASE INVENTORY IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[5]
TO FINANCE YOUR INVENTORY PRODUCTION IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[6]
TO PAY/SHARE EXPENSES OF INCREASING YOUR PLANT CAPACITY IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[7]
TO PAY/SHARE RESEARCH AND DEVELOPMENT EXPENSES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[8]
TO PAY/SHARE MARKET RESEARCH EXPENSES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[9]
TO PAY/SHARE EXPENSES OF POP DISPLAYS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[10]
TO PAY/SHARE YOUR ADVERTISING EXPENSES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[11]
THEY WOULD PAY/SHARE EXPENSES OF ANY KIND IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[12]
YOU WOULD RECEIVE A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[13]

F. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. PROMISE:

	NEVER						EXTREMELY OFTEN	
NOT TO DO BUSINESS ELSEWHERE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[14]
YOU WOULD RECEIVE PREFERENCE OVER COMPETITORS IN PRESENT/FUTURE NEGOTIATIONS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[15]
THEY WOULD CHANGE A DECISION IN YOUR FAVOR IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[16]
BETTER COOPERATION IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[17]
BETTER SERVICE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[18]
TO HELP/ASSIST YOUR DECISION MAKING IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[19]
YOU WOULD RECEIVE FUTURE FAVORS/REWARDS/BENEFITS OF ANY KIND IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[20]

G. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. THREATEN:

	NEVER						EXTREMELY OFTEN	
NOT TO CARRY YOUR BRAND IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[21]
TO REDUCE THE AMOUNT OF INVENTORY THEY WOULD PURCHASE IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[22]
TO CUT OFF/NOT GIVE YOU MARKET RESEARCH IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[23]
TO CLOSE STORES CRITICAL TO YOUR BRAND MARKETS IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[24]
TO PULL YOUR BRAND OUT OF CERTAIN TERRITORIES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[25]
TO REDUCE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[26]
TO REDUCE/NOT DEDICATE ANY SALESPEOPLE TO YOUR BRAND IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[27]
TO GIVE YOUR BRAND A BAD SHELF LOCATION IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[28]

H. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. THREATEN:

	NEVER						EXTREMELY OFTEN	
TO SET A RETAIL BRAND PRICE WHICH WOULD REDUCE YOUR BRAND SALES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[29]
TO STOP/NOT AGREE TO PREPURCHASE INVENTORY IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[30]
TO STOP/NOT AGREE TO FINANCE INVENTORY PRODUCTION IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[31]
TO STOP/NOT AGREE TO PAY FOR EXPENSES OF INCREASING YOUR PLANT CAPACITY IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[32]
TO STOP/NOT AGREE TO PAY FOR RESEARCH AND DEVELOPMENT EXPENSES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[33]
TO STOP/NOT AGREE TO PAY FOR MARKET RESEARCH EXPENSES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[34]
TO STOP/NOT AGREE TO PAY FOR POP DISPLAYS IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[35]
TO STOP/NOT PAY FOR YOUR ADVERTISING EXPENSES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[36]
TO STOP/NOT PAY FOR EXPENSES OF ANY KIND IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[37]
TO STOP/NOT AGREE TO GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[38]

I. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF THE CURSOR CO. THREATEN:

	NEVER						EXTREMELY OFTEN	
TO TAKE THEIR BUSINESS ELSEWHERE IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[39]
TO GIVE YOUR COMPETITORS PREFERENCE IN PRESENT/FUTURE NEGOTIATIONS IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[40]
TO MAKE A DECISION KNOWINGLY ADVERSE TO YOU IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[41]
TO IMPLEMENT LEGAL ACTION AGAINST YOU IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[42]
YOU WOULD RECEIVE POORER COOPERATION IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[43]
YOU WOULD RECEIVE POORER SERVICE IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[44]
TO STOP/NOT AGREE TO ASSIST YOU IN YOUR DECISION MAKING IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[45]
THAT YOU WOULD BE PUNISHED/RETALIATED AGAINST IN ANY WAY IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[46]

SECTION IV.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR EXPERIENCES WITH THE CURSOR CO. DURING THE PAST THREE QUARTERS. PLEASE ANSWER EACH QUESTION RECALLING YOUR EXPERIENCES WITH THE CURSOR CO..

A. PLEASE INDICATE (CIRCLE) HOW OFTEN THE CURSOR CO. HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
PURCHASE A BRAND THEY DID NOT WANT TO BENEFIT YOU	1	2	3	4	5	6	7	[47]
BUY ADDITIONAL INVENTORY BEYOND THEIR INTENDED AMOUNT	1	2	3	4	5	6	7	[48]
GIVE YOU FREE/DISCOUNTED MARKET RESEARCH	1	2	3	4	5	6	7	[49]
OPEN STORES CRITICAL TO YOUR BRAND MARKETS	1	2	3	4	5	6	7	[50]
GIVE YOU EXCLUSIVE ARRANGEMENTS IN SALES TERRITORIES	1	2	3	4	5	6	7	[51]
INCREASE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES	1	2	3	4	5	6	7	[52]
DEDICATE ADDITIONAL SALESPEOPLE TO YOUR BRANDS	1	2	3	4	5	6	7	[53]
GIVE YOU BETTER SHELF LOCATIONS FOR YOUR BRANDS THAN COMPETITORS	1	2	3	4	5	6	7	[54]

B. PLEASE INDICATE (CIRCLE) HOW OFTEN THE CURSOR CO. HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
SET A RETAIL BRAND PRICE WHICH INCREASED THE SALE OF YOUR BRAND	1	2	3	4	5	6	7	[55]
PREPURCHASE INVENTORY	1	2	3	4	5	6	7	[56]
FINANCE INVENTORY PRODUCTION	1	2	3	4	5	6	7	[57]
SHARE/PAY FOR EXPENSES OF INCREASING YOUR PLANT CAPACITY	1	2	3	4	5	6	7	[58]
PAY/SHARE RESEARCH AND DEVELOPMENT EXPENSES	1	2	3	4	5	6	7	[59]
PAY/SHARE MARKET RESEARCH EXPENSES	1	2	3	4	5	6	7	[60]
PAY/SHARE EXPENSES OF POP DISPLAYS	1	2	3	4	5	6	7	[61]
PAY/SHARE YOUR ADVERTISING EXPENSES	1	2	3	4	5	6	7	[62]
PAY/SHARE EXPENSES OF ANY KIND	1	2	3	4	5	6	7	[63]
GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND	1	2	3	4	5	6	7	[64]

C. PLEASE INDICATE (CIRCLE) HOW OFTEN THE CURSOR CO. HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
DO BUSINESS WITH YOU EXCLUSIVELY	1	2	3	4	5	6	7	[65]
GIVE YOU PREFERENCE OVER COMPETITORS IN NEGOTIATIONS	1	2	3	4	5	6	7	[66]
CHANGE A DECISION IN YOUR FAVOR	1	2	3	4	5	6	7	[67]
GIVE YOU BETTER COOPERATION	1	2	3	4	5	6	7	[68]
GIVE YOU BETTER SERVICE	1	2	3	4	5	6	7	[69]
HELP/ASSIST YOUR DECISION MAKING	1	2	3	4	5	6	7	[70]
GIVE YOU FAVORS/REWARDS/BENEFITS OF ANY KIND	1	2	3	4	5	6	7	[71]

D. PLEASE INDICATE (CIRCLE) HOW OFTEN THE CURSOR CO. HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
REFUSE TO CARRY YOUR BRAND	1	2	3	4	5	6	7	[72]
REDUCE THE AMOUNT OF INVENTORY THEY INTENDED TO PURCHASE	1	2	3	4	5	6	7	[73]
CUT OFF/NOT GIVE YOU MARKET RESEARCH YOU EXPECTED	1	2	3	4	5	6	7	[74]
CLOSE STORES CRITICAL TO YOUR BRAND MARKETS	1	2	3	4	5	6	7	[75]
PULL YOUR BRANDS OUT OF IMPORTANT TERRITORIES	1	2	3	4	5	6	7	[1]
REDUCE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES	1	2	3	4	5	6	7	[2]
REDUCE/NOT DEDICATE ANY SALESPEOPLE TO YOUR BRAND	1	2	3	4	5	6	7	[3]
GIVE YOUR BRAND A BAD SHELF LOCATION	1	2	3	4	5	6	7	[4]

E. PLEASE INDICATE (CIRCLE) HOW OFTEN THE CURSOR CO. HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
SET A RETAIL BRAND PRICE WHICH REDUCED YOUR BRAND SALES	1	2	3	4	5	6	7	[5]
STOP/NOT PREPURCHASE INVENTORY	1	2	3	4	5	6	7	[6]
STOP/NOT FINANCE INVENTORY PRODUCTION	1	2	3	4	5	6	7	[7]
STOP/NOT PAY FOR EXPENSES OF INCREASING YOUR PLANT CAPACITY	1	2	3	4	5	6	7	[8]
STOP/NOT PAY FOR RESEARCH AND DEVELOPMENT EXPENSES	1	2	3	4	5	6	7	[9]
STOP/NOT PAY FOR MARKET RESEARCH EXPENSES	1	2	3	4	5	6	7	[10]
STOP/NOT PAY FOR POP DISPLAYS	1	2	3	4	5	6	7	[11]
STOP/NOT PAY FOR YOUR ADVERTISING EXPENSES	1	2	3	4	5	6	7	[12]
STOP/NOT PAY FOR EXPENSES OF ANY KIND	1	2	3	4	5	6	7	[13]
STOP/NOT GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND	1	2	3	4	5	6	7	[14]

F. PLEASE INDICATE (CIRCLE) HOW OFTEN THE CURSOR CO. HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
TAKE THEIR BUSINESS ELSEWHERE	1	2	3	4	5	6	7	[15]
GIVE YOUR COMPETITORS PREFERENCE IN NEGOTIATIONS	1	2	3	4	5	6	7	[16]
IMPLEMENT LEGAL ACTION AGAINST YOU	1	2	3	4	5	6	7	[17]
MAKE A DECISION KNOWINGLY ADVERSE TO YOU	1	2	3	4	5	6	7	[18]
GIVE YOU POORER COOPERATION	1	2	3	4	5	6	7	[19]
GIVE YOU POORER SERVICE	1	2	3	4	5	6	7	[20]
STOP/NOT ASSIST YOU IN YOUR DECISION MAKING	1	2	3	4	5	6	7	[21]
PUNISH/RETALIATE AGAINST YOU IN ANY WAY	1	2	3	4	5	6	7	[22]

SECTION V.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR GENERAL PERCEPTIONS OF YOUR RELATIONSHIP WITH THE CURSOR CO..

B. IF THE CURSOR CO. WERE SUDDENLY NO LONGER AVAILABLE TO YOUR FIRM, WHAT EFFECT WOULD THIS HAVE ON YOUR BUSINESS:

NO NEGATIVE EFFECT ——— DISASTROUS EFFECT

0 1 2 3 4 5 6 7 8 9 10 [23-24]

B. ALL THINGS CONSIDERED, DURING THE PAST THREE QUARTERS, HOW MUCH POWER DID THE CURSOR CO. HAVE OVER YOUR ORGANIZATION:

NO POWER ——— VERY HIGH POWER

0 1 2 3 4 5 6 7 8 9 10 [25-26]

C. ALL THINGS CONSIDERED, DURING THE PAST THREE QUARTERS, HOW MUCH POWER DID YOUR ORGANIZATION HAVE OVER THE CURSOR CO.:

NO POWER ——— VERY HIGH POWER

0 1 2 3 4 5 6 7 8 9 10 [27-28]

D. RECALLING YOUR DEALINGS AND EXPERIENCES WITH THE CURSOR CO., DURING THE PAST THREE QUARTERS:

1. HAS THE CURSOR CO. OR REPRESENTATIVES OF THE CURSOR CO. ENGAGED IN ANY SPECFIC TACTICS WHICH WERE HELPFUL TO YOUR ORGANIZATION?

NO	YES	
1	2	[29]

IF YES, PLEASE LIST THEM BELOW IN ORDER OF IMPORTANCE:

1. _____ [30-31]
2. _____ [32-33]
3. _____ [34-35]

2. HAS THE CURSOR CO. OR REPRESENTATIVES OF THE CURSOR CO. ENGAGED IN ANY SPECIFC TACTICS WHICH WERE HARMFUL TO YOUR ORGANIZATION?

NO	YES	
1	2	[36]

IF YES, PLEASE LIST THEM BELOW IN ORDER OF IMPORTANCE:

1. _____ [37-38]
2. _____ [39-40]
3. _____ [41-42]

SECTION VI.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR PERSONAL FEELINGS TOWARDS THE CURSOR CO..

A. RECALLING YOUR ORGANIZATION'S NEGOTIATIONS/DEALINGS WITH THE CURSOR CO. PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

ALL THINGS CONSIDERED, THE CURSOR CO. IS:

GENEROUS	1	2	3	4	5	6	7	SELFISH [43]
FAIR	1	2	3	4	5	6	7	UNFAIR [44]
OPEN	1	2	3	4	5	6	7	CLOSED [45]
WILLING	1	2	3	4	5	6	7	STUBBORN [46]
FRIENDLY	1	2	3	4	5	6	7	HOSTILE [47]
HONEST	1	2	3	4	5	6	7	DISHONEST [48]
BENEVOLENT	1	2	3	4	5	6	7	TYRANNICAL [49]
ENCOURAGING	1	2	3	4	5	6	7	DISCOURAGING [50]
REALISTIC	1	2	3	4	5	6	7	UNREALISTIC [51]
LIKEABLE	1	2	3	4	5	6	7	DISLIKEABLE [52]
CONCILIATORY	1	2	3	4	5	6	7	VINDICTIVE [53]
SUPPORTIVE	1	2	3	4	5	6	7	OBSTRUCTIVE [54]
FLEXIBLE	1	2	3	4	5	6	7	RIGID [55]
COOPERATIVE	1	2	3	4	5	6	7	UNCOOPERATIVE [56]
NOT GREEDY	1	2	3	4	5	6	7	GREEDY [57]
COMPROMISING	1	2	3	4	5	6	7	UNCOMPROMISING [58]
PERMISSIVE	1	2	3	4	5	6	7	RESISTING [59]
HELPFUL	1	2	3	4	5	6	7	HARMFUL [60]

PLEASE GO TO THE NEXT QUESTIONNAIRE UNTIL YOU HAVE COMPLETED ALL OF THE QUESTIONNAIRES

(D)___ [1-2]

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CLOSING
MANUFACTURER QUESTIONNAIRE

THIS QUESTIONNAIRE PERTAINS GENERALLY TO YOUR ORGANIZATION'S RELATIONSHIP WITH ALL OF THE DISTRIBUTORS

A. RECALLING YOUR DEALINGS AND EXPERIENCES WITH THE CURSOR CO. DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOW

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY THE CURSOR CO. WERE	1	2	3	4	5	6	7	[3]
OVERALL, THE ABILITY OF THE CURSOR CO. TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[4]
OVERALL, THE ABILITY OF THE CURSOR CO. TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[5]
OVERALL, THE ABILITY OF THE CURSOR CO. TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[6]
OVERALL, THE ABILITY OF THE CURSOR CO. TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[7]
OVERALL, THE ABILITY OF THE CURSOR CO. TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[8]
OVERALL, THE ABILITY OF THE CURSOR CO. TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[9]
OVERALL, THE ABILITY OF THE CURSOR CO. TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[10]
OVERALL, CURSOR CO.'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[11]
OVERALL, THE ABILITY OF THE CURSOR CO. TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[12]

B. RECALLING YOUR DEALINGS AND EXPERIENCES WITH SUPERIOR SYSTEMS DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY SUPERIOR SYSTEMS WERE	1	2	3	4	5	6	7	[13]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[14]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[15]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[16]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[17]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[18]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[19]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[20]
OVERALL,SUPERIOR SYSTEM'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[21]
OVERALL, THE ABILITY OF SUPERIOR SYSTEMS TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[22]

E. RECALLING YOUR DEALINGS AND EXPERIENCES WITH WE COMPUTE DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY WE COMPUTE WERE	1	2	3	4	5	6	7	[43]
OVERALL, THE ABILITY OF WE COMPUTE TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[44]
OVERALL, THE ABILITY OF WE COMPUTE TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[45]
OVERALL, THE ABILITY OF WE COMPUTE TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[46]
OVERALL, THE ABILITY OF WE COMPUTE TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[47]
OVERALL, THE ABILITY OF WE COMPUTE TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[48]
OVERALL, THE ABILITY OF WE COMPUTE TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[49]
OVERALL, THE ABILITY OF WE COMPUTE TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[50]
OVERALL, WE COMPUTE'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[51]
OVERALL, THE ABILITY OF WE COMPUTE TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[52]

F. RECALLING YOUR DEALINGS AND EXPERIENCES WITH COMPU-WISE DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY COMPU-WISE WERE	1	2	3	4	5	6	7	[53]
OVERALL, THE ABILITY OF COMPU-WISE TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[54]
OVERALL, THE ABILITY OF COMPU-WISE TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[55]
OVERALL, THE ABILITY OF COMPU-WISE TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[56]
OVERALL, THE ABILITY OF COMPU-WISE TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[57]
OVERALL, THE ABILITY OF COMPU-WISE TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[58]
OVERALL, THE ABILITY OF COMPU-WISE TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[59]
OVERALL, THE ABILITY OF COMPU-WISE TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[60]
OVERALL, COMPU-WISE'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[61]
OVERALL, THE ABILITY OF COMPU-WISE TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[62]

C. RECALLING YOUR DEALINGS AND EXPERIENCES WITH PREMIER COMPUTER DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY PREMIER COMPUTER WERE	1	2	3	4	5	6	7	[23]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[24]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[25]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[26]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[27]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[28]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[29]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[30]
OVERALL PREMIER COMPUTER 'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[31]
OVERALL, THE ABILITY OF PREMIER COMPUTER TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[32]

D. RECALLING YOUR DEALINGS AND EXPERIENCES WITH DATA COM DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY DATA COM WERE	1	2	3	4	5	6	7	[33]
OVERALL, THE ABILITY OF DATA COM TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[34]
OVERALL, THE ABILITY OF DATA COM TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[35]
OVERALL, THE ABILITY OF DATA COM TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[36]
OVERALL, THE ABILITY OF DATA COM TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[37]
OVERALL, THE ABILITY OF DATA COM TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[38]
OVERALL, THE ABILITY OF DATA COM TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[39]
OVERALL, THE ABILITY OF DATA COM TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[40]
OVERALL, DATA COM'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[41]
OVERALL, THE ABILITY OF DATA COM TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[42]

G. PLEASE RANK (BY RANKING FROM 1- "FIRST BEST", 2- "SECOND BEST", ETC.") THE SIX DISTRIBUTORS ACCORDING TO THE OVERALL QUALITY OF THEIR DECISION MAKING:

THE CURSOR CO.:	_____	[63]
SUPERIOR SYSTEMS :	_____	[64]
PREMIER COMPUTER:	_____	[65]
DATA COM:	_____	[66]
WE COMPUTE	_____	[67]
COMPU-WISE	_____	[68]

H. PLEASE RANK (BY RANKING FROM 1- "FIRST BEST", 2- "SECOND BEST", ETC.") THE SIX DISTRIBUTORS ACCORDING TO HOW SATISFIED YOU WERE WITH YOUR RELATIONSHIP WITH THE DISTRIBUTORS:

THE CURSOR CO.:	_____	[69]
SUPERIOR SYSTEMS :	_____	[70]
PREMIER COMPUTER:	_____	[71]
DATA COM:	_____	[72]
WE COMPUTE	_____	[73]
COMPU-WISE	_____	[74]

I. PLEASE RANK (BY RANKING FROM 1- "FIRST BEST", 2- "SECOND BEST", ETC.") THE SIX DISTRIBUTORS ACCORDING TO HOW COOPERATIVE THE DISTRIBUTORS WERE:

THE CURSOR CO.:	_____	[75]
SUPERIOR SYSTEMS :	_____	[1]
PREMIER COMPUTER:	_____	[2]
DATA COM:	_____	[3]
WE COMPUTE	_____	[4]
COMPU-WISE	_____	[5]

PLEASE BE SURE YOU HAVE COMPLETED ALL FIVE (5) QUESTIONNAIRES INCLUDING:

1. GENERAL MANUFACTURER QUESTIONNAIRE
2. PRIMARY DISTRIBUTOR QUESTIONNAIRE
3. SECONDARY DISTRIBUTOR QUESTIONNAIRE
4. THIRD DISTRIBUTOR QUESTIONNAIRE
5. CLOSING MANUFACTURER QUESTIONNAIRE

PLEASE PLACE THE QUESTIONNAIRES IN THE ENVELOPE PROVIDED

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY

(M)___ [1-2]

GENERAL
MANUFACTURER QUESTIONNAIRE

THIS QUESTIONNAIRE PERTAINS GENERALLY TO YOU, YOUR ORGANIZATION AND MARKET PLACE

SECTION I.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOU AS AN INDIVIDUAL.

A. PLEASE INDICATE THE FOLLOWING:

1. YOUR SEX: MALE FEMALE

1 2 [3]

2. YOUR PRESENT AGE: _____ YEARS [4-5]

3. YOUR PRESENT MAJOR:

FINANCE	MARKETING	ACCOUNTING	MANAGEMENT	ECONOMICS	OTHER	
1	2	3	4	5	6	[6]

4. YOUR PRESENT YEAR OF STUDY IN YOUR PROGRAM:

FIRST YEAR	SECOND YEAR	THIRD YEAR	FOURTH YEAR	OTHER	
1	2	3	4	5	[7]

B. RECALLING YOUR WORK EXPERIENCE, IF ANY, BEYOND YOUR HIGH SCHOOL EDUCATION, PLEASE INDICATE THE FOLLOWING:

1. THE NUMBER OF YEARS OF WORK EXPERIENCE YOU HAVE: _____ YEARS [8-9]

2. IF YOU HAVE WORKED, PLEASE INDICATE (FILL IN) THE NATURE OF YOUR WORK EXPERIENCE:

WORK EXPERIENCE: _____ [10-11]

SECTION II.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR MARKET PLACE ORGANIZATION.

A. PLEASE INDICATE (CIRCLE) THE NAME OF YOUR MARKET PLACE ORGANIZATION:

FRONTIER	JAEGERMEISTER	TIARA	PARAGON	MICRON	MEGA-TECH	
1	2	3	4	5	6	[12]

B. PLEASE INDICATE (FILL IN) THE TITLE WHICH BEST DESCRIBES YOUR ROLE IN THE ORGANIZATION:

TITLE: _____ [13]

SECTION III.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S RELATIONSHIP WITH ALL OF THE DISTRIBUTORS. PLEASE ANSWER EACH QUESTION RECALLING YOUR RELATIONSHIP WITH ALL OF THE DISTRIBUTORS.

A. PLEASE ESTIMATE (FILL IN THE APPROPRIATE %) THE PERCENTAGE OF YOUR OVERALL SALES WHICH YOUR ORGANIZATION MADE TO EACH DISTRIBUTOR DURING THE PAST THREE QUARTERS:

THE CURSOR CO:	_____ (0% - 100%)	[14-16]
SUPERIOR SYSTEMS:	_____ (0% - 100%)	[17-19]
PREMIER COMPUTER:	_____ (0% - 100%)	[20-22]
DATA COM:	_____ (0% - 100%)	[23-25]
WE COMPUTE:	_____ (0% - 100%)	[26-28]
COMPU-WISE:	_____ (0% - 100%)	[29-31]

TOTAL =100%

B. PLEASE INDICATE (CIRCLE) WHICH DISTRIBUTOR WAS YOUR ORGANIZATION'S PRIMARY OUTLET, SECONDARY OUTLET ,THIRD OUTLET, ETC. DURING THE PAST THREE QUARTERS:

	PRIMARY OUTLET	SECONDARY OUTLET	THIRD OUTLET	FOURTH OUTLET	FIFTH OUTLET	SIXTH OUTLET	DID NOT USE	
THE CURSOR CO.:	1	2	3	4	5	6	7	[32]
SUPERIOR SYSTEMS:	1	2	3	4	5	6	7	[33]
PREMIER COMPUTER:	1	2	3	4	5	6	7	[34]
DATA COM:	1	2	3	4	5	6	7	[35]
WE COMPUTE:	1	2	3	4	5	6	7	[36]
COMPU-WISE:	1	2	3	4	5	6	7	[37]

AT THE FRONT OF THE ROOM YOU WILL FIND SIX (6) QUESTIONNAIRES CORRESPONDING TO THE SIX (6) DISTRIBUTORS.

PLEASE PICK UP AND ANSWER ONLY THE THREE (3) QUESTIONNAIRES WHICH IDENTIFY THE DISTRIBUTORS WHICH YOU HAVE INDICATED AS YOUR PRIMARY, SECONDARY AND THIRD DISTRIBUTORS IN THE QUESTION ABOVE (III-B).

PLEASE BEGIN WITH YOUR PRIMARY DISTRIBUTOR, THEN YOUR SECONDARY, ETC.

WHEN YOU HAVE COMPLETED THE PRIMARY, SECONDARY AND THIRD DISTRIBUTOR QUESTIONNAIRES, PLEASE PICK UP AND COMPLETE THE CLOSING QUESTIONNAIRE.

APPENDIX C

DISTRIBUTOR QUESTIONNAIRES

THE UNIVERSITY OF TENNESSEE
KNOXVILLE

College of
Business
Administration

Department of
Marketing and
Transportation

Dear MarketPlace Participant:

The MarketPlace simulation that you have been participating in over the past quarter is the first of its kind to be implemented in an undergraduate program. By now you have experienced the challenge of negotiating, dealing and interacting with other organizations and their representatives in MarketPlace. As a researcher, I am very interested in your perceptions and feelings regarding these experiences. Your participation in this project will provide important information for research currently being conducted within the Department of Marketing at the University of Tennessee.

Attached you will find questionnaires which ask you to recall your experiences in MarketPlace over the past two quarters. You will be asked questions pertaining to your organization's relationship with the MarketPlace organizations you delt with. When responding to each question please keep in mind your relationship with these organizations. The information you provide will be kept completely confidential and you will remain anonymous.

Please begin with the questionnaire entitled **General Questionnaire** and follow the instructions as they are provided in each questionnaire. If you have questions during the period, please raise your hand. When you have completed the questionnaires, place the questionnaires in the provided enveiope, and return them to the front of the room.

Your participation in this project is greatly appreciated by both myself and the Department of Marketing at the University of Tennessee.

Sincerely,

Gregory T. Gundlach

310 Stokely Management Center / Knoxville, Tennessee 37996-0530 / (615) 974-5311

FRONTIER

THIS QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S DEALINGS AND EXPERIENCES WITH FRONTIER.

A. PLEASE INDICATE (CIRCLE) THE NAME OF YOUR MARKET PLACE ORGANIZATION:

THE CURSOR CO.	SUPERIOR SYSTEMS	PREMIER COMPUTER	DATA COM	WE COMPUTE	COMPU-WISE	
1	2	3	4	5	6	[3]

SECTION I.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR PERSONAL INTERACTION WITH FRONTIER IN THE LAST THREE QUARTERS. PLEASE ANSWER EACH QUESTION RECALLING YOUR PERSONAL INTERACTION WITH FRONTIER.

1=[4]

A. PLEASE ESTIMATE (FILL IN) THE NUMBER OR HOURS YOU WERE PERSONALLY INVOLVED IN NEGOTIATIONS WITH FRONTIER DURING THE LAST THREE QUARTERS:

_____HOURS [5-6]

B. PLEASE ESTIMATE (FILL IN) THE NUMBER OF HOURS. DURING THE PAST THREE QUARTERS, YOU HAVE PERSONALLY DISCUSSED WITH OTHER MEMBERS OF YOUR ORGANIZATION (FORMALLY OR INFORMALLY) YOUR RELATIONSHIP WITH FRONTIER:

_____HOURS [7-8]

C. EVEN IF YOU DID NOT PERSONALLY NEGOTIATE WITH REPRESENTATIVES OF FRONTIER PLEASE INDICATE (CIRCLE) HOW PERSONALLY FAMILIAR YOU ARE WITH THE RELATIONSHIP:

NOT AT ALL FAMILIAR						EXTREMELY FAMILIAR	
1	2	3	4	5	6	7	[9]

SECTION II.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S RELATIONSHIP WITH FRONTIER. PLEASE ANSWER EACH QUESTION RECALLING YOUR ORGANIZATION'S RELATIONSHIP WITH FRONTIER.

B. RECALLING YOUR ORGANIZATION'S RELATIONSHIP WITH FRONTIER, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO EACH OF THE FOLLOWING:

	0% PROBABILITY										100% PROBABILITY	
IF FRONTIER TRIED TO INFLUENCE YOU TO LOWER YOUR RETAIL BRAND PRICES BY 15%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[10-11]
IF FRONTIER TRIED TO INFLUENCE YOU TO REPURCHASE/FINANCE INVENTORY, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[12-13]
IF FRONTIER TRIED TO INFLUENCE YOU TO PURCHASE A BRAND YOU DID NOT WANT, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[14-15]
IF FRONTIER TRIED TO INFLUENCE YOU TO INCREASE THE QUANTITY OF INVENTORY YOU PURCHASED BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[16-17]

	0% PROBABILITY										100% PROBABILITY	
IF FRONTIER TRIED TO INFLUENCE YOU TO EXCLUSIVELY PURCHASE THEIR BRANDS AND NOT A COMPETITORS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[18-19]
IF FRONTIER TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR MARKET RESEARCH BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[20-21]
IF FRONTIER TRIED TO INFLUENCE YOU TO NOT PURCHASE A COMPETITORS POP DISPLAYS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[22-23]
IF FRONTIER TRIED TO INFLUENCE YOU TO OPEN STORES IN NEW TERRITORIES AT YOUR EXPENSE, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[24-25]
IF FRONTIER TRIED TO INFLUENCE YOU TO INCREASE THE OVERALL NUMBER OF YOUR SALESPEOPLE IN YOUR STORES AT YOUR EXPENSE, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[26-27]
IF FRONTIER TRIED TO INFLUENCE YOU TO ONLY DEDICATE SALESPEOPLE TO THEIR BRANDS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[28-29]
IF FRONTIER TRIED TO INFLUENCE YOU TO GIVE THEIR BRANDS THE BEST SHELF LOCATION, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	0	1	2	3	4	5	6	7	8	9	10	[30-31]

B. RECALLING YOUR ORGANIZATION'S DECISIONS IN THE FOLLOWING POLICY AREAS DURING THE LAST THREE QUARTERS, PLEASE INDICATE (CIRCLE) HOW MUCH **INFLUENCE** FRONTIER HAD ON YOUR ORGANIZATION'S DECISIONS:

	NO INFLUENCE										COMPLETE CONTROL	
YOUR RETAIL BRAND PRICE	0	1	2	3	4	5	6	7	8	9	10	[32-33]
YOUR TIME OF PAYMENT (PREPAY, ON TIME, DELAY)	0	1	2	3	4	5	6	7	8	9	10	[34-35]
YOUR QUANTITY OF INVENTORY BOUGHT	0	1	2	3	4	5	6	7	8	9	10	[36-37]
YOUR VARIETY OF BRANDS CARRIED	0	1	2	3	4	5	6	7	8	9	10	[38-39]
YOUR MARKET RESEARCH EXPENDITURES	0	1	2	3	4	5	6	7	8	9	10	[40-41]
YOUR POP DISPLAY DECISIONS	0	1	2	3	4	5	6	7	8	9	10	[42-43]
YOUR STORE LOCATION DECISIONS	0	1	2	3	4	5	6	7	8	9	10	[44-45]
YOUR NUMBER OF SALESPEOPLE IN A STORE	0	1	2	3	4	5	6	7	8	9	10	[46-47]
YOUR DEDICATION OF SALESPEOPLE	0	1	2	3	4	5	6	7	8	9	10	[48-49]
YOUR SHELF LOCATION DECISIONS	0	1	2	3	4	5	6	7	8	9	10	[50-51]

SECTION III.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S NEGOTIATIONS (COMMUNICATIONS/DISCUSSIONS) WITH FRONTIER DURING THE PAST THREE QUARTERS. PLEASE ANSWER EACH QUESTION RECALLING YOUR ORGANIZATION'S NEGOTIATIONS WITH FRONTIER.

A. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER STATE OR IMPLY:

	NEVER						EXTREMELY OFTEN	
THAT A GOOD OR LOYAL ORGANIZATION WOULD COMPLY	1	2	3	4	5	6	7	[52]
THAT YOU WOULD BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[53]
THAT YOUR PERSONAL RELATIONSHIP WOULD IMPROVE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[54]
THAT YOU WOULD GAIN THEIR RESPECT OR GAIN THEIR APPROVAL IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[55]
THAT ONLY A BAD OR DISLOYAL ORGANIZATION WOULD NOT COMPLY	1	2	3	4	5	6	7	[56]
THAT YOU WOULD NOT BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD NOT COMPLY	1	2	3	4	5	6	7	[57]
THAT YOUR PERSONAL RELATIONSHIP WOULD WORSEN IF YOU WOULD NOT COMPLY	1	2	3	4	5	6	7	[58]
THAT YOU WOULD LOSE THEIR RESPECT OR NOT GAIN THEIR APPROVAL IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[59]

B. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER DIRECTLY:

	NEVER						EXTREMELY OFTEN	
ASK YOU TO COMPLY	1	2	3	4	5	6	7	[60]
REQUEST THAT YOU COMPLY	1	2	3	4	5	6	7	[61]
RECOMMEND THAT YOU COMPLY	1	2	3	4	5	6	7	[62]
SUGGEST THAT YOU COMPLY	1	2	3	4	5	6	7	[63]
TELL YOU TO COMPLY	1	2	3	4	5	6	7	[64]
DEMAND THAT YOU COMPLY	1	2	3	4	5	6	7	[65]
COMMAND YOU TO COMPLY	1	2	3	4	5	6	7	[66]

C. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER **ARGUE/ MAKE A CASE:**

	NEVER						EXTREMELY OFTEN	
BASED UPON FINANCIAL PAYOFF/OUTCOME THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[67]
BASED UPON PAST EXPERIENCE THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[68]
BASED UPON GOOD SOUND BUSINESS JUDGMENT THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[69]
BASED UPON MARKET RESEARCH THAT YOU SHOULD COMPLY	1	2	3	4	5	6	7	[70]

D. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER **PROMISE:**

	NEVER						EXTREMELY OFTEN	
TO GIVE YOU FIRST CHOICE IN THE BRANDS YOU WANTED IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[71]
THEY WOULD SELL YOU ADDITIONAL INVENTORY YOU WANTED IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[72]
THEY WOULD PRODUCE BRANDS EXCLUSIVELY FOR YOU IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[73]
THEY WOULD ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[74]
TO GIVE YOU MARKET RESEARCH IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[75]
TO GIVE YOU ALL THEIR POP DISPLAYS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[1]
TO PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[2]
TO INCREASE THEIR ADVERTISING EXPENDITURES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[3]

E. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER PROMISE:

	NEVER						EXTREMELY OFTEN	
TO REDUCE THEIR WHOLESALE BRAND PRICE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[4]
TO GIVE YOU INVENTORY ON CONSIGNMENT IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[5]
TO INCREASE THEIR RESEARCH AND DEVELOPMENT EXPENDITURES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[6]
TO PAY/SHARE MARKET RESEARCH EXPENSES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[7]
TO GIVE YOU FREE/DISCOUNTED POP DISPLAYS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[8]
TO PAY/SHARE STORE OPENING/OPERATING EXPENSES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[9]
TO PAY/SHARE SALESPEOPLE SALARIES IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[10]
TO PAY/SHARE FOR THE DEDICATION OF SALESPEOPLE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[11]
THEY WOULD PAY/SHARE EXPENSES OF ANY KIND IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[12]
YOU WOULD RECEIVE A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[13]

F. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER PROMISE:

	NEVER						EXTREMELY OFTEN	
NOT TO DO BUSINESS ELSEWHERE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[14]
YOU WOULD RECEIVE PREFERENCE OVER COMPETITORS IN PRESENT/FUTURE NEGOTIATIONS IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[15]
THEY WOULD CHANGE A DECISION IN YOUR FAVOR IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[16]
BETTER COOPERATION IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[17]
BETTER SERVICE IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[18]
TO HELP/ASSIST YOUR DECISION MAKING IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[19]
YOU WOULD RECEIVE FUTURE FAVORS/REWARDS/BENEFITS OF ANY KIND IF YOU WOULD COMPLY	1	2	3	4	5	6	7	[20]

G. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER THREATEN:

	NEVER						EXTREMELY OFTEN	
TO GIVE YOU LAST CHOICE IN THE BRANDS YOU WANTED IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[21]
TO NOT SELL YOU INVENTORY YOU WANTED IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[22]
TO NOT PRODUCE BRANDS YOU WANTED IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[23]
TO NOT ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[24]
TO NOT GIVE YOU MARKET RESEARCH IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[25]
TO NOT GIVE YOU THEIR POP DISPLAYS IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[26]
TO NOT PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[27]
TO NOT INCREASE THEIR ADVERTISING EXPENDITURES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[28]

H. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER THREATEN:

	NEVER						EXTREMELY OFTEN	
TO CHARGE A HIGHER WHOLESALE BRAND PRICE THAN THEY PREVIOUSLY DID, IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[29]
TO STOP/NOT AGREE TO GIVE YOU INVENTORY ON CONSIGNMENT IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[30]
TO STOP/NOT AGREE TO INCREASE THEIR RESEARCH AND DEVELOPMENT EXPENDITURES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[31]
TO STOP/NOT AGREE TO PAY FOR MARKET RESEARCH EXPENSES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[32]
TO STOP/NOT AGREE TO GIVE YOU FREE/DISCOUNTED POP DISPLAYS IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[33]
TO STOP/NOT AGREE TO PAY STORE OPENING/OPERATING EXPENSES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[34]
TO STOP/NOT AGREE TO PAY SALESPEOPLE SALARIES IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[35]
TO STOP/NOT AGREE TO PAY FOR THE DEDICATION OF SALESPEOPLE IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[36]
TO STOP/NOT AGREE TO PAY EXPENSES OF ANY KIND IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[37]
TO STOP/NOT AGREE TO GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[38]

I. IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF FRONTIER THREATEN:

	NEVER						EXTREMELY OFTEN	
TO TAKE THEIR BUSINESS ELSEWHERE IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[39]
TO GIVE YOUR COMPETITORS PREFERENCE IN PRESENT/FUTURE NEGOTIATIONS IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[40]
TO MAKE A DECISION KNOWINGLY ADVERSE TO YOU IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[41]
TO IMPLEMENT LEGAL ACTION AGAINST YOU IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[42]
YOU WOULD RECEIVE POORER COOPERATION IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[43]
YOU WOULD RECEIVE POORER SERVICE IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[44]
TO STOP/NOT AGREE TO ASSIST YOU IN YOUR DECISION MAKING IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[45]
THAT YOU WOULD BE PUNISHED/RETALIATED AGAINST IN ANY WAY IF YOU DID NOT COMPLY	1	2	3	4	5	6	7	[46]

SECTION IV.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR EXPERIENCES WITH FRONTIER DURING THE PAST THREE QUARTERS. PLEASE ANSWER EACH QUESTION RECALLING YOUR EXPERIENCES WITH FRONTIER.

A. PLEASE INDICATE (CIRCLE) HOW OFTEN FRONTIER HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
GIVE YOU FIRST CHOICE IN THE BRANDS YOU WANTED	1	2	3	4	5	6	7	[47]
SELL YOU ADDITIONAL INVENTORY YOU WANTED	1	2	3	4	5	6	7	[48]
PRODUCE BRANDS EXCLUSIVELY FOR YOU	1	2	3	4	5	6	7	[49]
ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED	1	2	3	4	5	6	7	[50]
GIVE YOU MARKET RESEARCH	1	2	3	4	5	6	7	[51]
GIVE YOU FIRST CHOICE ON THEIR POP DISPLAYS	1	2	3	4	5	6	7	[52]
PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS	1	2	3	4	5	6	7	[53]
INCREASE THEIR ADVERTISING EXPENDITURES TO YOUR BENEFIT	1	2	3	4	5	6	7	[54]

B. PLEASE INDICATE (CIRCLE) HOW OFTEN FRONTIER HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
CHARGE A LOWER WHOLESALE BRAND PRICE IN ORDER TO BENEFIT YOU	1	2	3	4	5	6	7	[55]
GIVE YOU INVENTORY ON CONSIGNMENT	1	2	3	4	5	6	7	[56]
INCREASE THEIR RESEARCH AND DEVELOPMENT EXPENDITURES TO BENEFIT YOU	1	2	3	4	5	6	7	[57]
PAY/SHARE YOUR MARKET RESEARCH EXPENSES	1	2	3	4	5	6	7	[58]
GIVE YOU FREE/DISCOUNTED POP DISPLAYS	1	2	3	4	5	6	7	[59]
PAY/SHARE YOUR STORE OPENING/OPERATING EXPENSES	1	2	3	4	5	6	7	[60]
PAY/SHARE YOUR SALESPEOPLE SALARIES	1	2	3	4	5	6	7	[61]
PAY/SHARE FOR THE DEDICATION OF SALESPEOPLE	1	2	3	4	5	6	7	[62]
PAY/SHARE EXPENSES OF ANY KIND	1	2	3	4	5	6	7	[63]
GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND	1	2	3	4	5	6	7	[64]

C. PLEASE INDICATE (CIRCLE) HOW OFTEN FRONTIER HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
DO BUSINESS WITH YOU EXCLUSIVELY	1	2	3	4	5	6	7	[65]
GIVE YOU PREFERENCE OVER COMPETITORS IN NEGOTIATIONS	1	2	3	4	5	6	7	[66]
CHANGE A DECISION IN YOUR FAVOR	1	2	3	4	5	6	7	[67]
GIVE YOU BETTER COOPERATION	1	2	3	4	5	6	7	[68]
GIVE YOU BETTER SERVICE	1	2	3	4	5	6	7	[69]
HELP/ASSIST YOUR DECISION MAKING	1	2	3	4	5	6	7	[70]
GIVE YOU FAVORS/REWARDS/BENEFITS OF ANY KIND	1	2	3	4	5	6	7	[71]

D. PLEASE INDICATE (CIRCLE) HOW OFTEN FRONTIER HAS IMPLEMENTED THE FOLLOWING **SANCTIONS/PUNISHMENTS** AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
GIVE YOU LAST CHOICE IN THE BRANDS YOU WANTED	1	2	3	4	5	6	7	[72]
NOT SELL YOU INVENTORY YOU WANTED	1	2	3	4	5	6	7	[73]
NOT PRODUCE BRANDS YOU WANTED	1	2	3	4	5	6	7	[74]
NOT ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED	1	2	3	4	5	6	7	[75]
NOT GIVE YOU MARKET RESEARCH	1	2	3	4	5	6	7	[1]
NOT GIVE YOU THEIR POP DISPLAYS	1	2	3	4	5	6	7	[2]
NOT PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS	1	2	3	4	5	6	7	[3]
NOT INCREASE THEIR ADVERTISING EXPENDITURES	1	2	3	4	5	6	7	[4]

E. PLEASE INDICATE (CIRCLE) HOW OFTEN FRONTIER HAS IMPLEMENTED THE FOLLOWING **SANCTIONS/PUNISHMENTS** AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
CHARGE A HIGHER WHOLESALE BRAND PRICE IN ORDER TO PUNISH YOU	1	2	3	4	5	6	7	[5]
STOP/NOT GIVE YOU INVENTORY ON CONSIGNMENT	1	2	3	4	5	6	7	[6]
STOP/NOT INCREASE THEIR RESEARCH AND DEVELOPMENT EXPENDITURES	1	2	3	4	5	6	7	[7]
STOP/NOT PAY FOR MARKET RESEARCH EXPENSES	1	2	3	4	5	6	7	[8]
STOP/NOT GIVE YOU FREE/DISCOUNTED POP DISPLAYS	1	2	3	4	5	6	7	[9]
STOP/NOT PAY FOR STORE OPENING/OPERATING EXPENSES	1	2	3	4	5	6	7	[10]
STOP/NOT PAY FOR SALESPEOPLE SALARIES	1	2	3	4	5	6	7	[11]
STOP/NOT PAY FOR THE DEDICATION OF SALESPEOPLE	1	2	3	4	5	6	7	[12]
STOP/NOT PAY FOR EXPENSES OF ANY KIND	1	2	3	4	5	6	7	[13]
STOP/NOT GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND	1	2	3	4	5	6	7	[14]

F. PLEASE INDICATE (CIRCLE) HOW OFTEN FRONTIER HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

	NEVER						EXTREMELY OFTEN	
TAKE THEIR BUSINESS ELSEWHERE	1	2	3	4	5	6	7	[15]
GIVE YOUR COMPETITORS PREFERENCE IN NEGOTIATIONS	1	2	3	4	5	6	7	[16]
IMPLEMENT LEGAL ACTION AGAINST YOU	1	2	3	4	5	6	7	[17]
MAKE A DECISION KNOWINGLY ADVERSE TO YOU	1	2	3	4	5	6	7	[18]
GIVE YOU POORER COOPERATION	1	2	3	4	5	6	7	[19]
GIVE YOU POORER SERVICE	1	2	3	4	5	6	7	[20]
STOP/NOT ASSIST YOU IN YOUR DECISION MAKING	1	2	3	4	5	6	7	[21]
PUNISH/RETALIATE AGAINST YOU IN ANY WAY	1	2	3	4	5	6	7	[22]

SECTION V.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR GENERAL PERCEPTIONS OF YOUR RELATIONSHIP WITH FRONTIER.

A. IF FRONTIER WERE SUDDENLY NO LONGER AVAILABLE TO YOUR FIRM, WHAT EFFECT WOULD THIS HAVE ON YOUR BUSINESS:

NO NEGATIVE EFFECT ——— DISASTROUS EFFECT

0 1 2 3 4 5 6 7 8 9 10 [23-24]

B. ALL THINGS CONSIDERED, DURING THE PAST THREE QUARTERS, HOW MUCH POWER DID FRONTIER HAVE OVER YOUR ORGANIZATION:

NO POWER ——— VERY HIGH POWER

0 1 2 3 4 5 6 7 8 9 10 [25-26]

C. ALL THINGS CONSIDERED, DURING THE PAST THREE QUARTERS, HOW MUCH POWER DID YOUR ORGANIZATION HAVE OVER FRONTIER:

NO POWER ——— VERY HIGH POWER

0 1 2 3 4 5 6 7 8 9 10 [27-28]

D. RECALLING YOUR DEALINGS AND EXPERIENCES WITH FRONTIER, DURING THE PAST THREE QUARTERS:

1. HAS FRONTIER OR REPRESENTATIVES OF FRONTIER ENGAGED IN ANY SPECIFIC TACTICS WHICH WERE HELPFUL TO YOUR ORGANIZATION?

NO	YES	
1	2	[29]

IF YES, PLEASE LIST THEM BELOW IN ORDER OF IMPORTANCE:

1. _____

_____ [30-31]

2. _____

_____ [32-33]

3. _____

_____ [34-35]

2. HAS FRONTIER OR REPRESENTATIVES OF FRONTIER ENGAGED IN ANY SPECIFIC TACTICS WHICH WERE HARMFUL TO YOUR ORGANIZATION?

NO	YES	
1	2	[36]

IF YES, PLEASE LIST THEM BELOW IN ORDER OF IMPORTANCE:

1. _____

_____ [37-38]

2. _____

_____ [39-40]

3. _____

_____ [41-42]

SECTION VI.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR PERSONAL FEELINGS TOWARDS FRONTIER.

A. RECALLING YOUR ORGANIZATION'S NEGOTIATIONS/DEALINGS WITH FRONTIER, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

ALL THINGS CONSIDERED, FRONTIER IS:

GENEROUS	1	2	3	4	5	6	7	SELFISH	[43]
FAIR	1	2	3	4	5	6	7	UNFAIR	[44]
OPEN	1	2	3	4	5	6	7	CLOSED	[45]
WILLING	1	2	3	4	5	6	7	STUBBORN	[46]
FRIENDLY	1	2	3	4	5	6	7	HOSTILE	[47]
HONEST	1	2	3	4	5	6	7	DISHONEST	[48]
BENEVOLENT	1	2	3	4	5	6	7	TYRANNICAL	[49]
ENCOURAGING	1	2	3	4	5	6	7	DISCOURAGING	[50]
REALISTIC	1	2	3	4	5	6	7	UNREALISTIC	[51]
LIKEABLE	1	2	3	4	5	6	7	DISLIKEABLE	[52]
CONCILIATORY	1	2	3	4	5	6	7	VINDICTIVE	[53]
SUPPORTIVE	1	2	3	4	5	6	7	OBSTRUCTIVE	[54]
FLEXIBLE	1	2	3	4	5	6	7	RIGID	[55]
COOPERATIVE	1	2	3	4	5	6	7	UNCOOPERATIVE	[56]
NOT GREEDY	1	2	3	4	5	6	7	GREEDY	[57]
COMPROMISING	1	2	3	4	5	6	7	UNCOMPROMISING	[58]
PERMISSIVE	1	2	3	4	5	6	7	RESISTING	[59]
HELPFUL	1	2	3	4	5	6	7	HARMFUL	[60]

PLEASE GO TO THE NEXT QUESTIONNAIRE UNTIL YOU HAVE COMPLETED ALL OF THE QUESTIONNAIRES

(D)____ [1-2]

CLOSING
DISTRIBUTOR QUESTIONNAIRE

THIS QUESTIONNAIRE PERTAINS GENERALLY TO YOUR ORGANIZATION'S RELATIONSHIP WITH ALL OF THE MANUFACTURERS

A. RECALLING YOUR DEALINGS AND EXPERIENCES WITH FRONTIER DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY FRONTIER WERE	1	2	3	4	5	6	7	[3]
OVERALL, THE ABILITY OF FRONTIER TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[4]
OVERALL, THE ABILITY OF FRONTIER TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[5]
OVERALL, THE ABILITY OF FRONTIER TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[6]
OVERALL, THE ABILITY OF FRONTIER TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[7]
OVERALL, THE ABILITY OF FRONTIER TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[8]
OVERALL, THE ABILITY OF FRONTIER TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[9]
OVERALL, THE ABILITY OF FRONTIER TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[10]
OVERALL FRONTIER'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[11]
OVERALL, THE ABILITY OF FRONTIER TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[12]

B. RECALLING YOUR DEALINGS AND EXPERIENCES WITH JAEGERMEISTER DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY JAEGERMEISTER WERE	1	2	3	4	5	6	7	[13]
OVERALL, THE ABILITY OF JAEGERMEISTER TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[14]
OVERALL, THE ABILITY OF JAEGERMEISTER TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[15]
OVERALL, THE ABILITY OF JAEGERMEISTER TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[16]
OVERALL, THE ABILITY OF JAEGERMEISTER TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[17]
OVERALL, THE ABILITY OF JAEGERMEISTER TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[18]
OVERALL, THE ABILITY OF JAEGERMEISTER TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[19]
OVERALL, THE ABILITY OF JAEGERMEISTER TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[20]
OVERALL, JAEGERMEISTER'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[21]
OVERALL, THE ABILITY OF JAEGERMEISTER TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[22]

C. RECALLING YOUR DEALINGS AND EXPERIENCES WITH TIARA DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY TIARA WERE	1	2	3	4	5	6	7	[23]
OVERALL, THE ABILITY OF TIARA TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[24]
OVERALL, THE ABILITY OF TIARA TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[25]
OVERALL, THE ABILITY OF TIARA TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[26]
OVERALL, THE ABILITY OF TIARA TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[27]
OVERALL, THE ABILITY OF TIARA TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[28]
OVERALL, THE ABILITY OF TIARA TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[29]
OVERALL, THE ABILITY OF TIARA TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[30]
OVERALL, TIARA 'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[31]
OVERALL, THE ABILITY OF TIARA TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[32]

D. RECALLING YOUR DEALINGS AND EXPERIENCES WITH PARAGON DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY PARAGON WERE	1	2	3	4	5	6	7	[33]
OVERALL, THE ABILITY OF PARAGON TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[34]
OVERALL, THE ABILITY OF PARAGON TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[35]
OVERALL, THE ABILITY OF PARAGON TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[36]
OVERALL, THE ABILITY OF PARAGON TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[37]
OVERALL, THE ABILITY OF PARAGON TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[38]
OVERALL, THE ABILITY OF PARAGON TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[39]
OVERALL, THE ABILITY OF PARAGON TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[40]
OVERALL, PARAGON'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[41]
OVERALL, THE ABILITY OF PARAGON TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[42]

E. RECALLING YOUR DEALINGS AND EXPERIENCES WITH MICRON DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY MICRON WERE	1	2	3	4	5	6	7	[43]
OVERALL, THE ABILITY OF MICRON TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[44]
OVERALL, THE ABILITY OF MICRON TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[45]
OVERALL, THE ABILITY OF MICRON TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[46]
OVERALL, THE ABILITY OF MICRON TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[47]
OVERALL, THE ABILITY OF MICRON TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[48]
OVERALL, THE ABILITY OF MICRON TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[49]
OVERALL, THE ABILITY OF MICRON TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[50]
OVERALL, MICRON'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[51]
OVERALL, THE ABILITY OF MICRON TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[52]

F. RECALLING YOUR DEALINGS AND EXPERIENCES WITH MEGA-TECH DURING THE PAST TWO QUARTERS, PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

	EXTREMELY POOR						EXTREMELY GOOD	
OVERALL, THE QUALITY OF THE DECISIONS MADE BY MEGA-TECH WERE	1	2	3	4	5	6	7	[53]
OVERALL, THE ABILITY OF MEGA-TECH TO OUTSMART COMPETITORS WAS	1	2	3	4	5	6	7	[54]
OVERALL, THE ABILITY OF MEGA-TECH TO UNDERSTAND THE NEEDS OF THE MARKET WAS	1	2	3	4	5	6	7	[55]
OVERALL, THE ABILITY OF MEGA-TECH TO MAKE GOOD FINANCIAL DECISIONS WAS	1	2	3	4	5	6	7	[56]
OVERALL, THE ABILITY OF MEGA-TECH TO NEGOTIATE CONTRACTS IN THEIR FAVOR WAS	1	2	3	4	5	6	7	[57]
OVERALL, THE ABILITY OF MEGA-TECH TO WORK TOGETHER TOWARDS A COMMON PURPOSE WAS	1	2	3	4	5	6	7	[58]
OVERALL, THE ABILITY OF MEGA-TECH TO MAKE GOOD BUSINESS JUDGMENTS WAS	1	2	3	4	5	6	7	[59]
OVERALL, THE ABILITY OF MEGA-TECH TO DISPLAY "MARKET SAVVY" WAS	1	2	3	4	5	6	7	[60]
OVERALL, MEGA-TECH'S LEADERSHIP ABILITY WAS	1	2	3	4	5	6	7	[61]
OVERALL, THE ABILITY OF MEGA-TECH TO WIN IN THE MARKETPLACE WAS	1	2	3	4	5	6	7	[62]

G. PLEASE RANK (BY RANKING FROM 1- "FIRST BEST", 2- "SECOND BEST", ETC.") THE SIX MANUFACTURERS ACCORDING TO THE OVERALL QUALITY OF THEIR DECISION MAKING:

FRONTIER:	_____	[63]
JAEGERMEISTER :	_____	[64]
TIARA:	_____	[65]
PARAGON:	_____	[66]
MICRON	_____	[67]
MEGA-TECH	_____	[68]

H. PLEASE RANK (BY RANKING FROM 1- "FIRST BEST", 2- "SECOND BEST", ETC.") THE SIX MANUFACTURERS ACCORDING TO HOW SATISFIED YOU WERE WITH YOUR RELATIONSHIP WITH THE MANUFACTURERS:

FRONTIER:	_____	[69]
JAEGERMEISTER :	_____	[70]
TIARA:	_____	[71]
PARAGON:	_____	[72]
MICRON	_____	[73]
MEGA-TECH	_____	[74]

I. PLEASE RANK (BY RANKING FROM 1- "FIRST BEST", 2- "SECOND BEST", ETC.") THE SIX MANUFACTURERS ACCORDING TO HOW COOPERATIVE THE MANUFACTURERS WERE:

FRONTIER:	_____	[75]
JAEGERMEISTER :	_____	[1]
TIARA:	_____	[2]
PARAGON:	_____	[3]
MICRON	_____	[4]
MEGA-TECH	_____	[5]

PLEASE BE SURE YOU HAVE COMPLETED ALL FIVE (5) QUESTIONNAIRES INCLUDING:

1. GENERAL DISTRIBUTOR QUESTIONNAIRE
2. PRIMARY MANUFACTURER QUESTIONNAIRE
3. SECONDARY MANUFACTURER QUESTIONNAIRE
4. THIRD MANUFACTURER QUESTIONNAIRE
5. CLOSING DISTRIBUTOR QUESTIONNAIRE

PLEASE PLACE THE QUESTIONNAIRES IN THE ENVELOPE PROVIDED

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY

(D)___ [1-2]

GENERAL
DISTRIBUTOR QUESTIONNAIRE

THIS QUESTIONNAIRE PERTAINS GENERALLY TO YOU, YOUR ORGANIZATION AND MARKET PLACE

SECTION III.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR ORGANIZATION'S RELATIONSHIP WITH ALL OF THE MANUFACTURERS. PLEASE ANSWER EACH QUESTION RECALLING YOUR RELATIONSHIP WITH ALL OF THE MANUFACTURERS.

A. PLEASE ESTIMATE (FILL IN THE APPROPRIATE %) THE PERCENTAGE OF YOUR OVERALL PURCHASES WHICH YOUR ORGANIZATION MADE FROM EACH MANUFACTURER DURING THE PAST THREE QUARTERS:

FRONTIER:	_____ (0% - 100%)	[14-16]
JAEGERMEISTER:	_____ (0% - 100%)	[17-19]
TIARA:	_____ (0% - 100%)	[20-22]
PARAGON:	_____ (0% - 100%)	[23-25]
MICRON:	_____ (0% - 100%)	[26-28]
MEGA-TECH:	_____ (0% - 100%)	[29-31]
	TOTAL =100%	

B. PLEASE INDICATE (CIRCLE) WHICH MANUFACTURER WAS YOUR ORGANIZATION'S PRIMARY SUPPLIER, SECONDARY SUPPLIER, THIRD SUPPLIER, ETC. DURING THE PAST THREE QUARTERS:

	PRIMARY SUPPLIER	SECONDARY SUPPLIER	THIRD SUPPLIER	FOURTH SUPPLIER	FIFTH SUPPLIER	SIXTH SUPPLIER	DID NOT USE	
FRONTIER:	1	2	3	4	5	6	7	[32]
JAEGERMEISTER:	1	2	3	4	5	6	7	[33]
TIARA:	1	2	3	4	5	6	7	[34]
PARAGON:	1	2	3	4	5	6	7	[35]
MICRON:	1	2	3	4	5	6	7	[36]
MEGA-TECH:	1	2	3	4	5	6	7	[37]

AT THE FRONT OF THE ROOM YOU WILL FIND SIX (6) QUESTIONNAIRES CORRESPONDING TO THE SIX (6) MANUFACTURERS

PLEASE PICK UP AND ANSWER ONLY THE THREE (3) QUESTIONNAIRES WHICH IDENTIFY THE MANUFACTURERS WHICH YOU HAVE INDICATED AS YOUR PRIMARY, SECONDARY AND THIRD MANUFACTURERS IN THE QUESTION ABOVE (III - B).

PLEASE BEGIN WITH YOUR PRIMARY MANUFACTURER THEN YOUR SECONDARY, ETC.

WHEN YOU HAVE COMPLETED THE PRIMARY, SECONDARY AND THIRD MANUFACTURER QUESTIONNAIRES, PLEASE PICK UP AND COMPLETE THE CLOSING QUESTIONNAIRE.

SECTION I.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOU AS AN INDIVIDUAL.

A. PLEASE INDICATE THE FOLLOWING:

1. YOUR SEX: MALE FEMALE

1 2 [3]

2. YOUR PRESENT AGE: _____ YEARS [4-5]

3. YOUR PRESENT MAJOR:

FINANCE MARKETING ACCOUNTING MANAGEMENT ECONOMICS OTHER

1 2 3 4 5 6 [6]

4. YOUR PRESENT YEAR OF STUDY IN YOUR PROGRAM:

FIRST YEAR SECOND YEAR THIRD YEAR FOURTH YEAR OTHER

1 2 3 4 5 7]

B. RECALLING YOUR WORK EXPERIENCE, IF ANY, BEYOND YOUR HIGH SCHOOL EDUCATION, PLEASE INDICATE THE FOLLOWING:

1. THE NUMBER OF YEARS OF WORK EXPERIENCE YOU HAVE: _____ YEARS [8-9]

2. IF YOU HAVE WORKED, PLEASE INDICATE (FILL IN) THE NATURE OF YOUR WORK EXPERIENCE:

WORK EXPERIENCE: _____ [10-11]

SECTION II.

THIS SECTION OF THE QUESTIONNAIRE PERTAINS TO YOUR MARKET PLACE ORGANIZATION.

A. PLEASE INDICATE (CIRCLE) THE NAME OF YOUR MARKET PLACE ORGANIZATION:

CURSOR CO. SUPERIOR SYSTEMS PREMIER COMPUTER DATA COMM WE COMPUTE COMPU-WISE

1 2 3 4 5 6 [12]

B. PLEASE INDICATE (FILL IN) THE TITLE WHICH BEST DESCRIBES YOUR ROLE IN THE ORGANIZATION:

TITLE: _____ [13]

APPENDIX D

UNOBTRUSIVE MEASURES AND PROTOCOLS

INDEX OF UNOBTRUSIVE MEASURES

POWER OF MANUFACTURER

1. Percentage of distributor unit purchases from manufacturer

2. Percentage of distributor dollar value of purchases from manufacturer

3. Percentage of distributor dollar value of contribution margin derived from manufacturer

4. Percentage market share of manufacturer

POWER OF DISTRIBUTOR

5. Percentage of manufacturer unit sales to distributor

6. Percentage of manufacturer dollar value of sales to distributor

7. Percentage of manufacturer dollar value of contribution margin derived from distributor

8. Percentage market share of distributor

ACTUAL INFLUENCE BY MANUFACTURER

9. Dollar value of advertising support given to manufacturer by distributor

10. Number of shelf-space locations given to manufacturer brands by distributor

11. Number of manufacturer brands carried by distributor

12. Number of distributor salesman dedicated to manufacturer brands

13. Percentage of total of manufacturer POP carried in distributor stores

14. Dollar value of loans given to manufacturer by distributor

ACTUAL INFLUENCE BY DISTRIBUTOR

15. Dollar value of support given to distributor salesforce by manufacturer

16. Dollar value of loans given to distributor by manufacturer

17. Manufacturer advertising expenditures in distributor markets (local/national)

PROTOCOLS FOR UNOBTRUSIVE DATA EXTRACTION

GLOBAL VARIABLE: Power of manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Percentage of distributor(j) unit purchases from manufacturer(i)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate manufacturer(i) "contracts" with distributor(j).

2. Compute and record the number of units purchased by distributor(j) from manufacturer(i).

3. Cross check these figures through content analysis of distributor(j) inventory records and reports. In addition, cross check the figures through review of manufacturer(i) contract records. If discrepancies exist investigate the decision diskettes.

4. Repeat the above procedure for each of distributor(j)'s purchases from all manufacturers

5. Repeat the above procedure for the three (3) quarters.

6. Compute and record the total units purchased by distributor(j) from all manufacturers for the three quarter period.

7. Compute and record the percentage of total units purchased by distributor(j) which were purchased from manufacturer(i) for the three (3) quarters .

GLOBAL VARIABLE: Power of manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Percentage of distributor(j) dollar value purchases from manufacturer(i)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate manufacturer(i) "contracts" with distributor(j).

2. For each distributor(j) - manufacturer(i) contract, compute and record the dollar value of units purchased by distributor(j).

3. Cross check these figures through content analysis of distributor(j) inventory records and reports. In addition, cross check the figures through review of manufacturer(i) contract records. If discrepancies exist investigate the decision diskettes.

5. Repeat the above procedure for the three (3) quarters.

6. Compute and record the total dollar value of units purchased by distributor(j) from all manufacturers.

7. Compute and record the percentage of the total dollar value of units purchased by distributor(j) which were purchased from manufacturer(i) for the three (3) quarters.

GLOBAL VARIABLE: Power of manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Percentage of distributor(j) contribution margin derived from manufacturer(i)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. For each manufacturer(i) - distributor(j) brand transaction locate and record distributor(j)'s purchase cost per unit for each brand. Distributor(j)'s purchase cost per unit for each brand may be located within manufacturer(i) - distributor(j) contracts. A secondary location, which will yield only an average purchase cost per unit for all brands, is distributor(j)'s inventory records. Whichever method is employed, the researcher should be consistent in its application.

2. For each manufacturer(i) - distributor(j) brand transaction locate distributor(j)'s selling price per unit for each brand. Distributor(j)'s selling price per unit for each brand may be located within distributor(j)'s "Instore decisions".

3. Compute and record distributor(j)'s unit contribution margin for each manufacturer(i) - distributor(j) brand transaction. Distributor(j)'s unit contribution margin may be computed by subtracting item 1 (unit purchase cost) from item 2 (unit selling price).

4. Locate and record distributor(j)'s number of units in inventory for the quarter which are from manufacturer(i). This may be located within the "total inventory" records.

5. For each manufacturer(i) - distributor(j) brand transaction multiply distributor(j)'s unit contribution margin by distributor(j)'s number of brand units inventory.

6. Repeat the above procedure for the three (3) quarters.

7. Total and record distributor(j)'s contribution margin for the three quarters for manufacturer(i) - distributor(j) brand transactions. This figure represents distributor(j)'s total contribution margin from transactions with manufacturer(i) for the three quarters.

8. Total and record distributor(j)'s total contribution margin from all manufacturer brand transactions.

9. Divide distributor(j)'s total contribution margin from transactions with manufacturer(i) (item 7) by distributor(j)'s contribution margin from all brand manufacturer transactions (item 8). This figure represents the percentage of distributor(j)'s total contribution margin obtained from brand transactions with manufacturer(i).

GLOBAL VARIABLE: Power of manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Manufacturer(i) percentage market share of industry wholesale brand sales

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate all manufacturer brand "contracts" with all distributors.

2. Repeat the above procedure for the three quarters.

3. Compute and record the total dollar value of manufacturer - distributor brand transactions.

4. Compute and record the total dollar value of manufacturer(i) brand transactions with all distributors for the three quarters.

5. Compute and record the percentage of all brand transactions (item 3) which are attributable to manufacturer(i). This figure represents manufacturer(i) percentage market share of industry wholesale brand sales.

GLOBAL VARIABLE: Power of distributor(j) over manufacturer(i)

OPERATIONAL MEASURE: Percentage of manufacturer(i) unit sales to distributor(j)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate manufacturer(i) contracts with distributor(j).

2. For each manufacturer(i) contract, compute and record the number of units sold by manufacturer(i) to distributor(i).

3. Cross check these figures through content analysis of manufacturer(i) records and reports. In addition, cross check these figures through review of distributor(j) contract records. If discrepancies exist, investigate the decision diskettes.

5. Compute and record the total units sold by manufacturer(i) in a given quarter to <u>all</u> distributors.

6. Repeat the above procedure for the three (3) quarters.

7. Compute and record the percentage of all units sold over the three (3) quarters by manufacturer(i) which were sold to distributor(j).

GLOBAL VARIABLE: Power of distributor(j) over manufacturer(i)

OPERATIONAL MEASURE: Percentage of manufacturer(i) dollar value sales to distributor(j)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate manufacturer(i) "contracts" with distributor(j).

2. For each manufacturer(i) contract, compute and record the dollar value of units sold by manufacturer(i) to distributor(i).

3. Cross check these figures through content analysis of manufacturer(i) records and reports. In addition, cross check these figures through review of distributor(j) contract records. If discrepancies exist, investigate the decision diskettes.

5. Compute and record the total dollar value of units sold by manufacturer(i) in a given quarter to <u>all</u> distributors.

6. Repeat the above procedure for the three (3) quarters.

7. Compute and record the percentage of the total dollar value of units sold over the three (3) quarters by manufacturer(i) which were sold to distributor(j).

GLOBAL VARIABLE: Power of distributor(j) over manufacturer(i)

OPERATIONAL MEASURE: Percentage of manufacturer(i) contribution margin derived from distributor(j)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. For each manufacturer(i) - distributor(j) brand transaction locate and record manufacturer(i)'s cost per unit for each brand. Manufacturer(i)'s cost per unit for each brand may be located within manufacturer(i)'s inventory records.

2. For each manufacturer(i) - distributor(j) brand transaction locate manufacturer(i)'s wholesale selling price per unit for each brand. Manufacturer(i)'s wholesale selling price per unit for each brand may be located within manufacturer(i) - distributor(j) "Contracts".

3. Compute and record manufacturer(i)'s unit contribution margin for each manufacturer(i) - distributor(j) brand transaction. Manufacturer(i)'s unit contribution margin may be computed by subtracting item 1 (unit cost) from item 2 (unit wholesale selling price).

4. For each manufacturer(i) - distributor(j) brand transaction locate and record manufacturer(i)'s number of units sold to distributor(j). This may be located within manufacturer(i) - distributor(j) "contracts".

5. For each manufacturer(i) - distributor(j) brand transaction multiply manufacturer(i)'s unit contribution margin by manufacturer(i)'s number of units sold at wholesale.

6. Repeat the above procedure for the three (3) quarters.

7. Total and record manufacturer(i)'s contribution margin for the three quarters for each manufacturer(i) - distributor(j) brand transaction. This figure represents manufacturer(i)'s total contribution margin from brand transactions with distributor(j) for the three quarters.

8. Repeat the above procedure for all of manufacturer(i)'s transactions with all distributors.

9. Total and record manufacturer(i)'s total contribution margin from all distributor brand transactions.

10. Divide manufacturer(i)'s total contribution margin from transactions with distributor(j) (item 7) by manufacturer(i)'s contribution margin from all distributor brand transactions. This figure represents the percentage of manufacturer(i)'s contribution margin obtained from transactions with distributor(j).

GLOBAL VARIABLE: Power of distributor(j) over manufacturer(i)

OPERATIONAL MEASURE: Distributor(j) percentage market share of industry retail brand sales

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. For each quarter, locate the demand generator printouts

2. Within each printout, locate "brand demand by segment". This can be found within each city(k) for each distributor(j).

3. Sum the demand for brands carried by distributor(j) across all cities(k).

4. Repeat the above procedure for the three (3) quarters. This figure represents the total retail consumer demand for brands carried by distributor(j) across all cities(k) for the three quarter period.

5. Compute and record the total retail consumer demand for all of distributor(j)'s brand. This figure represents distributor(j)'s total consumer demand.

6. Repeat the above procedure for each distributor.

7. Compute and record the total retail consumer demand for all distributors for the three quarter period.

8. Compute and record the percentage of the total retail consumer demand attributable to distributor(j)'s consumer demand.

GLOBAL VARIABLE: Influence by manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Dollar value of advertising support from distributor(j) to manufacturer(i)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. locate manufacturer(i) "contracts" with distributor(j).

2. Compute and record the dollar value amount of advertising support given to manufacturer(i) by distributor(j).

3. Repeat the above procedure for the three (3) quarters.

4. Total and record the three (3) quarter amounts.

GLOBAL VARIABLE: Influence by manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Number of shelf-space locations given to manufacture(i) by distributor(j)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate distributor(j)'s "total inventory" section.

2. Within distributor(j)'s "total inventory" locate the "inventory by region" (not marked).

3. Total the number of shelf-space locations given to manufacturer(i) by distributor(j).

4. Repeat the above procedure for the three (3) quarters.

5. Compute and record the sum total number of shelf-space locations given to manufacturer(i) by distributor(j) for the three (3) quarter period.

GLOBAL VARIABLE: Influence by manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Number of manufacturer(i) brands carried by distributor(j)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate distributor(j)'s "total inventory" section.

2. Total the number of manufacturer(i) brands held by distributor(j).

5. Repeat the above procedure for the three (3) quarters.

6. Compute and record the sum total of manufacturer(i) brands carried by distributor(j) for the three (3) quarter period.

GLOBAL VARIABLE: Influence by manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Number of distributor(j) salesman dedicated to manufacturer(i) brands

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate distributor(j)'s "sales force allocation".

2. Compute and record the number of salesman distributor(j) has allocated to "support for specific brand lines" of manufacturer(i).

3. Repeat the above procedure for the three (3) quarters.

4. Compute and record the sum total of salesman distributor(j) has dedicated to manufacturer(i)'s brands for the three (3) quarter period.

GLOBAL VARIABLE: Influence by manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Percentage of manufacturer(i) POP placements in distributor(j) stores

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate distributor(j)'s "total inventory" section.

2. Locate distributor(j)'s "inventory by region" (not marked).

3. Compute and record the number of POP's placed by distributor(j) for manufacturer(i) by each region.

4. Compute and record the sum total of POP's manufacturer(i) has placed with distributor(j) across all regions.

5. Repeat the above procedure for the three (3) quarters.

6. Compute and record the Percentage of POP's each manufacturer(i) has placed with each distributor(j) over the three (3) quarter period.

GLOBAL VARIABLE: Influence by manufacturer(i) over distributor(j)

OPERATIONAL MEASURE: Dollar value of loans to manufacturer(i) from distributor(j)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate manufacturer(i) "contracts" with distributor(j).

2. Compute and record the dollar value of loans given to manufacturer(i) by distributor(j)

3. Repeat the above procedure for the three (3) quarters.

4. Compute and record the sum total dollar value of loans given to manufacturer(i) by distributor(j).

GLOBAL VARIABLE: Influence by distributor(j) over manufacturer(i)

OPERATIONAL MEASURE: Dollar value of support to distributor(j) salesforce by manufacturer(i)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate manufacturer(i) "contracts" with distributor(j).

2. Compute and record the dollar value of salesforce support given to distributor(j) by manufacturer(i).

3. Repeat the above procedure for the three (3) quarters.

4. Compute and record the total dollar value of salesforce support given to distributor(j) by manufacturer(i) for the three (3) quarter period.

GLOBAL VARIABLE: Influence by distributor(j) over manufacturer(i)

OPERATIONAL MEASURE: Dollar value of loans to distributor(j) by manufacturer(i)

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate manufacturer "contracts" with distributor.

2. Compute and record the dollar value of loans given to distributor(j) by manufacturer(i)

3. Repeat the above procedure for the three (3) quarters.

4. Compute and record the total dollar value amount of loans given to distributor(j) by manufacturer(i) for the three (3) quarter period.

GLOBAL VARIABLE: Influence by distributor(j) over manufacturer(i)

OPERATIONAL MEASURE: Manufacturer(i) local and national advertising expenditures in distributor(j) markets

QUARTERS: FALL Q6,Q7,Q8 WINTER Q6,Q7,Q8

DIRECTIONS:

1. Locate and record the cities in which distributor(j) stores are located. This may be found under distributor(j) "salesforce allocation".

2. Locate manufacturer(i) "local advertising".

3. Compute and record the dollar value of "local advertising" manufacturer(i) places in distributor(j)'s cities.

4. Repeat the above procedure for manufacturer(i) "national advertising".

5. Repeat both the above procedure for the three (3) quarters.

6. Compute and record the total amount of both "local" and "national" advertising expenditures by manufacturer(i) in distributor(j)'s cities for the three (3) quarter period.

APPENDIX E

CONTENT ANALYSIS MEASURE OF CONFLICT

INSTRUCTIONS FOR COMPLETION OF MANUFACTURER AND DISTRIBUTOR REPORTS/MEMOS QUESTIONNAIRE.

1. Gather and organize the memos and reports for each manufacturer and distributor for the appropriate quarters (6,7,8).

2. Gather and label the two different channel member questionnaires (manufacturer reports/memos questionnaire and distributor reports/memos questionnaire) being sure to include the following on each:

a. Rater label and rater number
a. Questionnaire number (1-?)
b. Manufacturer label and manufacturer number
c. Distributor label and distributor number

2. Before beginning to study any of the reports/memos, carefully read the questionnaire to be answered each time you finish studying a particular manufacturer or distributor report/memo. Pay particular attention to the kinds of questions that are asked so that you may study the reports/memos for these attributes.

3. Carefully study the report/memo of a particular channel member (either manufacturer or distributor).

4. When you have completed studying the report/memo of a particular channel member, carefully complete the questionnaires pertaining to the channel members relationship with all channel partners. This will require you to complete several questionnaires (each representing a channel relationship).

5. When you have completed the appropriate questionnaires please continue with the next channel member. Always complete either all of the manufacturer or all of the distributor reports/memos before beginning with a different type of channel member (i.e. all manufacturers then distributors or vice-versa).

MANUFACTURER REPORTS/MEMOS QST. RATER:_____[1] QST:_____ [2]
MANUFACTURER:_____[3] OF DISTRIBUTOR:_____[4] QUARTER:___ [5]

Please answer each question keeping in mind the content of the channel member's memos and reports you have just read.

A. For each of the channel decision areas identified below, please indicate (circle) both the frequency (how often) and intensity (heatedness or level of agitation) of disagreement for each issue as represented in the content of the channel member's memos and reports.

1. BRAND PURCHASE/SALE DECISIONS (INCLUDING - TYPE OF BRAND, QUANTITY PURCHASED, WHOLESALE PRICE, PAYMENT TERMS AND RETAIL PRICE):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [6]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [7]

2. BRAND PRODUCTION DECISIONS (INCLUDING - PLANT CAPACITY, BRAND COMPOSITION AND QUANTITY OF UNITS PRODUCED):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [8]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [9]

3. MARKET RESEARCH DECISIONS (INCLUDING - TYPE OF RESEARCH AND EXPENDITURE LEVEL):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [10]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [11]

4. RESEARCH AND DEVELOPMENT DECISIONS (INCLUDING - TYPE OF R+D AND EXPENDITURE LEVEL):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [12]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [13]

5. POP DISPLAY DECISIONS (INCLUDING - COST AND PLACEMENT OF POP'S):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [14]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [15]

6. ADVERTISING DECISIONS (INCLUDING - AD COPY, MEDIA SELECTION, AND EXPENDITURES):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [16]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [17]

7. STORE DECISIONS (INCLUDING - OPEN/CLOSE DECISIONS, SHELF SPACE LOCATION AND DEDICATION AND NUMBER OF SALESPEOPLE):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [18]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [19]

B. Recalling the content of the channel member's reports and memos, please indicate (circle) the level of conflict between the manufacturer and distributor:

No conflict	1	2	3	4	5	6	7	Extremely high conflict	[21]

C. Recalling the content of the channel member's reports and memos, please indicate (circle) the extent of compatibility (agreement) between the goals of the manufacturer and the goals of the distributor with regard to the Market Place:

No compatibility	1	2	3	4	5	6	7	Extremely high compatibility	[22]

D. Recalling the content of the channel member's reports and memos, please indicate (circle) the extent of agreement or disagreement concerning responsibility for strategy decisions (for example: deciding price, terms of payment, advertising levels, pop placement, market research, production, etc.) between the manufacturer and distributor:

Complete agreement	1	2	3	4	5	6	7	Extremely high disagreement	[23]

F. Recalling the content of the channel member's reports and memos, please indicate (circle) the extent of congruence (agreement) between the manufacturer and distributor regarding their individual "view of the Market Place environment" (For example: their agreement as to the needs of the market, how to succeed in the Market Place and agreement as to attitudes, values and decision making in the Market Place):

Complete agreement	1	2	3	4	5	6	7	Extremely high disagreement	[24]

DISTRIBUTOR REPORTS/MEMOS QST. RATER:_____[1] QST:_____ [2]
DISTRIBUTOR:_____[3] OF MANUFACTURER:_____[4] QUARTER:___ [5]

Please answer each question keeping in mind the content of the channel member's memos and reports you have just read.

A. For each of the channel decision areas identified below, please indicate (circle) both the frequency (how often) and intensity (heatedness or level of agitation) of disagreement for each issue as represented in the content of the channel member's memos and reports.

1. BRAND PURCHASE/SALE DECISIONS (INCLUDING - TYPE OF BRAND, QUANTITY PURCHASED, WHOLESALE PRICE, PAYMENT TERMS AND RETAIL PRICE):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [6]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [7]

2. BRAND PRODUCTION DECISIONS (INCLUDING - PLANT CAPACITY, BRAND COMPOSITION AND QUANTITY OF UNITS PRODUCED):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [8]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [9]

3. MARKET RESEARCH DECISIONS (INCLUDING - TYPE OF RESEARCH AND EXPENDITURE LEVEL):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [10]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [11]

4. RESEARCH AND DEVELOPMENT DECISIONS (INCLUDING - TYPE OF R+D AND EXPENDITURE LEVEL):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [12]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [13]

5. POP DISPLAY DECISIONS (INCLUDING - COST AND PLACEMENT OF POP'S):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [14]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [15]

6. ADVERTISING DECISIONS (INCLUDING - AD COPY, MEDIA SELECTION, AND EXPENDITURES):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [16]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [17]

7. STORE DECISIONS (INCLUDING - OPEN/CLOSE DECISIONS, SHELF SPACE LOCATION AND DEDICATION AND NUMBER OF SALESPEOPLE):

Frequency of disagreement:
Never 1 2 3 4 5 6 7 Extremely often [18]
Intensity of disagreement:
Not intense 1 2 3 4 5 6 7 Extremely intense [19]

B. Recalling the content of the channel member's reports and memos, please indicate (circle) the level of conflict between the manufacturer and distributor:

No conflict	1	2	3	4	5	6	7	Extremely high conflict	[21]

C. Recalling the content of the channel member's reports and memos, please indicate (circle) the extent of compatibility (agreement) between the goals of the manufacturer and the goals of the distributor with regard to the Market Place:

No compatibility	1	2	3	4	5	6	7	Extremely high compatibility	[22]

D. Recalling the content of the channel member's reports and memos, please indicate (circle) the extent of agreement or disagreement concerning responsibility for strategy decisions (for example: deciding price, terms of payment, advertising levels, pop placement, market research, production, etc.) between the manufacturer and distributor:

Complete agreement	1	2	3	4	5	6	7	Extremely high disagreement	[23]

F. Recalling the content of the channel member's reports and memos, please indicate (circle) the extent of congruence (agreement) between the manufacturer and distributor regarding their individual "view of the Market Place environment" (For example: their agreement as to the needs of the market, how to succeed in the Market Place and agreement as to attitudes, values and decision making in the Market Place):

Complete agreement	1	2	3	4	5	6	7	Extremely high disagreement	[24]

PLEASE GO ON TO THE NEXT CHANNEL MEMBER RELATIONSHIP UNTIL YOU HAVE COMPLETED ALL RELATIONSHIPS

APPENDIX F

DIMENSIONALITY ANALYSIS

SCALE: POWER (scale coefficient alpha = .97)

RECALLING YOUR ORGANIZATION'S RELATIONSHIP WITH (DISTRIBUTOR), PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO EACH OF THE FOLLOWING:

Factor Analysis:

DIMENSION:	A
EIGENVALUE:	8.34
PERCENT OF VARIATION:	.76
COEFFICIENT ALPHA:	.97

Item		Factor Loading
[1]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO LOWER YOUR WHOLESALE BRAND PRICES BY 15%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.84
[2]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO ALLOW THEM TO DELAY THEIR PAYMENT OF INVENTORY PURCHASED BY ONE (1) QUARTER, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.86
[3]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO INCREASE YOUR PLANT CAPACITY BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.87
[4]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO INCREASE THE PRODUCTION OF YOUR BRANDS BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.93
[5]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO DEVELOP A SPECIFIC BRAND FOR THEM AT YOUR EXPENSE, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.84
[6]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR RESEARCH AND DEVELOPMENT BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.88
[7]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR MARKET RESEARCH BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.89
[8]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO EXCLUSIVELY PROVIDE THEM WITH ALL OF YOUR POP DISPLAYS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.85
[9]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO CHANGE YOUR ADVERTISING AD COPY, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.95
[10]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO CHANGE YOUR ADVERTISING MEDIA SELECTION TO TARGET THEIR MARKETS VS. THEIR COMPETITOR MARKETS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.92
[11]	IF (DISTRIBUTOR) TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR ADVERTISING BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.90

SCALE: THREAT COMMUNICATION STRATEGY-(Operational) (scale coefficient alpha = .90)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **THREATEN:**

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	5.43	1.49
PERCENT OF VARIATION:	67.87	18.65
COEFFICIENT ALPHA:	.93	.95

ITEM	FACTOR LOADING	FACTOR LOADING
[A1] NOT TO CARRY YOUR BRAND IF YOU DID NOT COMPLY	.91	
[A2] TO REDUCE THE AMOUNT OF INVENTORY THEY WOULD PURCHASE IF YOU DID NOT COMPLY		.97
[A3] TO CUT OFF/NOT GIVE YOU MARKET RESEARCH IF YOU DID NOT COMPLY	.93	
[A4] TO CLOSE STORES CRITICAL TO YOUR BRAND MARKETS IF YOU DID NOT COMPLY	.94	
[A5] TO PULL YOUR BRAND OUT OF CERTAIN TERRITORIES IF YOU DID NOT COMPLY	.83	
[A6] TO REDUCE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES IF YOU DID NOT COMPLY	.83	(.50)
[A7] TO REDUCE/NOT DEDICATE ANY SALESPEOPLE TO YOUR BRAND IF YOU DID NOT COMPLY	.67	(.60)
[A8] TO GIVE YOUR BRAND A BAD SHELF LOCATION IF YOU DID NOT COMPLY	.76	(.53)

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.51520 (.0063)	1.0

SCALE: THREAT COMMUNICATION STRATEGY-(Economic) (scale coefficient alpha = .95)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **THREATEN:**

Factor Analysis

DIMENSION:	A
EIGENVALUE:	7.72
PERCENT OF VARIATION:	77.20
COEFFICIENT ALPHA:	.95

ITEM	FACTOR LOADING
[B1] TO SET A RETAIL BRAND PRICE WHICH WOULD REDUCE YOUR BRAND SALES IF YOU DID NOT COMPLY	.75
[B2] TO STOP/NOT AGREE TO PREPURCHASE INVENTORY IF YOU DID NOT COMPLY	.68
[B3] TO STOP/NOT AGREE TO FINANCE INVENTORY PRODUCTION IF YOU DID NOT COMPLY	.93
[B4] TO STOP/NOT AGREE TO PAY FOR EXPENSES OF INCREASING YOUR PLANT CAPACITY IF YOU DID NOT COMPLY	.95
[B5] TO STOP/NOT AGREE TO PAY FOR RESEARCH AND DEVELOPMENT EXPENSES IF YOU DID NOT COMPLY	.94
[B6] TO STOP/NOT AGREE TO PAY FOR MARKET RESEARCH EXPENSES IF YOU DID NOT COMPLY	.96
[B7] TO STOP/NOT AGREE TO PAY FOR POP DISPLAYS IF YOU DID NOT COMPLY	.90
[B8] TO STOP/NOT PAY FOR YOUR ADVERTISING EXPENSES IF YOU DID NOT COMPLY	.96
[B9] TO STOP/NOT PAY FOR EXPENSES OF ANY KIND IF YOU DID NOT COMPLY	.91
[B10] TO STOP/NOT AGREE TO GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU DID NOT COMPLY	.75

SCALE: THREAT COMMUNICATION STRATEGY-(Global) (scale coefficient alpha = .91)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) THREATEN:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	5.29	1.59
PERCENT OF VARIATION:	66.12	19.91
COEFFICIENT ALPHA:	.94	.83

ITEM	FACTOR LOADING	FACTOR LOADING
[C1] TO TAKE THEIR BUSINESS ELSEWHERE IF YOU DID NOT COMPLY	.91	
[C2] TO GIVE YOUR COMPETITORS PREFERENCE IN PRESENT/FUTURE NEGOTIATIONS IF YOU DID NOT COMPLY	.81	
[C3] TO MAKE A DECISION KNOWINGLY ADVERSE TO YOU IF YOU DID NOT COMPLY	.89	
[C4] TO IMPLEMENT LEGAL ACTION AGAINST YOU IF YOU DID NOT COMPLY		.92
[C5] YOU WOULD RECEIVE POORER COOPERATION IF YOU DID NOT COMPLY	.94	
[C6] YOU WOULD RECEIVE POORER SERVICE IF YOU DID NOT COMPLY	.85	(.48)
[C7] TO STOP/NOT AGREE TO ASSIST YOU IN YOUR DECISION MAKING IF YOU DID NOT COMPLY		.97
[C8] THAT YOU WOULD BE PUNISHED/RETALIATED AGAINST IN ANY WAY IF YOU DID NOT COMPLY	(.42)	.74

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.53996 (.0037)	1.0

SCALE: PROMISE COMMUNICATION STRATEGY-(Operational) (scale coefficeint alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **PROMISE:**

Factor Analysis:

DIMSNSION:	A	B
EIGENVALUE:	4.58	1.67
PERCENT OF VARIATION:	57.21	13.42
COEFFICIENT ALPHA:	.97	.51

ITEM	FACTOR LOADING	FACTOR LOADING
[A1] TO PURCHASE A BRAND THEY DID NOT WANT IF YOU WOULD COMPLY	.77	
[A2] THEY WOULD BUY ADDITIONAL INVENTORY IF YOU WOULD COMPLY	.74	
[A3] THEY WOULD GIVE YOU MARKET RESEARCH IF YOU WOULD COMPLY	.77	
[A4] TO OPEN STORES CRITICAL TO YOUR BRAND MARKETS IF YOU WOULD COMPLY	.81	
[A5] TO GIVE YOU FAVORED ARRANGEMENTS IN SALES TERRITORIES IF YOU WOULD COMPLY	.68	(.55)
[A6] TO INCREASE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES IF YOU WOULD COMPLY	.89	
[A7] TO DEDICATE ADDITIONAL SALESPEOPLE TO YOUR BRANDS IF YOU WOULD COMPLY	.75	(.43)
[A8] YOU WOULD GET BETTER SHELF LOCATIONS FOR YOUR BRANDS IF YOU WOULD COMPLY	.72	(.54)

SCALE: PROMISE COMMUNICATION STRATEGY-(Economic) (scale coefficient alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) PROMISE:

Factor Analysis:

DIMENSION:	A	B	C	D
EIGENVALUE:	5.38	1.59	1.12	.77
PERCENT OF VARIATION:	53.77	15.93	11.17	7.66
COEFFICIENT ALPHA:	.90	.86	.84	

ITEM	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[B1] TO SET A RETAIL BRAND PRICE WHICH WOULD INCREASE THE SALE OF YOUR BRAND IF YOU WOULD COMPLY				.84
[B2] TO PREPURCHASE INVENTORY IF YOU WOULD COMPLY	.92			
[B3] TO FINANCE YOUR INVENTORY PRODUCTION IF YOU WOULD COMPLY	.83			
[B4] TO PAY/SHARE EXPENSES OF INCREASING YOUR PLANT CAPACITY IF YOU WOULD COMPLY	.78	(.56)		
[B5] TO PAY/SHARE RESEARCH AND DEVELOPMENT EXPENSES IF YOU WOULD COMPLY		.92		
[B6] TO PAY/SHARE MARKET RESEARCH EXPENSES IF YOU WOULD COMPLY			.91	
[B7] TO PAY/SHARE EXPENSES OF POP DISPLAYS IF YOU WOULD COMPLY		.72		
[B8] TO PAY/SHARE YOUR ADVERTISING EXPENSES IF YOU WOULD COMPLY	.67		(.54)	
[B9] THEY WOULD PAY/SHARE EXPENSES OF ANY KIND IF YOU WOULD COMPLY		.86		
[B10] YOU WOULD RECEIVE A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU WOULD COMPLY		[.47]	.62	

INTER-DIMENSION CORRELATION

	A	B	C	D
A	1.0			
B	.50353 (.0074)	1.0		
C	.61138 (.0007)	.61065 (.0007)	1.0	
D	.11005 (.5848)	.24313 (.2217)	.36878 (.0584)	1.0

SCALE: PROMISE COMMUNICATION STRATEGY-(Global) (scale coefficient alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **PROMISE:**

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	4.39	1.15
PERCENT OF VARIATION:	62.65	16.42
COEFFICIENT ALPHA:	.89	.91

ITEM	FACTOR LOADING	FACTOR LOADING
[C1] NOT TO DO BUSINESS ELSEWHERE IF YOU WOULD COMPLY		.94
[C2] YOU WOULD RECEIVE PREFERENCE OVER COMPETITORS IN PRESENT/FUTURE NEGOTIATIONS IF YOU WOULD COMPLY	.73	
[C3] THEY WOULD CHANGE A DECISION IN YOUR FAVOR IF YOU WOULD COMPLY		.90
[C4] BETTER COOPERATION IF YOU WOULD COMPLY	.84	
[C5] BETTER SERVICE IF YOU WOULD COMPLY	.68	.43
[C6] TO HELP/ASSIST YOUR DECISION MAKING IF YOU WOULD COMPLY	.89	
[C7] YOU WOULD RECEIVE FUTURE FAVORS/REWARDS/BENEFITS OF ANY KIND IF YOU WOULD COMPLY	.87	

INTER-DIMENSION ANALYSIS

	A	B
A	1.0	
B	.54381 (.0067)	1.0

SCALE: NEGATIVE NORMATIVE COMMUNICATION STRATEGY (scale coefficient alpha = .93)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **STATE OR IMPLY:**

Factor Analysis:

DIMENSION	A
EIGENVALUE:	3.30
PERCENT OF VARIATION:	82.55
COEFFICIENT ALPHA:	.93

ITEM		FACTOR LOADING
[1]	THAT ONLY A BAD OR DISLOYAL ORGANIZATION WOULD NOT COMPLY	.94
[2]	THAT YOU WOULD NOT BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD NOT COMPLY	.80
[3]	THAT YOUR PERSONAL RELATIONSHIP WOULD WORSEN IF YOU WOULD NOT COMPLY	.93
[4]	THAT YOU WOULD LOSE THEIR RESPECT OR NOT GAIN THEIR APPROVAL IF YOU DID NOT COMPLY	.96

SCALE: DEMAND COMMUNICATION STRATEGY (scale coefficient alpha = .86)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **DIRECTLY**:

Factor Analysis:

DIMENSION:	A
EIGENVALUE:	2.43
PERCENT OF VARIATION:	81.05
COEFFICIENT ALPHA:	.86

ITEM		FACTOR LOADING
[1]	TELL YOU TO COMPLY	.88
[2]	DEMAND THAT YOU COMPLY	.89
[3]	COMMAND YOU TO COMPLY	.93

SCALE: POSITIVE NORMATIVE COMMUNICATION STRATEGY (scale coefficient alpha = .90)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **STATE OR IMPLY:**

Factor Analysis:

DIMENSION:	A
EIGENVALUE:	3.08
PERCENT OF VARIATION:	77.02
COEFFICIENT ALPHA:	.90

ITEM		FACTOR LOADING
[1]	THAT A GOOD OR LOYAL ORGANIZATION WOULD COMPLY	.82
[2]	THAT YOU WOULD BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD COMPLY	.88
[3]	THAT YOUR PERSONAL RELATIONSHIP WOULD IMPROVE IF YOU WOULD COMPLY	.87
[4]	THAT YOU WOULD GAIN THEIR RESPECT OR GAIN THEIR APPROVAL IF YOU WOULD COMPLY	.94

SCALE: RECOMMENDATION COMMUNICATION STRATEGY (scale coefficient alpha = .94)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **DIRECTLY:**

Factor Analysis:

DIMENSION	A
EIGENVALUE:	1.89
PERCENT OF VARIATION:	94.58
COEFFICIENT ALPHA:	.94

ITEM		FACTOR LOADING
[1]	RECOMMEND THAT YOU COMPLY	.97
[2]	SUGGEST THAT YOU COMPLY	.97

SCALE: REQUEST COMMUNICATION STRATEGY (scale coefficient alpha = .94)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **DIRECTLY:**

Factor Analysis:

DIMENSION	A
EIGENVALUE:	1.89
PERCENT OF VARIATION:	94.54
COEFFICIENT ALPHA:	.94

ITEM		FACTOR LOADING
[1]	ASK YOU TO COMPLY	.97
[2]	REQUEST THAT YOU COMPLY	.97

SCALE: INFORMATION EXCHANGE COMMUNICATION STRATEGY (scale coefficient alpha = .92)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (DISTRIBUTOR) **ARGUE/ MAKE A CASE:**

Factor Analysis:

DIMENSION	A
EIGENVALUE:	3.26
PERCENT OF VARIATION:	81.53
COEFFICIENT ALPHA:	.92

ITEM	FACTOR LOADING
[1] BASED UPON FINANCIAL PAYOFF/OUTCOME THAT YOU SHOULD COMPLY	.89
[2] BASED UPON PAST EXPERIENCE THAT YOU SHOULD COMPLY	.95
[3] BASED UPON GOOD SOUND BUSINESS JUDGMENT THAT YOU SHOULD COMPLY	.97
[4] BASED UPON MARKET RESEARCH THAT YOU SHOULD COMPLY	.79

SCALE: REWARD BEHAVIOR STRATEGY-(Operational) (scale coefficient alpha = .92)

PLEASE INDICATE (CIRCLE) HOW OFTEN (DISTRIBUTOR) HAS **GIVEN YOUR ORGANIZATION** THE FOLLOWING **REWARDS/BENEFITS** IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	5.31	1.14
PERCENT OF VARIATION:	66.35	14.24
COEFFICIENT ALPHA:	.88	.87

ITEM	FACTOR LOADING	FACTOR LOADING
[A1] PURCHASE A BRAND THEY		.80
[A2] BUY ADDITIONAL INVENTORY BEYOND THEIR INTENDED AMOUNT		.85
[A3] GIVE YOU FREE/DISCOUNTED MARKET RESEARCH		.91
[A4] OPEN STORES CRITICAL TO YOUR BRAND MARKETS	.83	
[A5] GIVE YOU EXCLUSIVE ARRANGEMENTS IN SALES TERRITORIES	.84	
[A6] INCREASE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES	(.63)	.67
[A7] DEDICATE ADDITIONAL SALESPEOPLE TO YOUR BRANDS	(.56)	.75
[A8] GIVE YOU BETTER SHELF LOCATIONS FOR YOUR BRANDS THAN COMPETITORS	.72	(.54)

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.75121 (.0001)	1.0

SCALE: REWARD BEHAVIOR STRATEGY-(Economic) (scale coefficient alpha = .92)

PLEASE INDICATE (CIRCLE) HOW OFTEN (DISTRIBUTOR) HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B	C	D
EIGENVALUE:	6.10	1.07	.87	.70
PERCENT OF VARIATION:	61.00	10.68	8.69	7.00
COEFFICIENT ALPHA:	.90	.85	.81	

ITEM	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[B1] SET A RETAIL BRAND PRICE WHICH INCREASED THE SALE OF YOUR BRAND	(.41)	.77		
[B2] PREPURCHASE INVENTORY	.91			
[B3] FINANCE INVENTORY PRODUCTION	.75		(.51)	
[B4] SHARE/PAY FOR EXPENSES OF INCREASING YOUR PLANT CAPACITY			.92	
[B5] PAY/SHARE RESEARCH AND DEVELOPMENT EXPENSES		.69	(.59)	
[B6] PAY/SHARE MARKET RESEARCH EXPENSES		.82		
[B7] PAY/SHARE EXPENSES OF POP DISPLAYS			.94	
[B8] PAY/SHARE YOUR ADVERTISING EXPENSES	(.53)	(.57)	.55	
[B9] PAY/SHARE EXPENSES OF ANY KIND		(.45)	[.54)	.55
[B10] GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND		.72	(.41)	

INTER-DIMENSION CORRELATION

	A	B	C	D
A	1.0			
B	.69750 (.0001)	1.0		
C	.73101 (.0001)	.79262 (.0001)	1.0	
D	.42836 (.0258)	.46144 (.0154)	.49835 (.0082)	1.0

SCALE: REWARD BEHAVIOR STRATEGY-(Global) (scale coefficient alpha = .92)

PLEASE INDICATE (CIRCLE) HOW OFTEN (DISTRIBUTOR) HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	4.92
PERCENT OF VARIATION:	70.22
COEFFICIENT ALPHA:	.92

ITEM	FACTOR LOADING
[C1] DO BUSINESS WITH YOU EXCLUSIVELY	.58
[C2] GIVE YOU PREFERENCE OVER COMPETITORS IN NEGOTIATIONS	.93
[C3] CHANGE A DECISION IN YOUR FAVOR	.75
[C4] GIVE YOU BETTER COOPERATION	.90
[C5] GIVE YOU BETTER SERVICE	.92
[C6] HELP/ASSIST YOUR DECISION MAKING	.84
[C7] GIVE YOU FAVORS/REWARDS/BENEFITS OF ANY KIND	.90

SCALE: PUNISHMENT BEHAVIOR STRATEGY-(Operational) (scale coefficient alpha = .79)

PLEASE INDICATE (CIRCLE) HOW OFTEN (DISTRIBUTOR) HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	4.86	1.33
PERCENT OF VARIATION:	60.73	16.67
COEFFICIENT ALPHA:	.93	.66

ITEM	FACTOR LOADING	FACTOR LOADING
[A1] REFUSE TO CARRY YOUR BRAND	(.51)	.59
[A2] REDUCE THE AMOUNT OF INVENTORY THEY INTENDED TO PURCHASE		.91
[A3] CUT OFF/NOT GIVE YOU MARKET RESEARCH YOU EXPECTED	.87	
[A4] CLOSE STORES CRITICAL TO YOUR BRAND MARKETS	.83	
[A5] PULL YOUR BRANDS OUT OF IMPORTANT TERRITORIES	.92	
[A6] REDUCE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES	.77	
[A7] REDUCE/NOT DEDICATE ANY SALESPEOPLE TO YOUR BRAND	.85	(.41)
[A8] GIVE YOUR BRAND A BAD SHELF LOCATION	(.55)	.66

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.50214 .0076	1.0

SCALE: PUNISHMENT BEHAVIOR STRATEGY-(Operational) (scale coefficient alpha = .79)

PLEASE INDICATE (CIRCLE) HOW OFTEN (DISTRIBUTOR) HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	4.86	1.33
PERCENT OF VARIATION:	60.73	16.67
COEFFICIENT ALPHA:	.93	.66

ITEM	FACTOR LOADING	FACTOR LOADING
[A1] REFUSE TO CARRY YOUR BRAND	(.51)	.59
[A2] REDUCE THE AMOUNT OF INVENTORY THEY INTENDED TO PURCHASE		.91
[A3] CUT OFF/NOT GIVE YOU MARKET RESEARCH YOU EXPECTED	.87	
[A4] CLOSE STORES CRITICAL TO YOUR BRAND MARKETS	.83	
[A5] PULL YOUR BRANDS OUT OF IMPORTANT TERRITORIES	.92	
[A6] REDUCE THE OVERALL NUMBER OF SALESPEOPLE IN THEIR STORES	.77	
[A7] REDUCE/NOT DEDICATE ANY SALESPEOPLE TO YOUR BRAND	.86	(.41)
[A8] GIVE YOUR BRAND A BAD SHELF LOCATION	(.55)	.66

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.50214 .0076	1.0

SCALE: PUNISHMENT BEHAVIOR STRATEGY-(Economic) (scale coefficient alpha = .88)

PLEASE INDICATE (CIRCLE) HOW OFTEN (DISTRIBUTOR) HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B	C
EIGENVALUE:	6.09	1.40	.88
PERCENT OF VARIATION:	60.87	13.98	8.80
COEFFICIENT ALPHA:	.96	.96	.65

ITEM	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[B1] SET A RETAIL BRAND PRICE WHICH REDUCED YOUR BRAND SALES			.74
[B2] STOP/NOT PREPURCHASE INVENTORY			.82
[B3] STOP/NOT FINANCE INVENTORY PRODUCTION		.95	
[B4] STOP/NOT PAY FOR EXPENSES OF INCREASING YOUR PLANT CAPACITY		.88	
[B5] STOP/NOT PAY FOR RESEARCH AND DEVELOPMENT EXPENSES	.87		
[B6] STOP/NOT PAY FOR MARKET RESEARCH EXPENSES	(.48)		.69
[B7] STOP/NOT PAY FOR POP DISPLAYS	.90		
[B8] STOP/NOT PAY FOR YOUR ADVERTISING EXPENSES	.91		
[B9] STOP/NOT PAY FOR EXPENSES OF ANY KIND	.78		
[B10] STOP/NOT GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND	.78		

INTER-DIMENSION CORRELATION

	A	B	C
A	1.0		
B	.54042 (.0036)	1.0	
C	.60593 (.0008)	.30095 (.1272)	1.0

\SCALE: PUNISHMENT BEHAVIOR STRATEGY-(Global) (scale coefficient alpha = .90)

PLEASE INDICATE (CIRCLE) HOW OFTEN (DISTRIBUTOR) HAS **IMPLEMENTED** THE FOLLOWING **SANCTIONS/PUNISHMENTS** AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B	C
EIGENVALUE:	4.89	1.31	.68
PERCENT OF VARIATION:	61.10	16.33	8.56
COEFFICIENT ALPHA:	.90	.83	.86

ITEM	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[C1] TAKE THEIR BUSINESS ELSEWHERE	.88		
[C2] GIVE YOUR COMPETITORS PREFERENCE IN NEGOTIATIONS	.93		
[C3] IMPLEMENT LEGAL ACTION AGAINST YOU		.89	
[C4] MAKE A DECISION KNOWINGLY ADVERSE TO YOU	.85		
[C5] GIVE YOU POORER COOPERATION	(.61)		.68
[C6] GIVE YOU POORER SERVICE	(.51)	(.44)	.62
[C7] STOP/NOT ASSIST YOU IN YOUR DECISION MAKING		.86	
[C8] PUNISH/RETALIATE AGAINST YOU IN ANY WAY			.84

INTER-DIMENSION CORRELATION

	A	B	C
A	1.0		
B	.37992 (.0506)	1.0	
C	.69388 (.0001)	.55461 (.0027)	1.0

SCALE: ATTRIBUTED INFLUENCE (scale coefficient alpha = .92)

RECALLING YOUR ORGANIZATION'S DECISIONS IN THE FOLLOWING POLICY AREAS DURING THE LAST THREE QUARTERS, PLEASE INDICATE (CIRCLE) HOW MUCH INFLUENCE (DISTRIBUTOR) HAD ON YOUR ORGANIZATION'S DECISIONS:

Factor Analysis

DIMENSION	A	B	C
EIGENVALUE:	6.08	1.22	.81
PERCENT OF VARIATION:	60.81	12.15	8.08
COEFFICIENT ALPHA:	.92	.84	

ITEM		FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[1]	YOUR WHOLESALE BRAND PRICE			.93
[2]	YOUR REQUIREMENTS FOR TIME OF PAYMENT (PREPAY,ON TIME, DELAY)	.85		(.40)
[3]	YOUR PLANT CAPACITY	.90		
[4]	YOUR PRODUCTION VOLUME	.67		
[5]	YOUR R&D EXPENDITURES		.77	
[6]	YOUR MARKET RESEARCH EXPENDITURES	(.46)		.72
[7]	YOUR POP DISPLAY DECISIONS		.92	
[8]	YOUR AD COPY DESIGN	.70	(.54)	
[9]	YOUR ADVERTISEMENT PLACEMENT (MEDIA)	.67	(.40)	
[10]	YOUR ADVERTISING EXPENDITURES	.77	(.46)	

INTER-DIMENSION CORRELATION

	A	B	C
A	1.0		
B	.85957 (.0002)	1.0	
C	.46336 (.0149)	.48718 (.0100)	1.0

SCALE: AFFECTIVE CONFLICT (scale coefficient alpha = .98)

RECALLING YOUR ORGANIZATION'S **NEGOTIATIONS/DEALINGS** WITH (DISTRIBUTOR) PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

ALL THINGS CONSIDERED, (DISTRIBUTOR) IS:

EIGENVALUE:	13.50
PERCENT OF VARIATION:	75.01
COEFFICIENT ALPHA:	.98

ITEM			FACTOR LOADING
[1]	GENEROUS	SELFISH	.86
[2]	FAIR	UNFAIR	.94
[3]	OPEN	CLOSED	.89
[4]	WILLING	STUBBORN	.93
[5]	FRIENDLY	HOSTILE	.91
[6]	HONEST	DISHONEST	.91
[7]	BENEVOLENT	TYRANNICAL	.70
[8]	ENCOURAGING	DISCOURAGING	.84
[9]	REALISTIC	UNREALISTIC	.76
[10]	LIKEABLE	DISLIKEABLE	.90
[11]	CONCILIATORY	VINDICTIVE	.79
[12]	SUPPORTIVE	OBSTRUCTIVE	.90
[13]	FLEXIBLE	RIGID	.85
[14]	COOPERATIVE	UNCOOPERATIVE	.94
[15]	NOT GREEDY	GREEDY	.77
[16]	COMPROMISING	UNCOMPROMISING	.88
[17]	PERMISSIVE	RESISTING	.83
[18]	HELPFUL	HARMFUL	.93

SCALE: POWER (scale coefficient alpha = .90)

RECALLING YOUR ORGANIZATION'S RELATIONSHIP WITH (MANUFACTURER), PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO EACH OF THE FOLLOWING:

Factor Analysis

DIMENSION:	A	B	C	D
EIGENVALUE:	5.59	1.61	1.25	.75
PERCENT OF VARIATION:	58.78	14.60	11.35	6.74
COEFFICIENT ALPHA:	.88	.80	.73	.73

ITEM	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[1] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO LOWER YOUR RETAIL BRAND PRICES BY 15%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?			.66	(.44)
[2] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO PREPURCHASE/FINANCE INVENTORY, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	(.60)	.67		
[3] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO PURCHASE A BRAND YOU DID NOT WANT, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?			.94	
[4] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO INCREASE THE QUANTITY OF INVENTORY YOU PURCHASED BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	(.60)	.65		
[5] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO EXCLUSIVELY PURCHASE THEIR BRANDS AND NOT A COMPETITORS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?			.84	
[6] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO INCREASE YOUR EXPENDITURES FOR MARKET RESEARCH BY 50%, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?			.75	
[7] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO NOT PURCHASE A COMPETITORS POP DISPLAYS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?		.93		
[8] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO OPEN STORES IN NEW TERRITORIES AT YOUR EXPENSE, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.79			
[9] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO INCREASE THE OVERALL NUMBER OF YOUR SALESPEOPLE IN YOUR STORES AT YOUR EXPENSE, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.92			
[10] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO ONLY DEDICATE SALESPEOPLE TO THEIR BRANDS, WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.79			
[11] IF (MANUFACTURER) TRIED TO INFLUENCE YOU TO GIVE THEIR BRANDS THE BEST SHELF LOCATION WHAT IS THE PROBABILITY THAT YOU WOULD COMPLY?	.84		(.62)	

INTER-DIMENSION CORRELATION

	A	B	C	D
A	1.0			
B	.58857 (.0025)	1.0		
C	.54900 (.0055)	.42894 (.0365)	1.0	
D	.61107 (.0015)	.35079 (.0928)	.54827 (.0058)	1.0

SCALE: THREAT COMMUNICATION STRATEGY-(Economic) (scale coefficient alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) THREATEN:

Factor Analysis

	A	B
DIMENSION:		
EIGENVALUE:	4.20	1.03
PERCENT OF VARIATION:	58.93	14.79
COEFFICIENT ALPHA:	.96	.69

ITEM	FACTOR LOADING	FACTOR LOADING
[B1] TO CHARGE A HIGHER WHOLESALE BRAND PRICE THAN THEY PREVIOUSLY DID, IF YOU DID NOT COMPLY		.79
[B2] TO STOP/NOT AGREE TO GIVE YOU INVENTORY ON CONSIGNMENT IF YOU DID NOT COMPLY		.72
[B3] TO STOP/NOT AGREE TO INCREASE THEIR RESEARCH AND DEVELOPMENT EXPENDITURES IF YOU DID NOT COMPLY	.87	
[B4] TO STOP/NOT AGREE TO PAY FOR MARKET RESEARCH EXPENSES IF YOU DID NOT COMPLY		.89
[B5] TO STOP/NOT AGREE TO GIVE YOU FREE/ DISCOUNTEDPOP DISPLAYS IF YOU DID NOT COMPLY	.81	(.45)
[B6] TO STOP/NOT AGREE TO PAY STORE OPENING/OPERATING EXPENSES IF YOU DID NOT COMPLY	DELETED	
[B7] TO STOP/NOT AGREE TO PAY SALESPEOPLE SALARIES IF YOU DID NOT COMPLY	DELETED	
[B8] TO STOP/NOT AGREE TO PAY FOR THE DEDICATION OF SALESPEOPLE IF YOU DID NOT COMPLY		.72
[B9] TO STOP/NOT AGREE TO PAY EXPENSES OF ANYKIND IF YOU DID NOT COMPLY	.91	
[B10] TO STOP/NOT AGREE TO GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU DID NOT COMPLY	DELETED	

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.55795 (.0046)	1.0

SCALE: THREAT COMMUNICATION STRATEGY-(Operational) (scale coefficient alpha = .91)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) THREATEN:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	5.46	1.52
PERCENT OF VARIATION:	68.29	18.96
COEFFICIENT ALPHA:	.94	.86

ITEM	FACTOR LOADING	FACTOR LOADING
[A1] TO GIVE YOU LAST CHOICE IN THE BRANDS YOU WANTED IF YOU DID NOT COMPLY	.92	
[A2] TO NOT SELL YOU INVENTORY YOU WANTED IF YOU DID NOT COMPLY	.88	(.41)
[A3] TO NOT PRODUCE BRANDS YOU WANTED IF YOU DID NOT COMPLY	(.41)	.86
[A4] TO NOT ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED IF YOU DID NOT COMPLY		.90
[A5] TO NOT GIVE YOU MARKET RESEARCH IF YOU DID NOT COMPLY	.89	
[A6] TO NOT GIVE YOU THEIR POP DISPLAYS IF YOU DID NOT COMPLY	.89	
[A7] TO NOT PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS IF YOU DID NOT COMPLY		.84
[A8] TO NOT INCREASE THEIR ADVERTISING EXPENDITURES IF YOU DID NOT COMPLY	.90	

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.61984 (.0013)	1.0

SCALE: THREAT COMMUNICATION STRATEGY-(Global) (scale coefficient alpha = .94)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) THREATEN:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	6.08
PERCENT OF VARIATION:	75.96
COEFFICIENT ALPHA:	.94

ITEM	FACTOR LOADING
[C1] TO TAKE THEIR BUSINESS ELSEWHERE IF YOU DID NOT COMPLY	.87
[C2] TO GIVE YOUR COMPETITORS PREFERENCE IN PRESENT/FUTURE NEGOTIATIONS IF YOU DID NOT COMPLY	.89
[C3] TO MAKE A DECISION KNOWINGLY ADVERSE TO YOU IF YOU DID NOT COMPLY	.89
[C4] TO IMPLEMENT LEGAL ACTION AGAINST YOU IF YOU DID NOT COMPLY	.70
[C5] YOU WOULD RECEIVE POORER COOPERATION IF YOU DID NOT COMPLY	.96
[C6] YOU WOULD RECEIVE POORER SERVICE IF YOU DID NOT COMPLY	.93
[C7] TO STOP/NOT AGREE TO ASSIST YOU IN YOUR DECISION MAKING IF YOU DID NOT COMPLY	.77
[C8] THAT YOU WOULD BE PUNISHED/RETALIATED AGAINST IN ANY WAY IF YOU DID NOT COMPLY	.93

SCALE: THREAT COMMUNICATION STRATEGY-(Global) (scale coefficient alpha = .94)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) THREATEN:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	6.08
PERCENT OF VARIATION:	75.96
COEFFICIENT ALPHA:	.94

ITEM	FACTOR LOADING
[C1] TO TAKE THEIR BUSINESS ELSEWHERE IF YOU DID NOT COMPLY	.87
[C2] TO GIVE YOUR COMPETITORS PREFERENCE IN PRESENT/FUTURE NEGOTIATIONS IF YOU DID NOT COMPLY	.89
[C3] TO MAKE A DECISION KNOWINGLY ADVERSE TO YOU IF YOU DID NOT COMPLY	.89
[C4] TO IMPLEMENT LEGAL ACTION AGAINST YOU IF YOU DID NOT COMPLY	.70
[C5] YOU WOULD RECEIVE POORER COOPERATION IF YOU DID NOT COMPLY	.96
[C6] YOU WOULD RECEIVE POORER SERVICE IF YOU DID NOT COMPLY	.93
[C7] TO STOP/NOT AGREE TO ASSIST YOU IN YOUR DECISION MAKING IF YOU DID NOT COMPLY	.77
[C8] THAT YOU WOULD BE PUNISHED/RETALIATED AGAINST IN ANY WAY IF YOU DID NOT COMPLY	.93

SCALE: PROMISE COMMUNICATION STRATEGY-(Operational) (scale coefficient alpha = .95)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) PROMISE:

Factor Analysis

DIMENSIONS:	A
EIGENVALUE:	5.82
PERCENT OF VARIATION:	72.76
COEFFICIENT ALPHA:	.94

ITEM	FACTOR LOADING
[A1] TO GIVE YOU FIRST CHOICE IN THE BRANDS YOU WANTED IF YOU WOULD COMPLY	.90
[A2] THEY WOULD SELL YOU ADDITIONAL INVENTORY YOU WANTED IF YOU WOULD COMPLY	.77
[A3] THEY WOULD PRODUCE BRANDS EXCLUSIVELY FOR YOU IF YOU WOULD COMPLY	.91
[A4] THEY WOULD ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED IF YOU WOULD COMPLY	.88
[A5] TO GIVE YOU MARKET RESEARCH	.77
[A6] TO GIVE YOU ALL THEIR POP DISPLAYS IF YOU WOULD COMPLY	.85
[A7] TO PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS IF YOU WOULD COMPLY	.89
[A8] TO INCREASE THEIR ADVERTISING EXPENDITURES IF YOU WOULD COMPLY	.84

SCALE: PROMISE COMMUNICATION STRATEGY-(Economic) (scale coefficient alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) PROMISE:

Factor Analysis

DIMENSION:	A	B	C
EIGENVALUE:	5.40	1.44	.85
PERCENT OF VARIATION:	54.05	14.42	8.50
COEFFICIENT ALPHA:	.87	.85	.88

ITEM	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[B1] TO REDUCE THEIR WHOLESALE BRAND PRICE IF YOU WOULD COMPLY	(.52)		.69
[B2] TO GIVE YOU INVENTORY ON CONSIGNMENT IF YOU WOULD COMPLY	.64		(.54)
[B3] TO INCREASE THEIR RESEARCH AND DEVELOPMENTEXPENDITURES IF YOU WOULD COMPLY	(.40)	.67	
[B4] TO PAY/SHARE MARKET RESEARCH EXPENSES IF YOU WOULD COMPLY		.93	
[B5] TO GIVE YOU FREE/DISCOUNTED POP DISPLAYS IF YOU WOULD COMPLY			.80
[B6] TO PAY/SHARE STORE OPENING/OPERATING EXPENSES IF YOU WOULD COMPLY	.72	(.49)	
[B7] TO PAY/SHARE SALESPEOPLE SALARIES IF YOU WOULD COMPLY	.77	(.41)	
[B8] TO PAY/SHARE FOR THE DEDICATION OF SALESPEOPLE IF YOU WOULD COMPLY	.67		
[B9] THEY WOULD PAY/SHARE EXPENSES OF ANY KIND IF YOU WOULD COMPLY		.82	
[B10] YOU WOULD RECEIVE A LOAN OR FINANCIAL SUPPORT OF ANY KIND IF YOU WOULD COMPLY		.86	

INTER-DIMENSION CORRELATION

	A	B	C
A	1.0		
B	.55655 (.0048)	1.0	
C	.65226 (.0006)	.45848 (.0241)	1.0

SCALE: PROMISE COMMUNICATION STRATEGY-(Global) (scale coefficient alpha = .92)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) PROMISE:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	4.76
PERCENT OF VARIATION:	68.01
COEFFICIENT ALPHA:	.92

ITEM	FACTOR LOADING
[C1] NOT TO DO BUSINESS ELSEWHERE IF YOU WOULD COMPLY	.80
[C2] YOU WOULD RECEIVE PREFERENCE OVER COMPETITORS IN PRESENT/FUTURE NEGOTIATIONS IF YOU WOULD COMPLY	.83
[C3] THEY WOULD CHANGE A DECISION IN YOUR FAVOR IF YOU WOULD COMPLY	.84
[C4] BETTER COOPERATION IF YOU WOULD COMPLY	.78
[C5] BETTER SERVICE IF YOU WOULD COMPLY	.83
[C6] TO HELP/ASSIST YOUR DECISION MAKING IF YOU WOULD COMPLY	.72
[C7] YOU WOULD RECEIVE FUTURE FAVORS/REWARDS/BENEFITS OF ANY KIND IF YOU WOULD COMPLY	.90

SCALE: NEGATIVE NORMATIVE COMMUNICATION STRATEGY (scale coefficient alpha = .93)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) STATE OR IMPLY:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	3.29
PERCENT OF VARIATION:	82.13
COEFFICIENT ALPHA:	.93

ITEM	FACTOR LOADING
[1] THAT ONLY A BAD OR DISLOYAL ORGANIZATION WOULD NOT COMPLY	.90
[2] THAT YOU WOULD NOT BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD NOT COMPLY	.86
[3] THAT YOUR PERSONAL RELATIONSHIP WOULD WORSEN IF YOU WOULD NOT COMPLY	.92
[4] THAT YOU WOULD LOSE THEIR RESPECT OR NOT GAIN THEIR APPROVAL IF YOU DID NOT COMPLY	.95

SCALE: DEMAND COMMUNICATION STRATEGY (scale coefficient alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) DIRECTLY:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	2.56
PERCENT OF VARIATION:	85.22
COEFFICIENT ALPHA:	.89

ITEM	FACTOR LOADING
[1] TELL YOU TO COMPLY	.84
[2] DEMAND THAT YOU COMPLY	.98
[3] COMMAND YOU TO COMPLY	.90

SCALE: POSITIVE NORMATIVE COMMUNICATION STRATEGY (scale coefficient alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) STATE OR IMPLY:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	3.00
PERCENT OF VARIATION:	75.06
COEFFICIENT ALPHA:	.89

ITEM		FACTOR LOADING
[1]	THAT A GOOD OR LOYAL ORGANIZATION WOULD COMPLY	.77
[2]	THAT YOU WOULD BE FOLLOWING AGREED UPON POLICY/GOALS/OBJECTIVES IF YOU WOULD COMPLY	.86
[3]	THAT YOUR PERSONAL RELATIONSHIP WOULD IMPROVE IF YOU WOULD COMPLY	.92
[4]	THAT YOU WOULD GAIN THEIR RESPECT OR GAIN THEIR APPROVAL IF YOU WOULD COMPLY	.90

SCALE: RECOMMENDATION COMMUNICATION STRATEGY (scale coefficient alpha = .95)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) DIRECTLY:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	1.90
PERCENT OF VARIATION:	95.23
COEFFICIENT ALPHA:	.95

ITEM	FACTOR LOADING
[1] RECOMMEND THAT YOU COMPLY	.98
[2] SUGGEST THAT YOU COMPLY	.98

SCALE: REQUEST COMMUNICATION STRATEGY (scale coefficient alpha = .86)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) DIRECTLY:

Factor Analysis

DIMSNSION:	A
EIGENVALUE:	1.75
PERCENT OF VARIATION:	87.63
COEFFICIENT ALPHA:	.86

ITEM	FACTOR LOADING
[1] ASK YOU TO COMPLY	.94
[2] REQUEST THAT YOU COMPLY	.94

SCALE: INFORMATION EXCHANGE COMMUNICATION STRATEGY (scale coefficient alpha = .89)

IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED, HOW OFTEN DID REPRESENTATIVES OF (MANUFACTURER) ARGUE/ MAKE A CASE:

Factor Analysis

	DIMENSION:	A
	EIGENVALUE:	3.03
	PERCENT OF VARIATION:	75.64
	COEFFICIENT ALPHA:	.89
[1]	BASED UPON FINANCIAL PAYOFF/OUTCOME THAT YOU SHOULD COMPLY	.84
[2]	BASED UPON PAST EXPERIENCE THAT YOU SHOULD COMPLY	.87
[3]	BASED UPON GOOD SOUND BUSINESS JUDGMENT THAT YOU SHOULD COMPLY	.93
[4]	BASED UPON MARKET RESEARCH THAT YOU SHOULD COMPLY	.83

SCALE: REWARD BEHAVIOR STRATEGY-(Operational) (scale coefficient alpha = .94)

PLEASE INDICATE (CIRCLE) HOW OFTEN (MANUFACTURER) HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

	DIMENSION:	A	B
	EIGENVALUE:	5.62	.94
	PERCENT OF VARIATION:	70.29	11.83
	COEFFICIENT ALPHA:	.95	.71
ITEM		FACTOR LOADING	FACTOR LOADING
[A1]	GIVE YOU FIRST CHOICE IN THE BRANDS YOU WANTED	.80	(.47)
[A2]	SELL YOU ADDITIONAL INVENTORY YOU WANTED	.80	
[A3]	PRODUCE BRANDS EXCLUSIVELY FOR YOU	.79	(.42)
[A4]	ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED	.84	
[A5]	GIVE YOU MARKET RESEARCH		.94
[A6]	GIVE YOU FIRST CHOICE ON THEIR POP DISPLAYS	(.53)	.66
[A7]	PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS	.91	
[A8]	INCREASE THEIR ADVERTISING EXPENDITURES TO YOUR BENEFIT	.93	

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.62048 (.0012)	1.0

SCALE: REWARD BEHAVIOR STRATEGY-(Economic) (scale coefficient alpha = .90)

PLEASE INDICATE (CIRCLE) HOW OFTEN (MANUFACTURER) HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B	C	D
EIGENVALUE:	5.48	1.25	.95	.73
PERCENT OF VARIATION:	54.83	12.50	9.45	7.30
COEFFICIENT ALPHA:	.85	.92	.80	.70

ITEM	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[B1] CHARGE A LOWER WHOLESALE BRAND PRICE IN ORDER TO BENEFIT YOU		(.57)		.59
[B2] GIVE YOU INVENTORY ON CONSIGNMENT	.	74		
[B3] INCREASE THEIR RESEARCH AND DEVELOPMENTEXPENDITURES TO BENEFIT YOU	.55	(.45)	(.42)	
[B4] PAY/SHARE YOUR MARKET RESEARCH EXPENSES		.92		
[B5] GIVE YOU FREE/DISCOUNTED POP DISPLAYS				.85
[B6] PAY/SHARE YOUR STORE OPENING/OPERATING EXPENSES		.87		
[B7] PAY/SHARE YOUR SALESPEOPLE SALARIES		.88		
[B8] PAY/SHARE FOR THE DEDICATION OF SALESPEOPLE				.80
[B9] PAY/SHARE EXPENSES OF ANY KIND		(.40)	.75	
[B10] GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND		.81		

INTER-DIMENSION CORRELATION

	A	B	C	D
A	1.0			
B	.62040 (.0012)	1.0		
C	.52918 (.0078)	.46817 (.0210)	1.0	
D	.64264 (.0007)	.60422 (.0006)	.47585 (.0188)	1.0

SCALE: REWARD BEHAVIOR STRATEGY-(Global) (scale coefficient alpha = .96)

PLEASE INDICATE (CIRCLE) HOW OFTEN (MANUFACTURER) HAS GIVEN YOUR ORGANIZATION THE FOLLOWING REWARDS/BENEFITS IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	5.68
PERCENT OF VARIATION:	81.10
COEFFICIENT ALPHA:	.96

ITEM	FACTOR LOADING
[C1] DO BUSINESS WITH YOU EXCLUSIVELY	.90
[C2] GIVE YOU PREFERENCE OVER COMPETITORS IN NEGOTIATIONS	.92
[C3] CHANGE A DECISION IN YOUR FAVOR	.95
[C4] GIVE YOU BETTER COOPERATION	.96
[C5] GIVE YOU BETTER SERVICE	.94
[C6] HELP/ASSIST YOUR DECISION MAKING	.73
[C7] GIVE YOU FAVORS/REWARDS/BENEFITS OF ANY KIND	.88

SCALE: PUNISHMENT BEHAVIOR STRATEGY-(Operational) (scale coefficient alpha = .92)

PLEASE INDICATE (CIRCLE) HOW OFTEN (MANUFACTURER) HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	5.38	1.13
PERCENT OF VARIATION:	67.30	14.14
COEFFICIENT ALPHA:	.89	.91

ITEM	FACTOR LOADING	FACTOR LOADING
[A1] GIVE YOU LAST CHOICE IN THE BRANDS YOU WANTED		.90
[A2] NOT SELL YOU INVENTORY YOU WANTED	(.42)	.86
[A3] NOT PRODUCE BRANDS YOU WANTED		.84
[A4] NOT ENGAGE IN R & D IN ORDER TO PRODUCE BRANDS YOU DESIRED	.84	
[A5] NOT GIVE YOU MARKET RESEARCH	.87	
[A6] NOT GIVE YOU THEIR POP DISPLAYS	(.59)	.63
[A7] NOT PLACE THEIR ADS IN MEDIA WHICH WOULD BENEFIT YOUR MARKETS		.83
[A8] NOT INCREASE THEIR ADVERTISING EXPENDITURES	.80	(.44)

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.70416 (.0001)	1.0

SCALE: PUNISHMENT BEHAVIOR STRATEGY-(Economic) (scale coefficient alpha = .93)

PLEASE INDICATE (CIRCLE) HOW OFTEN (MANUFACTURER) HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	6.81	2.14
PERCENT OF VARIATION:	68.05	21.37
COEFFICIENT ALPHA:	.94	.89

ITEM	FACTOR LOADING	FACTOR LOADING	
[B1] CHARGE A HIGHER WHOLESALE BRAND PRICE IN ORDER TO PUNISH YOU		.95	
[B2] STOP/NOT GIVE YOU INVENTORY ON CONSIGNMENT	.67	(.58)	
[B3] STOP/NOT INCREASE THEIR RESEARCH AND DEVELOPMENT EXPENDITURES		.94	
[B4] STOP/NOT PAY FOR MARKET RESEARCH EXPENSES	(.62)	.76	
[B5] STOP/NOT GIVE YOU FREE/DISCOUNTED POP DISPLAYS	.82		
[B6] STOP/NOT PAY FOR STORE OPENING/OPERATING EXPENSES	.98		
[B7] STOP/NOT PAY FOR SALESPEOPLE SALARIES	.97		
[B8] STOP/NOT PAY FOR THE DEDICATION OF SALESPEOPLE		.78	(.50)
[B9] STOP/NOT PAY FOR EXPENSES OF ANY KIND	.68	(.66)	
[B10] STOP/NOT GIVE YOU A LOAN OR FINANCIAL SUPPORT OF ANY KIND	.96		

INTER-DIMENSION CORRELATION

	A	B
A	1.0	
B	.60649 (.0017)	1.0

SCALE: PUNISHMENT BEHAVIOR STRATEGY-(Gaski) (scale coefficient alpha = .95)

PLEASE INDICATE (CIRCLE) HOW OFTEN (MANUFACTURER) HAS IMPLEMENTED THE FOLLOWING SANCTIONS/PUNISHMENTS AGAINST YOUR ORGANIZATION IN ORDER TO GET YOUR ORGANIZATION TO DO AS THEY WANTED:

Factor Analysis

DIMENSION:	A	B
EIGENVALUE:	5.63	1.13
PERCENT OF VARIATION:	70.83	14.14
COEFFICIENT ALPHA:	.95	

ITEM	FACTOR LOADING	FACTOR LOADING
[C1] TAKE THEIR BUSINESS ELSEWHERE	.85	
[C2] GIVE YOUR COMPETITORS PREFERENCE IN NEGOTIATIONS	.92	
[C3] IMPLEMENT LEGAL ACTION AGAINST YOU		.98
[C4] MAKE A DECISION KNOWINGLY ADVERSE TO YOU	.87	
[C5] GIVE YOU POORER COOPERATION	.96	
[C6] GIVE YOU POORER SERVICE	.99	
[C7] STOP/NOT ASSIST YOU IN YOUR DECISION MAKING	.71	
[C8] PUNISH/RETALIATE AGAINST YOU IN ANY WAY	.94	

INTER-DIMENSION CORRELATION

Dimension Deleted		A	B
	A	1.0	
	B	.15534 (.4686)	1.0

SCALE: ATTRIBUTED INFLUENCE

RECALLING YOUR ORGANIZATION'S DECISIONS IN THE FOLLOWING POLICY AREAS DURING THE LAST THREE QUARTERS, PLEASE INDICATE (CIRCLE) HOW MUCH INFLUENCE (MANUFACTURER) HAD ON YOUR ORGANIZATION'S DECISIONS:

Factor Analysis

DIMENSION:	A	B	C
EIGENVALUE:	3.48	1.71	1.62
PERCENT OF VARIATION:	34.81	17.13	16.21
COEFFICIENT ALPHA:	.84	.74	.70

ITEM		FACTOR LOADING	FACTOR LOADING	FACTOR LOADING
[1]	YOUR RETAIL BRAND PRICE	.41		
[2]	YOUR TIME OF PAYMENT (PREPAY, ON TIME, DELAY)			.73
[3]	YOUR QUANTITY OF INVENTORY BOUGHT			.88
[4]	YOUR VARIETY OF BRANDS CARRIED		.63	(.45)
[5]	YOUR MARKET RESEARCH EXPENDITURES	.76		
[6]	YOUR POP DISPLAY DECISIONS			.65
[7]	YOUR STORE LOCATION DECISIONS	.83		
[8]	YOUR NUMBER OF SALESPEOPLE IN A STORE	.79		
[9]	YOUR DEDICATION OF SALESPEOPLE		.80	
[10]	YOUR SHELF LOCATION DECISIONS		.83	

INTER-DIMENSION CORRELATION

	A	B	C
A	1.0		
B	.23154 (.2763)	1.0	
C	.37475 (.0712)	.30250 (.1508)	1.0

SCALE: AFFECTIVE CONFLICT (scale coefficient alpha = .99)

RECALLING YOUR ORGANIZATION'S NEGOTIATIONS/DEALINGS WITH (MANUFACTURER), PLEASE INDICATE (CIRCLE) YOUR RESPONSE TO THE FOLLOWING:

ALL THINGS CONSIDERED, (MANUFACTURER) IS:

Factor Analysis

DIMENSION:	A
EIGENVALUE:	15.08
PERCENT OF VARIATION:	83.77
COEFFICIENT ALPHA:	.99

ITEM			FACTOR LOADING
[1]	GENEROUS	SELFISH	.93
[2]	FAIR	UNFAIR	.95
[3]	OPEN	CLOSED	.94
[4]	WILLING	STUBBORN	.95
[5]	FRIENDLY	HOSTILE	.96
[6]	HONEST	DISHONEST	.87
[7]	BENEVOLENT	TYRANNICAL	.88
[8]	ENCOURAGING	DISCOURAGING	.82
[9]	REALISTIC	UNREALISTIC	.67
[10]	LIKEABLE	DISLIKEABLE	.95
[11]	CONCILIATORY	VINDICTIVE	.96
[12]	SUPPORTIVE	OBSTRUCTIVE	.84
[13]	FLEXIBLE	RIGID	.91
[14]	COOPERATIVE	UNCOOPERATIVE	.96
[15]	NOT GREEDY	GREEDY	.94
[16]	COMPROMISING	UNCOMPROMISING	.94
[17]	PERMISSIVE	RESISTING	.95
[18]	HELPFUL	HARMFUL	.95

VITA

Gregory T. Gundlach was born in Panama City, Florida on September 15, 1957. He graduated from Shelby County High School in Shelbyville, Kentucky in 1975. In 1975, Mr. Gundlach entered the University of Tennessee, Knoxville and received a B.A. in Business Administration in 1979. In 1981, he received the Master of Business Administration degree from the University of Tennessee. In 1985, he received the Doctor of Jurisprudence degree from the University of Tennessee. During his graduate studies, Mr. Gundlach was employed with the Federal Trade Commission, Bureau of Competition, Washington D.C., the Levi Strauss Company, San Francisco and Henkel, Hacket, Edge and Fleming P.C., Atlanta, Georgia.

Mr. Gundlach currently serves on the Faculty of the University of Notre Dame where he conducts research in the areas of public policy, marketing channels and service marketing; and teaches Introductory Marketing Principles.

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