DEALER PERCEPTIONS OF SUPPLIER POWER AND INFLUENCE STRATEGIES

WITHIN A MARKETING CHANNEL : A Survey of Photographic Products Channel Segment

Within Nairobi Area.

BY

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DECLARATION

This project is my original work and has not been submitted for a degree in any other university.

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This project has been submitted for examination with my approval as the university supervisor.

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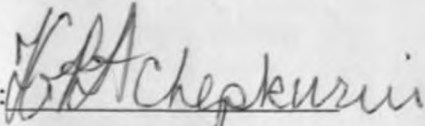
DEDICATION

To My Father and Mother, for Their Belief in the Power of Education.

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Abstract

A literature search indicates conflicting evidence over a channel member's power, its choice of influence strategies and the relationships among the influence strategies as used within marketing channel dyadic relationships. Whereas some researchers have come up with findings in support of the view that a channel member with a comparatively high level of power utilize coercive strategies in influencing another channel member, others have come up with findings leading to the conclusion that the opposite of the above view holds true. The need for additional field studies in other channel systems, industries and marketing environmental sets is therefore underscored.

Data from a field study of the photographic products distribution channel segment within Nairobi city are used to investigate: (i) the perceived power of a supplier and the frequency with which they employ the various influence strategies, (ii) the relationship between the perceived power of the supplier and the influence strategies used, and (iii) the relationships among the influence strategies. The results of the study indicate that: Non - coercive influence strategies were used most as opposed to the coercive ones; that suppliers with a low level of power rely more on the use of non - coercive influence strategies; a positive relationship between frequency of use of the non - coercive influence strategies and inconclusive interrelationships of the coercive strategies, among other findings. Generally, there seem to be a danger of generalizing findings of one channel studies to other channel contexts.

1.0 INTRODUCTION

1.1 Background

The word "channel" is derived from the French word for canal connoting in marketing application, a path taken by goods as they flow from the point of production to the points of purchase and use (Revzan 1967:3). Although various authors do not define a marketing channel in a similar manner, the definitions advanced tend to agree,that "it is a set of interdependent institutions who perform the functions necessary for the delivery of functional,temporal and spatial utility to consumers"(Dwyer et al. 1981:104; Revzan 1967:3; Stern and El-Ansary 1982:3). Within a marketing channel are a number of marketing agencies and facilitators who perform a series of marketing functions at various points.

Therefore,a marketing channel can be said to be made up of various components. Revzan (1967:5),for instance, identifies such components as:

 a. A series of complicated connections between business units or groups of business units by means of which the center of marketing activity is effected such as transfer of title and other selling activities.

 b. A pattern of physical flow of the commodity or commodities involved which may move through different business unit arrangements.

 c. Patterns designed to show flows of other auxiliary activities.

A channel can as such be visualized as a system composed of a series of linkages which vary as to the number of links, functions to be performed by each link and the entire set of linkages, some of which may be engaged in the primary function of marketing whereas others may function as facilitating or auxiliary links.

All in all, marketing channel decisions are critical to an organization as they affect all other marketing decisions and activities.For example, a firm's sales force and advertising decisions are

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highly dependent on how much training and motivation dealers and other personnel within the organization need. Channel decisions also may represent long term commitments to other firms (Kotler 1988:528).Thus, a photographic products maker who signs up independent dealers to sell its products, can not buy them out the next day and replace them with company owned outlets.

Channel working relationships, therefore, need to be controlled as such relationships may exert substantial influence on a firm's internal activities. For example, the organizational structure and processes in the information and control systems may be affected by channel considerations as suggested by some articles and studies (Little 1970; Anderson and Narus 1984). A firm that utilizes many agent middlemen may not have the desired control over its product information and marketing functions to enable achievement of its goals and objectives.

Here, control is defined as " the ability to predict events or to achieve a desired outcome.This can be realized by the capacity to direct or command the activity or behaviours of others" (Little 1970:31). A change in the behaviour or perception of any channel member towards a desired position or goal by the controlling unit could, therefore, be interpreted as evidence of effective control.

According to Little the bases or need for control in channels of distribution arise most logically from sources of inefficiency inherent in any organization. In order to reduce this some form of power has to be exercised.

This research sought to study the power influence practices within exchange relationships between two participants in a marketing channel- a supplier and a dealer.

1.2 Definition of Terms

1.2.1 Power

A number of terms have been used to cover a broad category of human relations,some of which have been classified into various types notably; power, influence, authority, persuasion, dis-

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suasion , inducement,coercion, compulsion,force and so on (Dahl 1968;407). Collectively, they are terms that have been used to refer to power. As Dahl points out, the power terms refer to;

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... subsets of relations among social units such that the
behaviors of one or more units (responsive unit(s),Z) depend
in some circumstances on the behavior of other units
(controlling unit(s),L).[1]
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In this broad definition, Dahl is quick to point out that power terms in the social sciences exclude relations with inanimate or even non human objects. In other words, they spread over human relations only.

Other definitions of power have been advanced (Gaski 1984; Keith et al. 1990; Knorr 1973).Although the definitions are not similar,there seems to be agreement that power is the ability to evoke a change in another person's behaviour.In other words, it is the ability to cause someone to do something he/she would not otherwise have done. For example, one party L may influence another party Z in order to alter Z's behavior, decisions, or any other effects to the desires of L.

In a marketing context, other definitions of the power concept have been cited. For instance, Kale (1986) argues that:

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"The level of a source's power over a target is based on the target's
dependence in the channel relationship with the source."[2]
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1. The letters Z and L have been used here to symbolize the dependent unit and the controlling unit respectively in the discussion of the power concept.

2. "Dependence" is defined as the degree to which the target firm needs to maintain its relationship with the source in order to achieve its desired goals (Kale 1986).

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From the above definition, a party L would have power over another party Z depending on the extent to which Z is dependent on L in one or more respects.

A definition that has been widely cited in marketing literature is that by El-Ansary and Stern. To them;

> "... 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. For this control to qualify as power, it should be different from the influenced member's original level of control over his own marketing strategy" (El-Ansary and Stern 1972:47).

The definition by El-Ansary and Stern was adopted in this study as it captures the marketing mix variables.

1.2.2 Influence

Inter-Firm influence attempts to effect some modification of the target firm's behaviour either directly or indirectly (Frazier et al. 1984). Influence has further been defined as a series of actions that one initiates ,that are intended to get another person to do something (Tosi et al. 1982). When one is able to influence another person, power has been exercised (Tosi et al 1982; Frazier et al. 1984). As used in this study, influence strategies will, therefore, imply the means through which power is exercised.

1.3 Statement of the Problem

Previous studies indicate a controversy in power-influence relationships in a marketing channel of distribution.Whereas some researchers have come up with findings in support of the view that high power promotes the use of coercion (Dwyer et al. 1981, Kale 1986; Keith et al. 1990 and so on), others have come up with opposite findings to the effect that firms with a high level of power utilize non-coercive influence strategies within channel relationships (Frazier and Summers 1986, 1984). Common sense seems to support the former view.That is a firm with a high level of

power would be expected to exert more pressure in its influence attempts. However, every target market requires a specific marketing program, for example, as observed by Hambrick (1983:25), "choice of strategy should be a function of the requirements of the environment and the type of performance being sought at a time." This view has also been supported by a number of researchers (for example Kibera 1988; and Lusaka 1991). A question that arises is to what extent can the findings from previous channel studies on power be generalized to marketing channels in the Kenyan context. No such a study has ever been conducted in Kenya as far as the current researcher knows.

This study therefore addressed itself to the key question of the relationship between supplier power and its influence strategies within a supplier-dealer relationship in the photographic products marketing channel within Nairobi area.

1.4 Objectives of the Study

The study had the following three basic objectives;(1) to measure the perceived power of the supplier and the frequency with which the various influence strategies have been used,(2) to determine the relationship that may exist between the perceived measured power of the supplier and the influence strategies used,and (3) to establish the inter relationships between the influence strategies used.

1.5 Importance of the Study

. This study is not only important but also necessary for firms that want to control their marketing channels.They need to understand some of the issues that are addressed. Other channel members may also benefit through understanding their roles in channel operations and the relationships within channel systems.

.The study also goes to give additional evidence of power influence practices and their relationships between two participants in a marketing channel and hence will indicate the extent to which the relationships that are reported and those that have been reported in prior research studies can be generalized.

.It is also hoped that the findings of the study will stimulate further research in this area.

1.6 Overview of the Study Report

The study is in five chapters. Chapter one which has already been covered introduces the subject matter of the study. The second chapter, presents a review of literature on channel structures as they relate to managerial control, the theory of interpersonal relations as it relates to two channel member participants, power and channel conflict within marketing channels and the final section of the chapter is a review of empirical evidence from prior studies, and propositions on power and influence strategies.

The third chapter details the methodology used in the study. Here ,the populations of interest, operationalization of the constructs of interest,the data collection and analysis procedures are discussed.

The fourth chapter is a presentation of the findings of the study,whereas the final chapter summarises and discusses the findings of the study.The limitations of the study and suggestions for further research are also discussed in the final chapter.

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2.0 LITERATURE REVIEW

2.1 Introduction

In this chapter, a general review of literature on channel structures is done to enable an understanding of the various intermediaries which may align themselves into a marketing channel.

Given that the focus of the study was on the types of relationships between perceived power and influence in a dyadic relationship within a marketing channel, the theory of interpersonal relations is reviewed and summarized as it points out to exchange relationship between two participants through their interaction.

Due to existence of power structures in marketing channels, channel members may continuously struggle amongst themselves as they try to influence one another. The literature on the relation between power and channel conflict in distribution channels is therefore summarized and presented.

The final section of the literature review is on power and influence strategies.Empirical evidence from prior studies is presented and various propositions on power influence relations pointed out.

2.2 Channel Structures

Brayer (1967:20) defines a marketing channel as a "man-machine" system, thus, it is composed of human beings and machines together with relationships between the human beings, the machines and their attributes. All the linkages and the vertical sequence of trading concerns in a marketing channel bridge the gap between production and the consumer.

The vertical positions of the trading concerns are referred to as "levels", for example, the producer level and the wholesaler level.A vertical section short of the entire length of the channel is referred to as a "segment", for example, producer to wholesaler or wholesaler to retailer or

producer to wholesaler to retailer and so on. Each middleman that performs the function of bring-
ing the product and its title closer to the final buyer therefore constitutes a channel.

Various bases have been identified as important in the classification of channels (Revzan
1967; Kotler 1988). These include: (1) The number of links (intermediaries) also known as length
of a channel, (2) The relative level of importance or position within the entire marketing
framework, (3) The type of managerial control manifested, (4) The breadh of business penetration
presented, and (5) The type of flows. Of particular concern and interest in this study is the clas-
sification based on managerial control.

2.2.1 Channel Classification by Type of Control

In this classification, channels are identified as to the channel member who has control
over channel activities and channel members. Revzan (1967:7) subdivided such channel classifica-
tion into producer controlled, wholesale middlemen controlled and retailer middlemen controlled.
A further sub-classification can be made within the groups basing on the type of horizontal and
vertical integration in the channel.

A horizontally integrated channel will include channel members who handle the same
product assortment but are controlled by a single channel member, and those channel members
though handling complementary product lines or unrelated product lines or a combination of the
two, are managed and controlled by a single channel member.

Within a vertically integrated channel of distribution are two types of channel arrange-
ments, which can be further subdivided into various subgroups. The first type of channel arrange-
ment is where the vertically integrated firm controls a number of different operations in produc-
tion and/or marketing of similar goods and services. This type can be further split into (i) back-
ward vertical integration form, where the controlling channel member is the most close to the con-
sumer within the channel arrangement,for example, retailer controlled; (ii) Forward vertical in-
tegration form, where the controlling channel member is farthest from the consumer than any

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other channel member for example, producer controlled; and (iii) a combination of the above two groups.

The second type of a vertically integrated channel arrangement is one where a complementary vertically integrated firm controls different production and marketing functions of complementary products at different levels. This type of arrangement can be further subdivided into three groups namely; the divergent forward variety where a channel member begins with one or a few commodities and then divides them into numerous complementary products as they flow towards the consumer, the convergent backward variety where a channel member produces and offers one or a few goods and services, and the forward parallel variety where a channel begins with a number of complementary products which are then put in the channel without any changes.

A general classification of vertical marketing systems is that that characterizes them as corporate, administered or contractual (Stanton et al 1977:417 and Kotler 1988:545-550). In corporate vertical marketing systems, production and marketing are owned and done by the same company. In administered vertical marketing systems, production and marketing activities are coordinated by a single dominating channel member as opposed to contractual vertical marketing systems where channel members are bound together by contract to enable economies of scale and coordination. Here, three types of contractual systems can emerge namely; wholesale sponsored voluntary chains, retailer owned cooperatives and franchise systems.

In addition to the horizontally and vertically integrated channel arrangements, a combination of the two can be found. For example, a horizontally and vertically integrated firm that controls vertically integrated channel members handling similar products at different levels or where the controlled vertically integrated channel members handle complementary products.

At this juncture it is also apt to discuss the various tactics used to effect control or achieve the various forms of integration as discussed above. Revzan (1967) points out that such devices that would enable integration are; acquisition of ownership and management of other channel members by the controlling unit. Control may also be achieved through ownership of the patents of

production or legal control over production. Other informal ways of control can be achieved through aggressive sales promotion by an agency in the channel designed to enhance the agency's control over a section or the entire channel for example through packaging, inventory or brand label policies. Other bases for informal integration will include credit arrangements, use of legal tools such as exclusive dealer franchise contracts, resale price maintenance agreements and cartels.

The various channel structures discussed in the preceding section can be summarized as in figure 1.

Figure 1: Simple to Complex Channels by Extent of Management Control
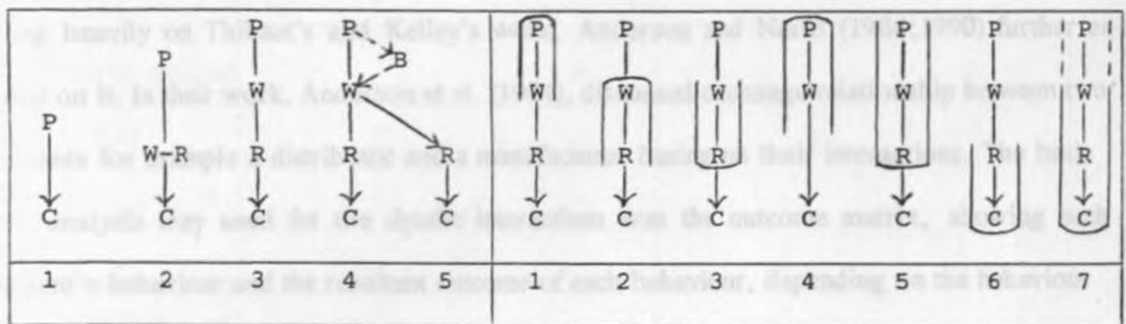
Key:
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        P - Producer
        R - Retailer
        B - Broker/Selling agent
        W - Wholesaler
        C - consumer
Integrated types:
        Nos. 1 & 4, - Producer - owned or controlled
        No.   2      - Wholesaler - owned or controlled
        Nos. 3 & 5  - Retailer - owned or controlled
        Nos. 6 & 7  - Consumer - owned and operated
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Adapted from Revzan D.A,"Marketing organization through the channel,"In Mallen
    E. Bruce, **The Marketing Channel: A conceptual view point**, John Wily &
    sons Inc, 1967, pp 6.

To maximize benefits to all groups concerned (producers, middlemen and consumers), a

channel of distribution should be treated as a unit or a system in totality (Stanton et al. 1977:344).

As a system, a channel will include all the marketing organizational units of a manufacturer as well

as those of the middlemen used by the manufacturer. Consequently, need arises for coordination

of the manufacturer's activities and those of the middlemen in the distribution of a product.

Therefore,by virtue of the fact that a distribution channel is made up of independent or-

ganizations, it has been found to be true that power structures will exist within the channel

(Stanton et al. 1977:344). What follows is a brief discussion of relations between two parties that

interact for exchange purposes.

2.3 Interpersonal Relations Theory (Social Exchange Theory)

The theory of interpersonal relations was first posited by Thibaut and Kelley in 1959.

Drawing heavily on Thibaut's and Kelley's work, Anderson and Narus (1984;1990) further ex-

pounded on it. In their work, Anderson et al. (1984), discussed exchange relationship between two

participants for example a distributor and a manufacturer basing on their interactions. The basic

tool of analysis they used for the dyadic interactions was the outcome matrix, showing each

participant's behaviour and the resultant outcome of each behaviour, depending on the behaviour

of other participants. Anderson and Narus's model is presented in figure 2.

Figure 2:   An Illustration of an Outcome Matrix

MANUFACTURER

	Provide product Literature and technical sales support for product line A.	Provide product literature and technical sales support for product line B.
Emphasize sales effort for product line A.	5 5	2 2
Emphasize sales effort for product line B.	3 3	5 5
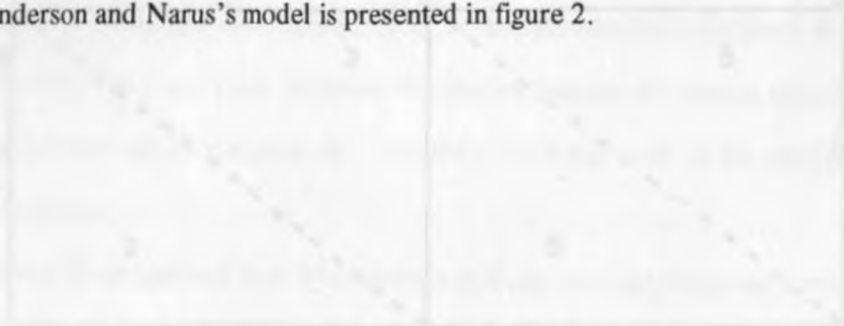
DISTRIBUTOR

Source: Anderson, James C. and Narus, James A, " A model of the distributor's perspective of distributor - manufacturer working relationships," **Journal of marketing**, Fall 1984, pp 63.

In the matrix, each cell represents a possible event with the manufacturer's outcomes appearing above the diagonal of each cell, whereas those of the distributor below the diagonal. In the illustration, the manufacturer would prefer to put emphasis on product line "A" while the dis-

tributor would prefer to promote more of "B". However, Anderson et al. (1984), noted that both parties can obtain better outcomes of "5" if both support one product line through savings on cost from coordinated sales effort. This view has been supported by various authors including Webster (1968) and Riordon et al.(1977). Webster,for instance, suggests that the outcome of a sales call will depend on how well the two participants in the sale fulfill their needs and goals.

To evaluate outcomes from the relationship, a comparison level and a comparison level for alternatives are looked at (Anderson et al. 1984:63). As defined by Anderson et al. (1984;1990), the comparison level is "a standard representing the quality of outcomes the distributor (manufacturer) expects from a given type of relationship, based on present and past experience with similar relationships and knowledge of other distributors' (manufacturers) in similar relationships." The comparison level determines the attractiveness of the relationship and the degree of satisfaction the participant experiences from the relationship. By contrast, the comparison level for alternatives is " a standard representing the average quality of outcomes available from the best alternative exchange relationship." Thus, it represents the lowest level of outcomes a manufacturer or distributor may accept and continue being in the relationship (Anderson et al. 1984:63). It is noted however that there could be better alternatives but one chooses to remain in the present relationship because of very high social, emotional or legal costs to be entailed in moving to the better alternatives.

Given the definition of comparison level by Anderson et al. the concept of power is evident in such relationships. Thus, power is the ability of one party to affect another party's behaviour through interaction. Use of power in a distributor - manufacturer or supplier relationship is therefore only up to the point that the other party's outcomes are not reduced far below the comparison level of alternatives. If the outcomes fall below the comparison level of alternatives, the participant may choose to quit from the relationship (Anderson et al. 1984:64).

To test the model Anderson and Narus (1984) surveyed distributors of electronic components and employed a structural equation methodology of analysis. It was found that the per-

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ceived dependence of the distributor upon the manufacturer (outcomes given the comparison level of alternatives) had a strong effect upon manufacturers control. Their findings however seemed inconclusive as to the direction of the causal effect. However, they found an indirect effect of the perceived dependence of the distributor upon the manufacturer on satisfaction, through manufacturer control. The distributors cognitive assessment of the outcomes obtained from a given working relationship with a manufacturer compared with expectation based upon knowledge and experience (outcomes given comparison level) was found to significantly explain cooperation or satisfaction.

In a very recent study, Anderson and Narus (1990), developed another model of distributor firm and manufacturer firm working partnerships on the basis of previous work in social exchange theory and inter-organizational exchange behaviour (Anderson and Narus 1984). To test the model, a multiple - informant research method was used within distribution firms and manufacturing firms drawn from a cross-section of industries. Five common relationships were found between the distributor firm and the manufacturer firm structural models. The study revealed that distributor firms and manufacturer firms share similar perspectives on the positive effect of relative dependence on influence by the partner firm, the positive effect of outcomes given comparison level on cooperation, and the positive correlation between communication and outcomes given comparison level. It was also found that manufacturers and distributors appear to have similar perspectives on the positive effect of communication on cooperation and the positive effect of cooperation on trust.

Effective relationship between two participants in an exchange relation will have benefits to both parties, such as; to reduce interpersonal conflict of interest, provide compromise solutions that are readily acceptable, make possible better given outcomes, reduce intrapersonal uncertainty and facilitate interpersonal coordination (Anderson et al. 184:64). To achieve the benefits, it is necessary that each participant undergoes some transformation process by means of both formal and informal communication processes. In a sales context the critical objective of such communica-

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tion would be to create a favourable orientation between the two participants (Riordon et al.1977). Interaction theory would therefore predict that an unsuccessful social encounter between participants can be attributed to lack of achieved symmetry, which would lead to tension or lack of cooperation.

2.4 Conflict and Cooperation in Marketing Channels

2.4.1 Conflict

As outlined earlier, the systems concept of distribution requires cooperating channel members. However, because power structures do exist in trade channels, and channel members may be interdependent functionally, a struggle goes on continuously among the members (Lusch 1976:382). The struggle results into tension between the members. Tension between two or more social entities (individuals, groups or larger organizations) is conflict (Gaski 1984:11).

Tension arise due to incompatibility of actual or desired responses. Actual or desired responses is suggestive of a behavioural and a perceptual dimension, which is a common taxonomy in classification of conflict into two or more types (Gaski 1984; Pondy 1967; Brown et al. 1981; Mallen 1967). Gaski (1984) for instance, highlights manifest conflict meaning overt actions and underlying conflict meaning that involving interpersonal attractions, interests and desires.

In a marketing channel context, conflict has been referred to as:

        ... (1) a feeling of stress, tension or hostility of one channel member
        toward another (affective conflict) and (2) the antecedent conditions of
        conflictful behaviour (latent conflict) (Lusch 1976:383).

In a more general sense, conflict can be thought of as a behaviour resulting from a process in which one party seeks advancement of own interests in interaction with other parties thus, manifest conflict. As pointed out by Lusch (1976:383), manifest conflict in a channel of distribution may take the form of verbal or written exchanges of disagreements which will vary in frequency and intensity between channel members and the importance of the conflict issue.

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2.4.2 Power and Channel Conflict

A number of researchers have contributed towards the theory of conflict in marketing channels. Aspects of channel conflict have been examined through different research designs and settings. Some of the aspects that have been investigated include: Conflict management within distribution channels (Stern et al. 1973; Hunger et al. 1976; and Rosenberg 1974); the relationship between channel conflict and inter-organizational coordination (Pruden 1969); nature of distribution channel conflict and the relationships between channel conflict, satisfaction, performance and power within a channel (Rosenberg and Stern 1971; Lusch 1976; and Gaski 1984) and conflict measurement in distribution channels (Brown and Day 1981). Because the focus of the study was on power and influence strategies relationships, the review in this section will be limited to the relationship between channel conflict and channel power.

In a landmark contribution incorporating conflict in the analysis of channel power, Lusch (1976) analyzed data from a national study on manufacturer - dealer relations in the automobile industry in the united states and found out that both non-coercive and coercive sources of power have a significant impact on the level of conflict that dealers may have with their manufacturers (suppliers). He concluded that non-coercive sources tend to reduce intrachannel conflict as opposed to coercive sources which tend to increase the conflict.

The view that threats of coercion as a response to conflict tend to intensify and increase frequency of conflict has also been supported by other researchers on the conflict process (Pondy 1967; Rosenberg 1974; Rosenberg et al. 1970 and others). The implication is that if L is likely to use coercive power means when Z does not cooperate, the result will be more frequent and intense conflicts between L and Z in the future. To the extent that L uses less coercive sources of power on Z, L will have less frequent and intense conflict with Z.

Following Lusch's (1976) work, Etgar (1978) criticized the conclusions made by Lusch on the ground that the findings lacked clarity on the direction of the relationship between the use of power sources and channel conflict. Etgar argued that existence of channel conflict causes generate

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channel conflict. Further, he pointed out that use of power in a channel "is identified as an end result rather than a cause of intrachannel conflict"(p 273). Thus, use of power in a channel is a response to a channel conflict situation. In Etgar's article, he pointed out that there could be a possibility of the relationship between conflict and use of power in a marketing channel being reciprocal over time, in that a disagreement may provoke a mild attempt at coercion leading to escalation of the conflict level and therefore resulting in more punitive action by the first party (Etgar 1978:274). Etgar concluded that Lusch's conclusions that coercive power leads to more intrachannel conflict could have been wrong as the study did not take into consideration dynamic aspects of power - conflict relations.

Latter, Lusch (1978) in a reply to Etgar's criticism, reviewed evidence in marketing literature and dismissed Etgar's statement that "the use of power is an end result of conflict," as being highly speculative and inconsistent with the evidence in channel conflict process literature. Basing on the available evidence in the literature , Lusch reaffirmed his study's (1976) conclusions that; conflict is a process and that the threats of coercion as a response to conflict tend to intensify and increase the frequency of conflict.

In another study of the relationship between power and the sources of power in a franchiser - franchisee channel of distribution of fast food, Hunt and Nevin (1974) examined the consequences of franchisers utilizing coercive versus non-coercive sources of power and found that franchisers rely primarily on coercive sources than non-coercive sources to achieve power over their franchisees. If this reported findings hold true for all distribution channels, then one would be driven to conclude that of the two power sources (coercive versus non-coercive), coercive sources would have more impact on intrachannel conflict than the non-coercive sources. The results of the study also provide evidence that consequences of exercising power in a channel of distribution depend on the sources of power in use. Hunt and Nevin concluded that franchisee satisfaction is increased if franchisers rely more on non-coercive sources and less on the coercive sources of power.

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In a thoroughly well researched article based on a review of the conceptual foundation provided by behavioural science and empirical contributions to marketing channel literature, Gaski (1984) developed an integrated overview of the status of the theory of power and conflict in marketing channels. Various propositions for clarification and theoretical development were posed. Some of the testable propositions are:

"Exercised power, thus, actually altering a channel member's behaviour, will decrease the satisfaction of that channel member and increase intrachannel conflict."

"Unexercised power will increase satisfaction and decrease intrachannel conflict"(p 24).

"The presence of countervailing power in a channel will increase intrachannel conflict and decrease the satisfaction of the channel entity possessing the countervailing power" (p 26).

"In a channel dyad, one entity's perception of conflict, satisfaction and performance will be inversely related to the perceptions reported by the other channel entity" (p 27).

2.5 Power and Influence Strategies

2.5.1 Power

Power has been considered central to understanding the ways through which a channel member can change or modify the behaviour of another channel member within a given marketing channel (Hunt et al. 1974). The concept of power in marketing literature has been studied singularly or in combination with other constructs (Hunt and Nevin 1974; Etgar 1976; 1977; 1978; El-Ansary and Stern 1972; Gaski 1984; 1986; Dahl 1968, and many others). However, much of the contribution towards conceptualizing and operationalizing the construct stems from researchers in behavioural sciences (Emerson 1962; Bonoma 1976; Dahl 1968 e.t.c.).

Emerson (1962) in a paper entitled "Power - Dependence Relations", developed a theory of power relations in an effort to resolve some of the ambiquities surrounding "power", "authority","legitimacy" and power "structures." In his contribution, Emerson called for further at-

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tention to the interaction process to locate carefully the factors leading to perceived power and dependency in self and others, and the conditions under which power can be employed.

In the same vein Dahl (1968) while writing on power, pointed out that "the gap between concept and operational definition is generally very great that it is not easy to see the relation between the operations and abstract definition of power." In the article, Dahl noted that different operational measures do not seem to correlate with one another and hence studies on power may tap different aspects of power relations. It was also noted that every measure proposed engendered controversy over its validity.

A first attempt to empirically measure power relationships within a specific channel of distribution was through a field research by El-Ansary and Stern (1972). They measured power relationships between wholesalers and dealers in the heating and cooling equipment supply channel in Franklin county, Ohio, and developed a model for power measurement based on multidisciplinary contribution. The model defined power as "the control that one channel member exerts over the selection of particular elements of another's marketing strategy."El-ansary et al. measured power relationships within the channel by gauging perceptions and attributes of individual channel members. Interest was on the relationship between perceptions and attributions of power, the relationship between power and dependence and the sources of power. No significant relationships were found. They concluded that power was diffused within the system studied. Inspite of the findings, the model developed led to further empirical analysis of power relationships in distribution channels (Hunt and Nevin 1974; Etgar 1976).

Following El-Ansary's (1972) findings, Hunt and Nevin (1974), empirically assessed the relationship between power and the sources of power in a channel of distribution that has a well defined power structure (franchiser - franchisee channel) in the fast food restaurants. The results of the study indicated a significant relationship between the power of a channel member and the sources of power available to him. Some franchisers were found to rely primarily on coercive sources of power to achieve power over their franchisees.

In the same vein , Etgar (1976) made another attempt to measure power relations in conventional channel systems similar to that used by El-Ansary and Stern (1972), basing on the fact that only two attempts to measure power relations in marketing channels had been reported(El-Ansary et al. 1972; Hunt et al. 1974). The two studies however differed in their findings. The difference was attributed to the difference in the channels studied (a conventional channel and a contractual channel). Etgar's study however differed from El-Ansary's and Stern's study in that actual measures of control instead of attributed power were used as a measure of power, and control was viewed as a function of the power sources available to the influencers and the countervailing capacity of the influencees to resist control. Data was analyzed from a mail survey of a random sample of independent insurance agents operating in California and Connecticut. A 19% response rate was reported. The findings of the study showed that measures of insurers' power are correlated significantly with measures of insurers' power sources, agents' dependency and agents' countervailing power. They concluded that the power of a channel leader is a result of his control over some power sources, and of dependency of other channel members upon him, and that such power can be offset by the countervailing power available to the channel members.

Distribution channels like other organizational sets[3] are affected by characteristics of their environments (Etgar 1977:69). In order to survive and for the channel members to achieve their goals, the environmental effects have therefore to be responded to. As stated by Etgar (1977:69), "... significant relationships also should be found between the characteristics of a channel's environment and the modes used for channel administration."

In a survey of dealers operating in eight different distributive channels and who sell different products,Etgar (1977) explored the relationship between selected environmental factors and

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3. A set is composed of several autonomous or semi-autonomous organizations which operate as a unit (Etgar 1977:69).

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the control structure in distributive channels. Four environmental variables reflecting the characteristics of demand, technology, and interchannel competition were correlated with four other factors extracted from a larger set of control variables (strategic marketing policy making, ordering policies, relationships with suppliers and selling policies).

In his study, Etgar (1977) addressed the issue of the degree to which a distribution channel is administered by a channel member (channel leader).[4] The ability of a channel leader to exercise control over other channel members was shown to originate from access to a number of variables - economic, Social, and Psychological resources which are widely defined as power resources or sources or bases (Etgar 1977; 1978; Little 1970; El-Ansary and Stern 1972; Hunt and Nevin 1974).

Accrual of power resources to a channel member may be the result of a variety of conditions (Etgar 1977:70). According to Etgar, a channel member gains access to power sources due to the specific characteristics, experience, or history of his firm and its management. Alternatively, the power sources (or absence of) will reflect the particular characteristics of the environmental forces impinging on the channel. Such environmental forces are demand, competition, technology and legal constraints. Further, it will also reflect the channel members ability to capitalize upon the environmental forces and mitigate their effects upon other channel members. Etgar further pointed out that, the power of a channel member may reflect both environmental and his own characteristics. The above relationships are modeled as in figure 3.

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4. A channel leader is a member who stipulates marketing policies to the other channel members and who may control directly some or all of their decisions and activities (Etgar 1977:69).

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Figure 3: A model of Power and Control.

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┌─────────────────────────┐
│ Environmental           │
│ factors:                │
│   1.Demand              │
│   2.Competition         │          ┌─────────────────────┐
│   3.Technology          │          │ Power sources of    │          ┌─────────────────────┐
│   4.Legal constraints   │          │ a channel leader    │          │ Level of control    │
└─────────────────────────┘          │   1.Rewards         │    →     │ of a channel        │
                                      │   2.Penalties       │          │ leader              │
┌─────────────────────────┐          │   3.Expertise       │          └─────────────────────┘
│ Member-specific factors │          │   4.Referent        │
│   1.Channel position    │          │   5.Identification  │
│   2.Channel experience  │          └─────────────────────┘
│   3.Size                │
│   4.Economic success    │
│   5.Financial resources │
│   6.Manpower resources  │
│   7.Know-how            │
└─────────────────────────┘
```
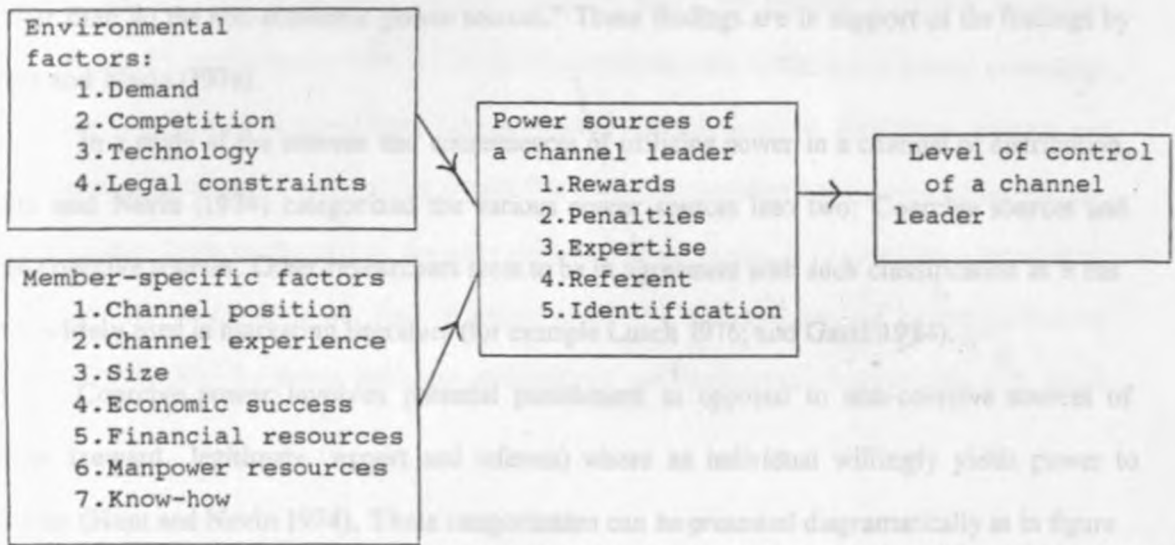
Source: Etgar Michael,"Channel environment and channel leadership," **Journal of Marketing Research**, February 1977, pp 70.

From the findings of Etgar's (1977) study, channel leaders exercise more controls on their channel when their product is in maturity or post maturity stage, when interchannel competition is high, when servicing of customers is of greater importance, and when demand for the product marketed through the channel is unstable. However, Etgar pointed out that other factors (supplier-specific factors) may explain the variance in the channel leaders power than the environmental factors . Another limitation to the study was that, not all environmental factors were explored. Etgar's study however offered good insight to understanding channel administration by pointing out when channel leaders emerge, why they emerge and conditions under which they can be successful.

In a study to explore the differential impact of two different types of power sources (Economic sources - reward or penalty and Non-Economic sources - expertise, referent and/or legitimization) on supplier's control over their distributors, Etgar (1978) analyzed data that was empirically obtained from a multi-channel context, and found a positive regression coefficient of

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the reward and penalty power sources, while that of the other power sources was negative. They concluded that " the economic power sources appear to contribute more to generation of channel power than do the non-economic power sources." These findings are in support of the findings by Hunt and Nevin (1974).

In a study of the sources and consequences of utilizing power in a channel of distribution, Hunt and Nevin (1974) categorized the various power sources into two: Coercive sources and Non-coercive sources. Other researchers seem to be in agreement with such classification as it has been widely used in marketing literature (for example Lusch 1976; and Gaski 1984).

Coercive power involves potential punishment as opposed to non-coercive sources of power (reward, legitimate, expert and referent) where an individual willingly yields power to another (Hunt and Nevin 1974). These categorization can be presented diagramatically as in figure 4.

Figure 4: A Model of Power
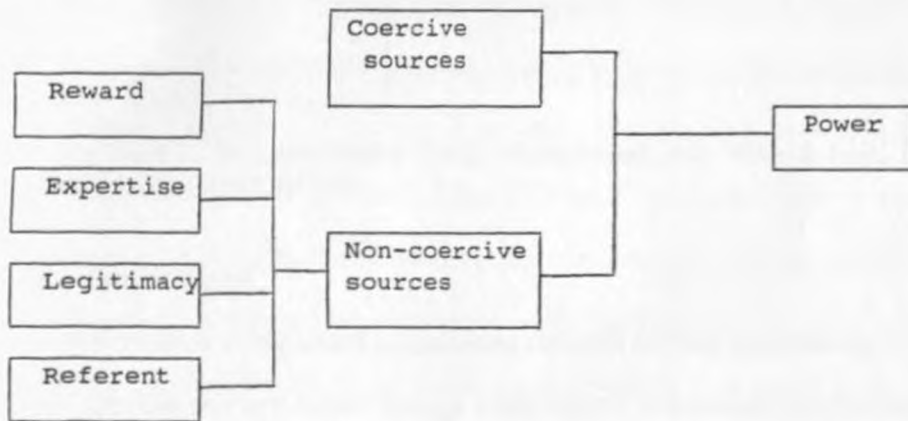
Source: Hunt, Shelby D. and Nevin, John R,"Power in a Channel of Distribution: Sources and Consequences, **Journal of Marketing Research**, May 1974, pp 187.

A party in the channel structure will derive its power over other parties in the channel relationships from bases of power possessed or that the party has control over (also known as sources of power). Popular classification of the bases of power have been advanced (Gaski 1984; Keith et al. 1990; Dahl 1968; Lusch 1976; Etgar 1976; 1977; Hunt and Nevin 1974; and others).

According to Gaski (1984:10) and also Lusch (1976:384), the bases of power are: (1) one party's (Z's) perception that another party (L) has the ability to mediate rewards; (2) Z's perception that L can mediate punishments; (3) Z's perception that L has legitimate right to prescribe behaviour; (4) Z's identification with L and (5) Z's perception that L has some special knowledge of expertise. The sources of power have been designated reward, coercive, legitimate, referent and expert power respectively. Gaski further argues that power is considered a function of the perception of the power bases on the part of the party subjected to the power. It has also been found that Z's response may depend on the base of power used by L in activating the power (influence) (Keith et al. 1990:30) The power influence relationships can be depicted schematically as in figure 5.

Figure 5: The Relationship Between Bases of Power ,Power and Influence

Bases of power

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┌─────────────────────────────────────┐
│ 1.Organizational Factors             │
│                                      │
│     Formal authority                 │
│                                      │
│     Organization location            │
│                                      │        ┌──────────┐        ┌──────────┐
│         *control of information      │        │  power   │  when  │          │
│                              yield ──┼───────▶│          │────────▶│influence │
│         *control of access to        │        │ (a force)│activated│          │
│         key people                   │        │          │   is    │          │
│                                      │        └──────────┘        └──────────┘
│         *perceived control           │
│         over future                  │
│                                      │
│ 2.Skill and expertise                │
│                                      │
│ 3.Personal qualities                 │
│                                      │
│ (charisma)                           │
│                                      │
└─────────────────────────────────────┘
```
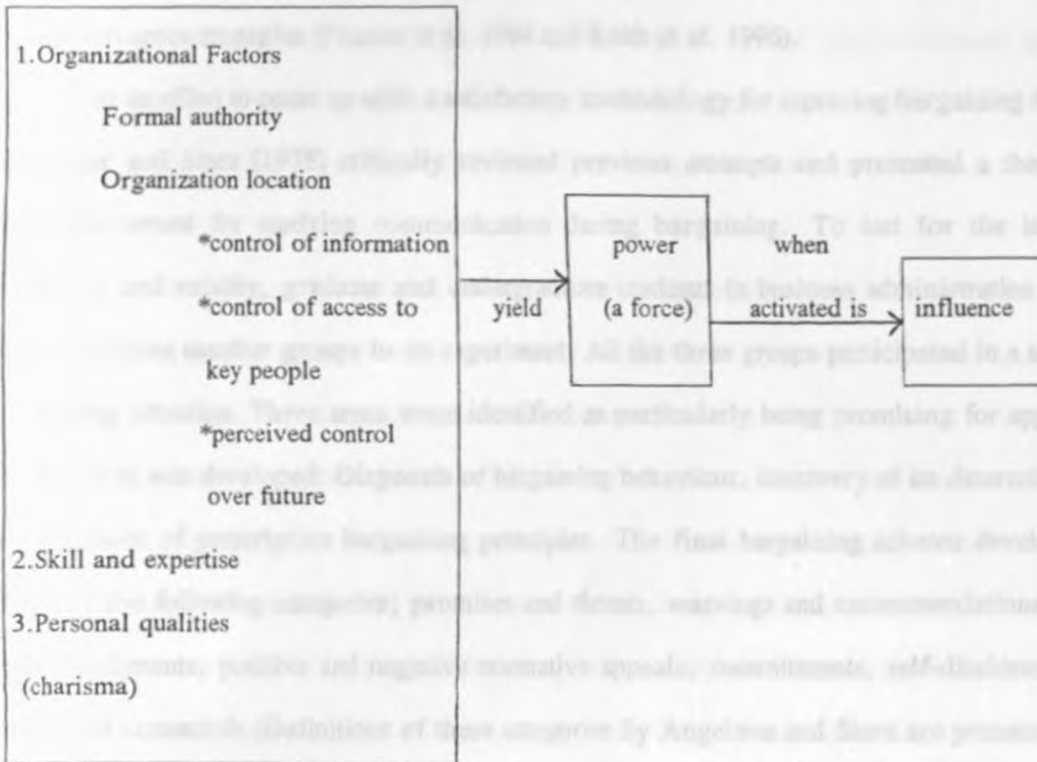
Adapted from: Henry L. Tosi and Stephen Caroll, **Management**, John Wiley & Sons, Inc.
Second Edition, 1982, pp 357.

2.5.2 Influence Strategies

Communication is important in marketing channels for both coordinating of various channel member activities and as a means through which control is executed. As observed by Mohr and Nevin (1990:36), "communication in marketing channels can serve as the process by which persuasive information is transmitted, participative decision making is fostered, programs are coordinated, power is executed, and commitment and loyalty are encouraged."

While existing field studies have tended to focus on power, sources of power and conflict in channel relationships (for example Brown et al. 1981; Lusch 1976; Etgar 1976, 1977, 1978; Hunt and Nevin 1974, El-Ansary and Stern 1972), little attention has been given to the manner in which

firms that have acquired power over other firms utilize it (influence strategies). Most of the contribution here has been indirect, (Angelmar et al. 1978; Dwyer et al. 1981; Gaski 1986; and Mohr et al. 1990) with the exception of a few reported studies which concerned specifically the application of influence strategies (Frazier et al. 1984 and Keith et al. 1990).

In an effort to come up with a satisfactory methodology for capturing bargaining behaviour, Angelmar and Stern (1978) critically reviewed previous attempts and presented a theoretically valid instrument for studying communication during bargaining. To test for the instruments reliability and validity, graduate and undergraduate students in business administration were assigned to three member groups in an experiment. All the three groups participated in a simulated bargaining situation. Three areas were identified as particularly being promising for applying the scheme that was developed: Diagnosis of bargaining behaviour, discovery of its determinants, and development of prescriptive bargaining principles. The final bargaining scheme developed consisted of the following categories; promises and threats, warnings and recommendations, rewards and punishments, positive and negative normative appeals, commitments, self-disclosures, questions, and commands.(Definitions of these categories by Angelmar and Stern are presented in appendix 1). In their contribution Angelmar et al. thus created a basis on which behaviour (e.g threats, promises, warnings e.t.c.) could be most effective in producing desired outcomes.

Dwyer and Walker (1981) utilized a gaming experiment to compare negotiation processes and economic and effective outcomes in an asymmetrical power structure against those of a more balanced (symmetrical) setting. the study lead to the conclusion that compared to a more balanced power setting, negotiation process is more efficient in an asymmetric market. Dwyer and Walker argued that when power is symmetrical, bargainers divide the total rewards equally, and they tend to reach agreement at the pareto optimal solution, while when power is unbalanced, specific terms of agreement are unpredictable and bargainers will tend to take a more "direct" negotiating approach.

In a study to establish the effects of reward and coercion on the expert, referent and legitimate power sources in a marketing channel, Gaski (1986) analyzed data collected from a distribution system of the melroe-division of the clark equipment company (an industrial capital goods company) and found that a supplier's application of reward and punishment affects the strength of its other three sources (expert, referent and legitimate sources) The effect of rewards on these sources of power and satisfaction was found to be positive whereas that of coercion was negative.

In an article to bridge the gap in channel theory in understanding channel communication and communication strategies, Mohr and Nevin (1990) build a theoretical model based on organizational theories, research and communication theories. The model explored communication facets of frequency, direction, modality and contents; channel conditions of structure, climate and power; and channel outcomes of coordination, satisfaction, commitment and performance. A contingency theory was proposed, in which the level of channel outcomes (coordination, satisfaction, commitment, and performance) is contingent upon interaction between communication strategy and channel conditions (structure, climate, and power). They concluded that when a communication strategy matches channel conditions, channel outcomes will be enhanced in comparison with outcomes where the communication strategy mismatches channel conditions.

A major contribution in the area of influence strategies within a marketing channel was by Frazier and summers (1984). In a study on interfirm influence strategies and their application within a distribution channel relationships, Frazier et al. discussed alternative influence strategies at large in terms of their operational characteristics and a cost benefit analysis.

Basing on a review of relevant research in the social psychology, sociology, organizational behaviour and marketing literature Frazier et al (1984) conceptualized and evaluated the various influence strategies on a normative basis and came up with two general influence approaches. Below is a discussion of the various influence strategies as advanced by Frazier and Summers, and other authors.

According to Frazier and Summers (1984:44) the approaches used to influence another firm could be directly or indirectly as to cause the target to view the intended behaviour as in the target's own best interest. A decision as whether to use a direct or indirect approach would depend on a number of factors. Frazier et al., suggest that such a decision would depend in part, on an assessment of the target's view, the basis for that view and the expected resistance to modifying it.Other factors that may affect choice of an influence strategy and hence the power - influence relationships are: Organizational (supplier) differences as they relate to channel policies or market position, managerial style used by the controlling firm,disparities in dealer versus supplier (sales representatives) education for example where the supplier sales representatives may have a higher level of education they may tend to use high pressure strategies to undermine the dealers, dealers total sales relative to sales from suppliers products,friendship and the number of years a dealer has been representing the supplier.

Further, although each approach used to influence a target firm by a source firm may represent a unique set of influence strategies, it has been found that not in many cases would a single strategy or basic approach be utilized in attempting to influence a target firm (Kotter 1977; Frazier et al. 1984). Two or more strategies could be used at the same time or over a period of time.

Six commonly used strategies that have been investigated range from those that involve direct and high pressure to those that are indirect and low pressure. In order of increasing directness and pressure, the strategies are; Information exchange, request, recommendation, legalistic plea, promise and threat (Kale 1986:388; Frazier and Summers 1984).

(i) Recommendations

The recommendation strategy is where the controlling firm's personnel predict that the dependent firm will be more profitable if suggested specific action or set of actions are undertaken by the dependent firm.The aim here is to enable the dependent firm avoid unpleasant/ harmful consequences and/or obtain pleasant results.

(ii) Information exchange

Information exchange strategy is one where the controlling firm uses discussions on general business issues and operating procedures to try and alter the dependent firm's general perceptions of how it might be most profitably operated.

(iii) Promises

In a promise strategy, the controlling firm pledges a specific reward to the dependent firm, contingent on the dependent firm's compliance with certain stated issues desired by the controlling firm.

(iv) Threats

Under this strategy, the controlling firm communicates to the dependent firm that noxious/unpleasant/punishing consequences will be applied if the dependent firm fails to perform a desired action.

(v) Legalistic plea

Under legalistic strategy, the controlling firm contents that the legal contract or agreement between the parties, requires the dependent firm to perform certain actions.

(vi) Requests

The request strategy refers to situations where the controlling firm informs the dependent firm of the action(s) it would like it to perform without mentioning or directly implying any specific consequences of the dependent firm's subsequent compliance or non-compliance

According to Frazier's and Summers's (1984) dichotomy for the influence approaches, the strategies could either be based on altering the targets perceptions or not based on perceptual change. Altering the targets perception regarding the intended behaviour is appropriate in situations where the behaviour in question is related to a common goal for both the dependent firm and the controlling firm, or where the intended behaviour would have positive implications for the attainment of both parties goals (Frazier et al. 1984:45). Here, the dependent unit's cognitions linking the intended behaviour to its goals are altered through influence. Divergence of opinion be-

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tween the two participants may be due to the means of obtaining the shared goal. Application of strategies based on perceptual change is highly dependent on the source's credibility based on; trust, perceived expertise and access to information (Frazier et al. 1984:45). Under this type of approach are two types of influence strategies: Information exchange and recommendations.

The other set of strategies in the dichotomy are those not based on perceptual change. Situations may arise where the controlling firm may influence the dependent firm to take an action not in its best interest. Due to this, there is need for strategies which are not dependent on the dependent firm's perceptions of the intended behavioural response. Under this approach are four types of strategies; promises, threats, legalistic pleas, and requests.

In an empirical investigation of the use of the influence strategies discussed above in a distribution channel, Frazier and Summers (1984) analyzed data from a field study of over 400 new car dealers representing domestic manufacturers located in Indiana. A response rate of 46% was reported. The findings of the study indicated that the information exchange strategy was the dominant influence strategy in the channel investigated, followed by requests, recommendations, promises, threats and legalistic pleas in that order. The information exchange strategy was also found to be positively correlated with the request strategy, and the two strategies (information exchange and requests) were found to be negatively correlated with promises, threats and legalistic pleas. Promises, threats and legalistic pleas were also found to be positively correlated with one another. Use of recommendations strategy was found to be strongly associated with use of promises, threats and legalistic pleas. As regards influence strategies and interfirm agreement, it was found that information exchange had the highest positive correlation with dealer - manufacturer agreement. Promises and threats had the highest negative correlations in the channel relationships.

The focus of studies on influence strategies in a channel of distribution as evidenced by the literature review in this section, has been on the relative use of the various strategies in channels and how they relate to channel outcomes of coordination, satisfaction, commitment and perfor-

mance. From the literature, it can be concluded that the influence strategies in channel relation-ships have an effect on channel outcomes. Available evidence indicates that the strategy adopted should match the channel structure, climate and power. Further, coercive influence strategies would tend to reduce channel member satisfaction in the relationship as opposed to non-coercive influence strategies which would enhance channel member satisfaction.

2.5.3 Empirical Evidence From Prior Studies on Power - Influence
Relationships

The need for firms to develop and use power effectively and efficiently has been em-phasized in channels literature as evidenced by the review in the preceding sections. Little atten-tion has however been given to the various alternative means that the controlling firms should use in channel relationships in exercising the acquired power. In particular, the relationship between power and the use of various influence strategies in marketing channels has not been much ex-plored. Recent studies indicate a controversy on how power is related to the use of the alternative influence strategies within a dyadic channel context (Frazier et al. 1986; Kale 1986; Dwyer et al. 1981 and Keith et al. 1990).

Dwyer and Walker (1981) conducted a study in an experimental setting and concluded that in a simulated bargaining encounter, the greater the power of the firm, the higher the chances that it will use high pressure or coercive influence strategies in interacting with other firms within a channel of distribution. Keith et al. (1990), used scenarios in a factorial design and came up with findings in support to Dwyer's findings. They concluded that principals who deal with brokers who have a strong desire for autonomy may want to use strategies that are perceived to be less intrusive and that suggest the broker is controlling his or her own behaviour (for example use of expert,information and referent strategies may be appropriate here.) In another field study of dyadic channel relationships in India, Kale (1986) came up with findings in support of the above reported findings. He concluded that the greater the power of a manufacturer, the more frequently

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high pressure means of influence -threats, promises, and legalistic pleas - were used to alter dealer decision making.

On the other hand, some studies have reported contradictory findings. Frazier and Summers (1986), made an analysis of data from a field study of the automobile distribution channel and found a negative relationship between dealers perceptions of their manufacturer's (supplier) power and their use of coercion.

From the findings of the studies reported above, it is evident that there is conflicting evidence about a firm's power and its choice of coercive or non-coercive influence strategies used in exchange relations between two channel member participants.

Major limitations of most of this reported channel studies have been that they report findings of constructs such as power, conflict, satisfaction and influence from the dealers perspective and only one distribution channel in one industry in one country were studied. Additional field studies are therefore needed in other channel systems in other industries and in different marketing environments in order that the reported findings can be tested for generalizability of theories through pointing out regularities in marketing that are system - specific and those that are universal and therefore permitting meaningful comparisons across channel systems,industries and environments (Kale 1986; Frazier et al. 1986).

2.6 Propositions

It has been suggested that influence strategies are chosen on the basis of their expected effectiveness and cost-benefit analysis (Frazier & Summers 1984, Buclin 1973). Further, Frazier and Summers (1984) argue that the effectiveness of each strategy is dependent on the nature of the inter-firm relationship that has developed. They observed that;

> ..., the information exchange, recommendations and
> request strategies, which are attractive from a cost
> perspective, require high trust and cooperative atmos-
> phere to be effective. (Frazier and Summers 1984;48).

The use of information exchange, recommendations and request strategies would as such have positive implications for inter-firm relationships. Use of the strategies is facilitated by a high level of interaction within the channel. A dealer in the photographic products distribution channel inter-acts primarily with the manufacturers area representatives(suppliers) through their sales people. Frazier et al.(1984: 48), pointed out that the use of recommendations and requests as well as promises require the source to specify a specific action to be undertaken by the dependent unit. Therefore, excessive use of such strategies may be perceived by the dealers to be interference in their marketing operations and hence cause resentment and resistance to further influence by the controlling firm.

Kale(1986), points out that in developing countries, there is restricted access to capital, technology and foreign exchange. As such, there are relatively few manufacturers (suppliers), with a relatively large number of potential middlemen. As a result, the suppliers (manufacturers) would have a power advantage over the middlemen in the channel relationship.

Consequently, the suppliers can use direct and high pressure influence strategies in the dyadic relationship with dealers without being penalized as the middlemen have fewer alternative channel opportunities available to them. The following are therefore proposed (Where P_i is proposition number i):

P_1 : Suppliers utilize high pressure strategies (threats,
legalistic pleas and promises) as opposed to low pressure
strategies (information exchange requests and recommenda-
tions) to influence dealer behaviour.

P_2 : That the perceived power of the supplier is positively
correlated to the degree of pressure utilized in influence
strategies to alter a dealer's behaviour.

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The low pressure influence strategies have been said to be to some extent similar in that the supplier do not explicitly point out what the dealer should do and possible consequences due to non compliance or compliance. It is expected that this strategies, though they can be used in specific dealer- supplier interactions, they would be used more by a manufacturer with a low level of power over a period of time.

In contrast, the high pressure influence strategies (legalistic plea, promise and threat strategies) involve specific action the dependent firm should undertake and possible consequences on the dependent firm's compliance or non compliance with the controlling firm's demands. It is expected that this strategies would be used mostly by high power supplier firms. Positive correlations between their frequencies of use are therefore anticipated (Frazier et al. 1984;48). The discussion above leads to the following proposition:

P_3: That the perceived use of information exchange,request

and recommendation strategies are positively intercorrelated.

Likewise, promises, threats and legalistic pleas are positively inter-correlated.

3.0 METHODOLOGY

3.1 Population

The marketing channel in the photographic products (a supplier - dealer relationship chan-nel) industry within Nairobi city was chosen as a suitable setting for this study as pre-study inter-views indicated a dyadic relationship between the supplier and the dealer.Further,it was also indi-cated that data could easily be obtained.In an exploratory pre-study survey,a listing of total dealers within Nairobi was obtained from two main suppliers of photographic products in Kenya. A total of 35 dealers representing 3 suppliers of the same product categories were surveyed. Of the 35 to-tal dealers surveyed, 26 of them provided usable responses thus, yielding a response rate of 74.3% which compares quite favourably against other similar channel studies including those of Etgar - 19% (1976),and Frazier et al - 46% (1984). Exploratory discussions with dealers and suppliers in the channel surveyed revealed that the dealers do not have an exclusive agreement on the products they should carry.Therefore, some of the dealers carry products for more than one supplier of the same product categories.In such a case, focus was on the major supplier - dealer relationship (the supplier whom the dealer depends on most). Further, it was also revealed that the dealers are lo-cally oriented, relatively small economically and financially and the dealerships are solely owned. These are characteristics of a conventional marketing channel.

3.2 Data Collection Method

The relevant data was collected via a personally administered structured questionnaire. A Likert-type scale was used as a measuring tool for various marketing strategy variables, depend-ency issues and influence strategy attributes. The questionnaires were directed to a position in the dealership that was deemed most likely to have access to desired information, for example, the dealership owner or manager.

3.2.1 Operational Measures

3.2.1.1 Power

As observed by Hunt et al.(1974:188);

> "power does not refer to the objective ability of one individual or group to control or influence the behaviour of another, but rather to the potential ability of the controlling or influencing agent as perceived by the controllee or influencee."

Therefore, power in this study was measured by: (1) The perceived ability of the supplier to control the decision variables of the dealers marketing strategy, and (2) Dependence.

These approaches to power measurement have been suggested, endorsed and used by a number of researchers including,Emerson 1962; Kale 1986; Frazier et al 1986; El-Ansary et al.1972; and Hunt et al,1974 either singularly or in combination. The dependence approach has been supported for studying channel systems due to easy identification of each channel member's goals (Kale 1986;396).

To measure power via supplier control over decision variables of the dealers marketing strategy approach, the degree of control by the supplier over variables such as inventory policy, pricing, sales promotion, adding or deleting items from the product lines and approving content and media for advertising programmes were measured by use of a five - point scale.Power measurement via the dependence approach utilized such factors as dealer's current profits from the suppliers products as a percentage of total current profits, and alternative channel opportunities available to the dealer (See appendix 3)[5]. The measures here were geared at the relative

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5. The marketing strategy variables and dependency issues were derived from literature search, and pre-study interviews with the suppliers and some dealers. See also Hunt et al. (1974) and El-Ansary et al.(1972) for a detailed discussion of power measurement in marketing channels.

importance in terms of overall goal attainment to the dealer that is derived from the supplier.

The responses from both approaches were then scored. Power measurement via control over marketing strategy variables were scored from 5 (Full control) to 1 (Not at all). Similarly, dependence issues responses were scored from 1 (Strongly Disagree) to 5 (Strongly Agree). In a few cases where dependence issues had negative implications, the scores were reversed. An index of power was then obtained for each dealer, which is the mean of the means of the dealers responses on decision areas of the control approach and dependency. The higher the index, the greater the perceived power of the supplier by the dealer.

3.2.1.2 Influence Strategies

Six strategies that have been commonly used and researched were investigated in this study. The strategies are coercive influence strategies (legalistic plea, promise and threat) and non-coercive influence strategies (information exchange, request and recommendation).

An aided recall technique was used by asking the dealer to estimate the frequency with which the supplier (supplier sales representatives) employs each of the strategies in a calendar month of their interaction (see appendix 3). The responses here were scored from 0 (Not at all) to 4 (Once a week).

3.3 Data Analysis Techniques

To determine the use of each influence strategy, an average of the dealers estimate of frequency of use of each strategy in their interaction with the supplier was computed and tabulated. This indicates the relative use of the strategies investigated.

Partial correlation was used to establish the relationship between the perceived power of the supplier and its use of influence strategies. Partial correlation was viewed as an appropriate tool here as it enables control of external variables effect on the relationship (Kale 1986; Frazier et al. 1986). Specifically, the variables that were controlled for in this study are disparities in dealer

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versus supplier (sales representatives) education, dealer sales from the suppliers products as a percentage of total sales in the dealership and the number of years a dealer had been representing the supplier.Other factors that may affect the relationship are, organizational (supplier) differences as they relate to the channel policies, managerial style,and friendship.These factors were not controlled for due to the difficulties involved and the limited time frame that was available for conducting the study.

Finally, to establish the inter-relationships between the coercive strategies and/or non-coercive influence strategies, frequencies of use of the various strategies were inter-correlated.

To test for the significance of the various relationships between perceived power and frequency of use of the influence strategies, and the relationships among the strategies, a null hypothesis of no correlation was tested for each of the variable sets investigated for association by computing the t - statistic[6] and testing the hypothesis at significance levels $0.5 \geqslant P \geqslant 0.001$ (The

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6. The coefficients of correlation (r) were investigated whether the values might be attributed entirely to chance thus by testing the null hypothesis of no correlation. The test statistic used was:

$$t = \frac{r(n - k)^{1/2}}{(1 - r^2)^{1/2}}$$

Where: r is the correlation coefficient.

n is the number of observations made.

k is the set of variables correlated.

For a detailed discussion of the test see for example; (1) Steel,Robert G.D and Torrie, James H, **Principles and Procedures of Statistics: A Biometrical approach**, McGraw-Hill Book Company - Singapore, Second Edition, 1981, Chapter eleven and fourteen (pp 272 - 284 and 311 - 335),and (2) Freud, John E, **Modern Elementary Statistics**,

letter P has been used in place of   for significance level values).

Prentice - Hall of India Private limited, Fourth Edition, 1972. Chapter 16 (pp 420 - 448).

4.0 RESULTS OF DATA ANALYSIS

This study sought to investigate the relationships between the perceived power of a supplier and its choice of influence strategies as applied between the supplier and a dealer within a marketing channel. The results of the study are thus presented in this chapter in three sections. In the first section, the findings on the perceived power of the supplier(s) and the frequency of use of the various influence strategies are presented. The second section of this chapter presents the findings on power - influence strategy relationship and the third section, on the relationships among influence strategies.

4.1 Perceived Power and the Frequency of Use of the Various Influence Strategies

4.1.1 Perceived Power of the Supplier(s)

Power was measured by the extent to which the supplier has responsibility over decision variables of the dealers marketing strategy, and the extent to which the dealer is dependent on the supplier to attain the dealership goals. Table 1 is a summary of the power scores in the channel segment.

To measure the frequency of use of the various influence strategies, the dealer was asked

TABLE 1
Perceived Supplier Power Indices.

Dealer	Mean Scores			Grand mean Score
	Responsibility over marketing strategy	Dependence	Total	
1	1.4737	3.4130	4.8867	2.4434
2	2.7368	3.6739	6.4107	3.2054
3	2.4737	2.8043	5.2780	2.6390
4	2.9474	3.2381	6.1855	3.0928
5	1.9444	2.2609	4.2053	2.1027
6	1.6875	2.8571	4.5446	2.2723
7	2.1579	3.3636	5.2150	2.7608
8	3.4737	3.9545	7.4282	3.7141
9	2.6316	3.2727	5.9043	2.9522
10	3.4211	3.3542	6.7753	3.3877
11	2.1053	3.1458	5.2511	2.6256
12	2.4737	3.5435	6.0172	3.0086
13	2.0526	2.8421	4.8947	2.4474
14	2.3158	3.1904	5.5062	2.7531
15	1.8889	3.4545	5.3434	2.6717
16	1.8421	3.4545	5.2966	2.6483
17	2.7368	3.3333	6.0702	3.0351
18	2.1053	3.4348	5.5401	2.7701
19	2.3684	3.3095	5.6779	2.8390
20	3.0000	2.7500	5.7500	2.8750
21	2.4737	3.0000	5.4737	2.7369
22	3.3684	3.3333	6.7017	3.3509
23	2.9474	3.6875	6.6349	3.3175
24	1.8947	3.1304	5.0251	2.5126
25	2.7895	3.4792	6.2687	3.1344
26	2.0000	4.8542	6.8542	3.4271

The grand power index across the channel surveyed is

$$= \frac{\text{Total of the Grand Mean scores}}{\text{Total Number of Dealerships Surveyed}} = \frac{74.7237}{26} = 2.8740$$

From the results, the information exchange influence strategy was used most of the time (

around average of 45.19%), followed by recommendation (31.77%), promises (27.90%), re-

4.1.2 Frequency of Use of Influence Strategies

To measure the frequency of use of the various influence strategies, the dealer was asked to estimate the frequency with which the supplier or their (supplier) representatives employed each of the influence strategies in their monthly contacts. An average of the estimated frequency of use of each strategy was computed. A summary of the results of the analysis is presented in table 2.

<div align="center">

TABLE 2

Use of influence strategies

</div>

Strategy	Average use
	(%)
Information exchange	45.19
Requests	24.04
Promises	27.90
Recommendations	31.73
Threats	6.73
Legalistic pleas	0.96

Note: The results presented in the table should be interpreted as: the information exchange influence strategy was used by suppliers' in an average of 45.19% of their monthly contacts with dealers across all dealerships surveyed.

From the results, the information exchange influence strategy was used most of the time (a computed average of 45.19%), followed by recommendations (31.73%), promises (27.90%), re-

quests (24.04%), threats (6.73%) , and the least used is the legalistic plea strategy (.96%). The results suggest that the information exchange strategy is the dominant strategy followed by recommendations and promise strategies within monthly contacts of the dealers and suppliers/supplier representatives.

Evidence of the analysis is thus inconsistent with the hypothesized use of the various influence strategies that suppliers utilize high pressure strategies as opposed to low pressure strategies, as more of the low pressure strategies were utilized especially information exchange and recommendations although the promise strategy was also used on more or less equal number of times within supplier and dealer monthly contacts across the channel surveyed.

4.2 Power - Influence Strategy Relationship

Partial correlation was used to enable control of three conditional variables on influence strategies namely; (1) dealers education, (2) the dealers sales from the suppliers products as a percentage of total sales in the dealership, and (3) the number of years a dealer had been representing the supplier. These variables have been found to affect choice of an influence strategy in a number of ways.[7]

First, dealer education is controlled for here because if a supplier representative is more well educated than a dealer, the supplier may want to humiliate the dealer and hence may tend to use coercive influence strategies more in their contacts. Second. high level of sales volume from a

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7. See for example Frazier, Gary. L, and Summers, John. O,"Perceptions of interfirm power and its use within a franchise channel of distribution, **Journal of Marketing Research**, May 1986, pp 173 and also Kale, Sudhir. H," Dealer perceptions of manufacturer power and influence strategies in a developing country."**Journal of Marketing Research**, November 1986, pp 391.

supplier's products will give a dealer more ability to resist supplier influence (especially if un-desired) as it may be the case when coercive influence approaches are employed, and hence will count on the way a supplier applies his power within the channel. Third, an influence approach may also be chosen on the basis of time. A longer period of time will enable the parties interacting for exchange transactions to establish close rapport with one another and therefore counting on the influence strategy to be used. Further, an influence strategy may also be chosen on the basis of its past effectiveness and/or reaction educed. Table 3 presents partial correlation coefficients of the relationship between perceived supplier power and its use of the various influence strategies.

Requests	0.38
Recommendations	− 0.16
Coercive strategies	
Legalistic pleas	0.30
Promises	0.41
Threats	− 0.27

Note: • The reported partial correlation coefficients should be interpreted taking into consideration the moderating variables controlled for.
• The coefficients should be read as; the partial correlation coefficient between perceived supplier power and the frequency with which the influence exchange strategy is used by the supplier (supplier representative) within monthly contacts with dealers at − 0.03.

From the table, the use of non-coercive influence strategies (information exchange and requests) is correlated negatively to the perceived power of the supplier (partial correlations of − 0.03 and − 0.16 respectively). This suggests an inverse relationship between the use of information exchange and recommendations. A test of the hypothesis that the

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TABLE 3

Partial Correlation Coefficients Between Perceived

Supplier Power and Influence Strategies.

Strategy	Coefficient
Non-coercive strategies	
Information exchange	- 0.03
Requests	0.38
Recommendations	- 0.16
Coercive strategies	
Legalistic pleas	0.30
Promises	0.41
Threats	- 0.37

Note: * The reported partial correlation coefficients
should be interpreted taking into consideration
the conditioning variables controlled for.
* The coefficients should be read as; the partial
correlation coefficient between perceived
supplier power and the frequency with which the
information exchange strategy is used by the
supplier (supplier representatives) within
monthly contacts with dealers is - 0.03.

From the table, the use of non-coercive influence strategies (information exchange and recommendations) is correlated negatively to the perceived power of the supplier (partial correlation coefficients of - 0.03 and - 0.16 respectively). This suggests an inverse relationship between power and use of information exchange and recommendations. A test of the hypothesis that the

computed partial correlation coefficients of minus 0.03 and minus 0.16 are significantly different from zero indicate that the null hypothesis of no correlation between perceived power and frequency of use of the information exchange strategy cannot be rejected at the level of significance $P \leq 0.5$. However, a significant relationship was found between perceived power of the supplier and the frequency of use of the recommendations strategy at the level of significance $P = 0.5$. In other words, the partial correlation coefficient obtained between the frequency of use of the information exchange strategy and perceived power is not significant. This is further evidenced by the closeness of the partial correlation coefficient to 0. The relationship of the frequency of use of the recommendations strategy and perceived power of the supplier is however only significant at the level $P = 0.5$. This indicates therefore a possibility of a weak inverse linear relationship.

The relationship between the perceived power of the supplier and its frequency of use of the request strategy was however found to be positive (a computed partial correlation coefficient of 0.38). This results were found to be significant at the level $P = 0.1$. This suggests a fairly strong direct positive linear relationship between perceived power and frequency of use of the request strategy.

On the other hand, two of the coercive influence strategies had positive partial correlation coefficients while one had a negative partial correlation coefficient between perceived power and use of the strategy. Frequency of use of the legalistic plea strategy had a positive coefficient of 0.30 with perceived power. The frequency of use of the promise strategy, had a partial correlation coefficient of 0.41, while the threat strategy - 0.37 with perceived power of the supplier. These results were found to be significant. The value of the partial correlation coefficient obtained between supplier frequency of use of legalistic plea strategy and the perceived power of the supplier was found to be statistically significant at the level $P = 0.2$ while use of promises and perceived power was found to be statistically significant at the level $P = 0.05$. and use of threats and perceived power of the supplier was found to be statistically significant at the level $P = 0.1$.

The foregoing results from the analysis thus provide weak support for the hypothesized relationship between the perceived power of the supplier and the degree of pressure utilized in influence strategies to alter a dealer's behaviour (P2). Thus, although a generalization statement can not be made, frequency of use of two of the coercive influence strategies were found to be positively correlated with the perceived power of the supplier. Likewise one of the non coercive influence strategies had a statistically significant negative partial correlation coefficient with the perceived power of the supplier (P = 0.5).

4.3 Relationship Among Influence Strategies

An investigation of the manner in which the influence strategies are interrelated was done by inter - correlating the various estimates of frequency of use of the strategies. The analysis here was concerned mainly with the relative frequency of use of each strategy as used by the supplier/ supplier sales representatives. Table 4 is a summary of the results of the analysis.

TABLE 4

Interrelationships of The Frequency of Use of Influence Strategies.

	Information exchange	Request	Recommendations	Legalistic pleas	Promises	Threats
Information exchange	1					
Requests	0.27	1				
Recommendations	0.65	0.35	1			
Legalistic pleas	0.33	0.01	- 0.48	1		
Promises	0.31	0.83	0.32	- 0.02	1	
Threats	0.28	- 0.56	0.42	- 0.08	0.6	1

Note: The results presented here should be read as; the correlation coefficient between frequency of use of the information exchange influence strategy and frequency of use of the request influence strategy is 0.27.

The results of the analysis provide to some extent support for the hypothesized relationships among the use of the influence strategies (P3).The perceived use of information exchange strategy was found to be positively correlated to the other non - coercive influence strategies (requests and recommendations). Information exchange had substantial high positive correlation coefficient (r = 0.65) with the recommendations strategy. This results were found to be statistically significant at the level P = 0.001. Similarly the information exchange strategy and request strategy demonstrated a high positive correlation coefficient of r = 0.27, which was statistically significant at the level P = 0.2.

On the contrary the coercive influence strategies demonstrated weak negative linear relationships among themselves. Except for the relationship between the use of promises and threats which was found to have a high positive correlation coefficient r = 0.60 and statistically significant at the level P = 0.01, the other coercive influence strategies promises and legalistic pleas had a very weak negative correlation coefficient r = - 0.02, which is not statistically significant at the level P > 0.001. Similarly use of threats and legalistic plea strategies had a very weak negative correlation coefficient r = - 0.08 , which is not statistically significant at the levels P > 0.001. The weak negative correlation coefficients between the legalistic plea strategy and threats and promises, leads to failure of rejection of a null hypothesis of no correlation between the use of the influence strategies.

Results of the interrelationships between the frequency of use of the influence strategies in table 3 also reveal that the coercive influence strategies (legalistic pleas, promises and threats) are positively correlated with the non - coercive influence strategies (information exchange, requests and recommendations),which had positive correlation coefficients ranging from 0.28 to 0.83. The correlation coefficient between legalistic pleas and request was however found to be very weak and statistically not significant (r = 0.01, P > 0.001). The correlation coefficient between frequency of use of legalistic pleas and recommendations was also found not to conform to other relationships between other non-coercive and coercive influence strategies (r = -0.48, statistically significant at P = 0.01 level).

CHAPTER 5

5.0 CONCLUSION

This chapter summarizes and discusses the findings of the study in relation to the objectives that were sought and evidence in marketing channels literature. Managerial implications and major limitations that engulfed the study, plus suggestions of issues that require future attention are pointed out.

5.1 Summary, Discussion and Managerial Implications

The research findings seem to support some of the reported findings from prior studies for example that reported by Kale (1986) and Keith at al. (1990). The dominant strategies in the channel surveyed were found to be the information exchange strategy followed by recommendations, and promises which were used with more or less same frequency as the request strategy within dealer - supplier monthly contacts.

Further, except for the request strategy which had a positive correlation coefficient with the perceived power of the supplier, the information exchange and recommendations strategies had negative partial correlation coefficients. The findings therefore suggest that the higher the perceived power of the supplier, the less frequent the strategies are employed. Although the relationship between perceived power of the supplier and use of the information exchange strategy was not statistically significant, the evidence leads to a conclusion that suppliers with a low level of power rely more on the use of non - coercive influence strategies as demonstrated in the channel studied. The findings therefore contradict those reported by Frazier et al. (1986), that the perceived power of a manufacturer (supplier) is negatively related to the manufacturers (suppliers) use of coercion.

More frequent use of information exchange, recommendations and request strategies can be attributed to a cooperative interfirm relationship and frequent interactions between the suppliers' and the dealers' (Frazier et al. 1984). Suppliers' can thus enhance their reputation and posi-

tion in such channels through provision of adequate and important information, and giving supportive advice to the dealers there by facilitating cooperation and coordination of their marketing activities. Successful influence attempts through the information exchange or recommendations strategies would tend to strengthen channel member relationship and also facilitate future influence attempts by the supplier (Frazier et al. 1984).

To the extent that two of the coercive influence strategies (legalistic pleas and threats) have been used the least in the channel surveyed,there is support to the contention that there is good interfirm cooperation in the channel dyad. This view is supported by earlier studies for example Frazier and Summers (1984) who suggested that, application of the coercive strategies tend to lessen cooperation among channel member relationships, intensify conflict, and reduce future effectiveness of other influence strategies. The findings of the study also indicate positive relationships between frequencies of use of the non - coercive influence strategies (information exchange, requests and recommendations). This observed results therefore support the findings reported by Kale (1986) thus, the view that the strategies are positively related. The strategies have been said to be to some extent similar, in that they do not involve any attempt by the supplier to state explicitly what it would do should the dealer comply or not comply (Kale 1986). Positive correlation coefficients realized indicate that the strategies can complement one another. For example, the information exchange and recommendations strategy had a correlation coefficient (r) of 0.65, which was statistically significant at the level $P = 0.001$. This suggest a strong positive linear relationship between the strategies. Frequent use of one will therefore call for more use of the other.

The negative relationships observed among the legalistic plea strategy and other coercive influence strategies contradict earlier studies that reported positive relationships among the strategies,for example, that reported by Kale (1986) and that by Frazier et al. (1986). The frequency of use of the promise strategy had a weak negative correlation coefficient with frequency of use of legalistic pleas. Similarly, frequency of use of the threat strategy had a weak negative correlation coefficient with the use of legalistic pleas. The correlation coefficients were however not

statistically significant (P $\geqslant$ 0.001) therefore suggesting that the observed relationships could be attributed to chance. The findings therefore led to failure of rejection of a null hypothesis of no correlation between the frequency of use of promises with legalistic pleas, and threats with legalistic pleas. We can therefore conclude that there is no relationship between the frequency of use of the legalistic plea strategy and promises, and legalistic plea strategy and threats. No firm predictions can therefore be made for how the use of the legalistic plea strategy is correlated with each of the other two coercive influence strategies. This could be attributed to the fact that the legalistic plea strategy was hardly used in the channel surveyed (0.96% of supplier monthly contacts with dealers across the dealerships surveyed).

The study however, found a high statistically significant (P = 0.01) positive relationship (r=0.60) between the use of promises with threats. In this regard, the findings suggest that when one of the strategies is used, the other strategy is used as well. Thus, they complement one another. The study also generally revealed positive relationships between the frequency of use of non - coercive and coercive influence strategies. This differs from findings reported by Kale (1986) and Frazier et al (1984).

The foregoing discussion can enable channel managers understand how influence strategies are linked to channel conditions of power. If influence strategies are matched with channel conditions, there will be improved managerial decision making and better channel outcomes will be realized.

5.2 Limitations of The Study

This study is constraint by a number of factors:

First, in some situations where the respondents could not understand the questions and completion of the questionnaire, the researcher with the assistance of assistants collected the data through personal interviews and hence there is a possibility of response bias.

Second, like most of the prior studies on power in marketing channels, data was collected from the dealers side of the dyad only. Perceptions from both sides of the dyad (suppliers and dealers) need to be assessed to enable a comprehensive understanding of the relationships studied.

Third, obtaining dealer cooperation in some of the dealerships surveyed was very difficult necessitating collection of data from any volunteer in the dealership. This casts doubt on the reliability of some of the information collected.

Fourth, only one channel system in one industry within Nairobi city was studied. The findings of the study are therefore limited to the channel dyad surveyed (Photographic products channel segment). Other channel systems in other industries or even subgroups within industries may have their own channel control mix options and requirements as evidenced by the findings reported here and in other studies. This underscores the danger of generalizing findings of a one channel study to other channel contexts.

5.3 Suggestions for Further Research

To determine the extent to which the relationships reported here can be generalized, additional field studies are needed in channel systems in other channel environmental sets and industries (Kale 1986; Frazier et al 1986).

Use of the influence strategies and how they relate to channel outcomes of coordination, satisfaction, conflict, commitment and performance from both sides of a channel dyad (supplier and dealer) need to be investigated further to enable building of a channel control theory. Further, studies are required covering the entire length of a marketing channel as opposed to dyadic relations, of how the above channel constructs are related.

An investigation into suppliers' use of two or more influence strategies in combination to achieve their influence objectives in the channel studied could highlight more on how the influence strategies are interrelated and how the strategies relate to power conditions in the channel.

APPENDIX 1: DEFINITION OF CATEGORIES

Promise. A statement in which the source indicates his intention to provide the target with a reinforcing consequence which source inticipates target will evaluate as pleasant, positive, or rewarding.

Threat. Same as promise, except that the reinforcing consequences are thought to be noxious, unpleasant, or punishing.

Recommendation. A statement in which the source predicts that pleasant environmental consequence will occur to the target. Its occurence is not under the source's control.

Warning. Same as recommendations, except that the consequences are thought to be unpleasant.

Reward. A statement by the source that is thought to create pleasant consequences for the target.

Punishment. Same as reward, except that the consequences are though to be unpleasant.

Positive normative appeal. A statement in which the source indicates that the target's past, present, or future behavior was or will be in conformity with social norms.

Negative normative appeal. Same as positive normative appeal, except that the target's behavior is in violation of social norms.

Committment. A Statement by the source to the effect that its future bids will not go below or above a certain level.

Self-Disclosure. A statement in which the source reveals information about itself.

Question. A statement in which the source asks the target to reveal information about itself.

Command. A statement in which the source sugggests that the target perform a certain behavior.

Source: Angelmar Reinhard and Stern W. Louis, Development of a Content Analtic System for Analysis of Bargaining Communication in Marketing, **Journal of Marketing Research**, February 1978, pp 101.

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APPENDIX 2: SPECIMEN LETTER TO RESPONDENT

UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION

P.O.BOX 30197
NAIROBI,kenya.

Dear Sir/Madam,

I am a student at the University of Nairobi, presently conducting research to gather information on supplier - dealer relationships (power - influence relationships) in the distribution of photographic products.

The survey covers all photographic product dealers in Nairobi. I therefore, request you to complete the questionnaire to facilitate completion of a marketing management report as part of the requirements for the degree, Master of Business and Administration of the University of Nairobi.

The information you give will be treated in strict confidence for the research project. No mention of specific dealer names will be made with regard to their views expressed in the questionnaire.

Thanking you in advance.
Yours Faithfully,

LUSAKA T.W.
(M.B.A. Student).

APPENDIX 3: QUESTIONNAIRE

Please answer the questions below according to the instructions given.

1. (i) Name of your dealership (optional) _____

   (ii) Who are your major suppliers _____

   (iii) For how many years have you been
         representing them (supplier(s)) _____

SECTION A: RESPONSIBILITY OVER MARKETING STRATEGY VARIABLES

1. To what extent does the supplier have responsibility over the following roles in your business? (please indicate as appropriate)

	Not at all	Little Extent	Moderate Extent	Great Extent	Full control
.Product usage techniques	( )	( )	( )	( )	( )
.Inventory policy	( )	( )	( )	( )	( )
.Order size	( )	( )	( )	( )	( )
.Quality of the product or service	( )	( )	( )	( )	( )
.Adding or deleting items from the product line	( )	( )	( )	( )	( )
.Setting the retail price of products or services	( )	( )	( )	( )	( )
.Sales promotion tools (e.g give aways, fairs and exhibitions, special discounts etc)	( )	( )	( )	( )	( )
.Arranging and approving the content and media for local and national advertising programmes	( )	( )	( )	( )	( )
.determining the qualifications and number of employees to hire	( )	( )	( )	( )	( )
.Sponsoring of training and/or service schools	( )	( )	( )	( )	( )

.Distribution policies
 (eg exclusive or
 selective distribution)   ( )   ( )   ( )   ( )   ( )

.Determine the margins
 to the dealers   ( )   ( )   ( )   ( )   ( )

.Granting of trade
 discounts   ( )   ( )   ( )   ( )   ( )

.Determining location of
 the dealership   ( )   ( )   ( )   ( )   ( )

.Research on consumer
 buying patterns,habits
 or any other market
 based research   ( )   ( )   ( )   ( )   ( )

.Study of the relative
 profitability of the
 products to the dealer   ( )   ( )   ( )   ( )   ( )

.Dealership interior
 displays including shelf
 extenders,window display
 space and installation
 costs.   ( )   ( )   ( )   ( )   ( )

.Contests for buyers
 including dealer &
 individual purchasers   ( )   ( )   ( )   ( )   ( )

.Allowances for a variety
 of warehousing functions   ( )   ( )   ( )   ( )   ( )

.Others (specify)
----------------------------------- ( )   ( )   ( )   ( )   ( )

----------------------------------- ( )   ( )   ( )   ( )   ( )

----------------------------------- ( )   ( )   ( )   ( )   ( )
----

2. Of the marketing functions listed in (1) above, list ten of them that you consider most important.

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

SECTION B: DEPENDENCE.
  Answer the questions below by coding as appropriate.
         Scale.
     Proportion(%)   Code
        0 - 10   1
       11 - 20   2
       21 - 30   3
       31 - 40   4
       41 - 50   5
       51 - 60   6
       61 - 70   7
       71 - 80   8
       81 - 90   9
       91 - 100   10

1. What is the proportion of your
   current sales from the suppliers
   products relative to total
   current sales made in your dealership _____

2. What is the proportion of your
   current profit from your suppliers
   products relative to your total
   current profit _____

3. What is your anticipated future
   profits from the manufacturers(suppliers)
   products as a percentage of your
   overall anticipated future profits
   (2 years and above) _____

4. Indicate the degree to which you agree or disagree with the following statements.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
a. I depend heavily on the supplier to attain my sales and profit goals	( )	( )	( )	( )	( )
b. The supplier gives pricing assistance	( )	( )	( )	( )	( )
c. The supplier gives technical, product operation, servicing and maintaining assistance.	( )	( )	( )	( )	( )
d. The supplier is instrumental in attainance of my overall goals	( )	( )	( )	( )	( )
e. Many alternative channel opportunities are available to me.	( )	( )	( )	( )	( )
f. The supplier is instrumental to me in opening up new business opportunities.	( )	( )	( )	( )	( )
g. The suppliers reputation is good relative to other suppliers of photographic products.	( )	( )	( )	( )	( )
h. The suppliers products are bought more than those of other suppliers	( )	( )	( )	( )	( )
i. The supplier determines service/product quality	( )	( )	( )	( )	( )
j. The supplier is quick at redressing customers for poor product performance	( )	( )	( )	( )	( )
k. The dealership agreement with the supplier is fair.	( )	( )	( )	( )	( )

l. The suppliers products
   are easily available on
   order.   ( )   ( )   ( )   ( )   ( )

m. If i contracted to
   distribute other products
   i would abandon the
   current product
   categories.   ( )   ( )   ( )   ( )   ( )

n. The supplier provides
   sales incentives such as
   give aways, quantity
   discounts,spiffs and other
   promotional allowances to
   the dealers.   ( )   ( )   ( )   ( )   ( )

o. The supplier sponsors all
   the promotional programs
   both local and national
   wide.   ( )   ( )   ( )   ( )   ( )

p. The supplier provides
   in-store,outdoor and
   window display material.   ( )   ( )   ( )   ( )   ( )

q. The dealership contacts
   local research work for
   the supplier.   ( )   ( )   ( )   ( )   ( )

r. The supplier meets the
   delivery costs to
   individual retail stores.   ( )   ( )   ( )   ( )   ( )

s. The supplier contributes
   to store anniversaries.   ( )   ( )   ( )   ( )   ( )

t. The supplier provides
   prizes e.t.c. to store
   buyers when
   visiting showrooms.   ( )   ( )   ( )   ( )   ( )

u. Retail salespeople
   training is done by the
   supplier.   ( )   ( )   ( )   ( )   ( )

v. Operation time of the
   store (studio) is
   determined by the
   supplier.   ( )   ( )   ( )   ( )   ( )

SECTION C: INFLUENCE STRATEGIES

1. In a calendar month, how many interactions do you have
   with your suppliers (suppliers representatives)?

	More than once a week	Once a week	Once in 2 weeks	3 Times a month	Once a month
Telephone calls	( )	( )	( )	( )	( )
Face to face	( )	( )	( )	( )	( )

2. Within the interactions, how often do the suppliers try to
   influence any one or more of your decisions in business (For
   example, customer service, need for trained technical personnel,
   and level of inventory)

    1. Never
    2. Occasionally
    3. Frequently   (   )
    4. Very Frequently (   )

3. During the monthly contacts with supplier representatives (suppliers), how
often do they:

a. Discuss the overall strategy of your business activities
 (e.g. necessity of good services, display of products e.t.c.)
 without making specific statements about what he would like you
 to do?

    Once a week
    Once in 2 weeks
    3 times a month
    Once a month
    Not at all

b. State their wishes on an issue without mentioning or implying any conse-
quence of compliance or non-compliance.

    Once a week   (   )
    Once in 2 weeks   (   )
    3 times a month   (   )
    Once a month   (   )
    Not at all   (   )

c. Imply or state that you will receive better service or
cooperation if you complied with his request.

    Once a week   (   )
    Once in 2 weeks   (   )
    3 times a month   (   )
    Once a month   (   )
    Not at all   (   )

d.Imply or state that by following his suggestions your
dealership would be more profitable.
        Once a week   (   )
        Once in 2 weeks   (   )
        3 times a month   (   )
        Once a month   (   )
        Not at all   (   )
e. State or imply that you might receive poorer service and
or cooperation if you did not comply.
        Once a week   (   )
        Once in 2 weeks   (   )
        3 times a month   (   )
        Once a month   (   )
        Not at all   (   )

f. State or imply that the agreement of your dealership or   legal considera-
tions either require or suggest compliance .
        Once a week   (   )
        Once in 2 weeks   (   )
        3 times a month   (   )
        Once a month   (   )
        Not at all   (   )

                  SECTION D: GENERAL
    (i) Which photographic products sale most

    (ii) Please indicate   your education level
                    Below "O" Level _____
                          "O" Level _____
                         "A"Level _____
        Technical/Diploma college _____
             University Graduate _____
              Any other (specify) _____

    (iii) What is your position of responsibility in the dealership?
             Owner   _____
             Manager   _____
          Any other (specify) _____

    Thank you for your cooperation.
      See you again.

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