#### Article No. 2

# IMPACT OF ATTITUDINAL AND OPERATIONAL FACTORS ON DISTRIBUTION CHANNEL OUTCOMES: AN EMPIRICAL INVESTIGATION

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#### **Abstract:**

#### Introduction

Designing effective distribution strategy is always an important area of research in marketing for business firms and market researchers. Several factors are paramount in the design of distribution channel. These factors are classified as Attitudinal, Operational and Channel Outcomes.

#### **Objectives**

This paper aims to classify the dimensions in three categories namely, Attitudinal, Operational and Channel Outcomes. Further, the study investigates the impact of Operational Factors and Attitudinal Factors on Channel Outcomes.

#### Methodology

Survey technique is used for data collection. Data is collected with the help of structured questionnaire. To analyse the impact of Operational Factors, Attitudinal Factors on Channel Outcomes, Structural Equation Modelling has been done.

#### Study Variables

The factors of distribution strategy in the Indian context are classified in three broad dimensions of channel as: Attitudinal Factors include Communication, Commitment, Trust and Cooperation. Operational Factors include Distributor Effectiveness, Contracts and Conflicts. Channel Outcomes include Satisfaction and Sales performance.

#### Managerial Implications

The study would bring meaningful conclusion on the relationship of various factors of distribution along with outcomes. These findings will help the distribution firms and marketers in designing an effective channel.

**Keywords**: Distribution Strategy, Attitudinal, Operational, Channel Outcomes, Structural Equation Modelling (SEM).

#### Introduction

A channel of distribution or trade channel is the path or route along which goods move from producers to ultimate consumers. It is a distribution network through which a producer puts his products in the hands of actual users. A trade or marketing channel consists of a producer, consumers or users and the various middlemen who intervene between the two. The channel serves as a connecting link between the

producer and consumers. By bridging the gap between the point of production and the point of consumption, a channel creates time, place and possession utilities.

The distribution channel has versed with the new features representing a variety of ways of structuring the system. The modern business system has to incorporate relevant features pertaining to customers, production and distribution houses and to the nature of the firm involved. The degree of individualization is frequently high and customization is getting much popular in the modern business set up. The changes have led for the development of opportunities for new intermediaries. The old-style intermediary involves a wholesaler and a retailer. The wholesaler buys goods from manufacturer and stocks it for selling it to retailer as and when required. The new types of intermediaries are responsible for providing services to these intermediaries and carry out tasks as per the need of retailers. An incentive is required for risk-averse retailers to procure the sufficient inventory that leads to better channel coordination (Ohmura and Matsuo, 2016).

Channel performance is a key marketing and organizational issue, given the potential and actual impact in the accomplishment of organizational goals. A recent trend in distribution strategy has been the increasing utilization of multiple channels across sectors. Because of the newness of these channel systems, it is important to understand how they influence key channel performance indicators.

Though choosing the right distribution channel is one of the important tasks of distribution channel management, the most difficult phase starts after making this choice (Paksoy, Yapici and Kahraman, 2012). The performance of channels in the distribution system is mainly based on its economic perspective, however few authors have differentiated between the economic and the behavioural dimensions of the performance in the relationship (Gonza, S. 2005). Performance evaluation is crucial for managing multiple sales channels, and requires understanding the customers' channel preference (Gensler, Dekimpe and Skiera, 2007).

Distribution channel management involves making sure that the distribution system supports the other variables of the marketing mix. For example, money spent on advertising may be wasted if the product is not widely available in local stores. A manufacturer has a number of alternatives ranging from distributing the goods and services directly to customers without using any intermediaries or alternatively, he may use one or more middlemen including wholesalers, selling agents, and retailers. Big manufacturers have their regional authorized agents or dealers spread over the entire country. The dealers, in turn, work with distributors and retailers. On the other hand, small firms cannot afford to have zonal offices, but are devising their own ways of doing business. They also receive regular orders for goods. Entry may be difficult for the small firms. It has been observed that many authorized dealers of known brands also stock other unknown or new brands of goods. They also insist on the customer buying the lesser known brand because of higher margin of profit. The small entrepreneur, with fewer overheads and low labour costs along with better planning and management, may be able to earn good profits.

Furthermore, distribution is now increasingly seen as one of the key marketing variables (Devlin, 1995;), capable of providing significant competitive advantage, particularly perhaps in service sectors where consumer, technological, and regulatory trends have increased competitive pressures markedly. Unsurprisingly, there is an increased range of distribution possibilities, which has intensified another concern, that being how to build a logical distribution structure (Moriarty and Moran, 1990). This is of particular interest in the retail financial services sector, where multiple channels are being used extensively (see, for example, Beckett, 2000).

For most firms, distribution system is a key decision for building a successful business. Many companies have built lasting competitive advantages through their choices of distribution systems, which are integrated into coherent and well-executed business models. An excellent distribution system is critical to a company's efficient and profitable performance.

One of the main decisions related to distribution systems is choosing a distribution channel. The use of multiple distribution channels has increased steadily (Dutta et al., 1995; Easingwood and Storey, 1996; Frazier, 1999; Coelho, 2003). Some advantages of using multiple channels according to the literature are sales growth (Thornton and White, 2001) and cost reduction through low-cost channels (Sathye, 1999; Thornton and White, 2001; Wright, 2002). On the other hand, multiple channels lead to disadvantages, such as customer resentment due to different prices associated with different channels and conflicts among channels resulting from the competition among different channels. Multiple channels can also lead to intermediary turnover and result costs to suppliers, as well as the additional costs of establishing a new channel and operating it. Whether the strategy of multiple channels has a positive or negative impact on firm performance is, thus, an important empirical as well as theoretical question/issue.

More and more companies become multi-channel operators (Ganesh, 2004; Coelho et al., 2003). Therefore, managers need metrics that help them assess the performance of each individual sales channel, as well as the interrelationships among the different sales channels in their portfolio. Preferably, these metrics should be grounded in marketing theory and should be objective, based on readily available data, easy to quantify, intuitively appealing, and should have diagnostic value (Ailawadi et al., 2003).

#### **Strategic Channel Choices**

An important consideration when formulating channel policy is the degree of market exposure sought by the company. Choices available include:

- ❖ Intensive distribution: where products are placed in as many outlets as possible. This is most common when customers purchase goods frequently, e.g. household goods such as detergents or toothpaste. Wide exposure gives customers many opportunities to buy and the image of the outlet is not important. The aim is to achieve maximum coverage.
- ❖ Selective distribution: where products are placed in a more limited number of outlets in defined geographic areas. Instead of widespread exposure, selective

- distribution seeks to show products in the most promising or profitable outlets, e.g. high-end 'designer' clothes.
- ❖ Exclusive distribution: where products are placed in one outlet in a specific area. This brings about a stronger partnership between seller and re-seller and results in strong bonds of loyalty. Part of the agreement usually requires the dealer not to carry competing lines, and the result is a more aggressive selling effort by the distributor of the company's products, e.g. an exclusive franchise to sell a vehicle brand in a specific geographical area, in return for which the franchisee agrees to supply an appropriate after sales service back-up.

# **Indian Mobile Devices Industry**

Year 2015, has seen some tectonic shifts for Indian mobile devices industry. We continued to see entry of new brands and the expansion of portfolio of existing ones. From a breakthrough point of view, there wasn't anything remarkable except that Samsung came out with the curved design (Edge series) and Apple launched iPhone 6S and 6S+ with 3D functionality. Both the developments happened for the premium segment (> ₹50,000), Which in india is just 0.6% of the market (CMR's India Monthly Mobile Handset Market Review.

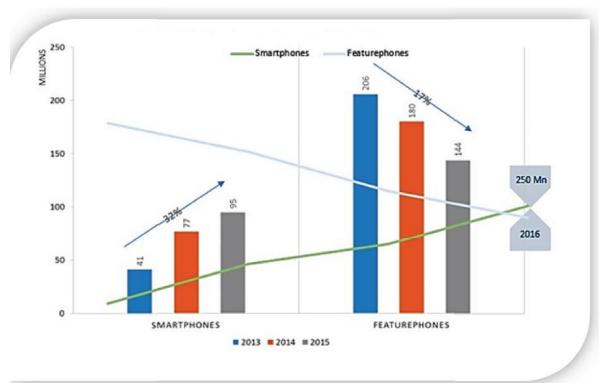


Figure 1 India Smartphone versus Featurephones, 2013-2015

So, while it has been time and again proved India is a low to medium priced handsets market, 2015, has not added some great feature sets to enrich user experience. However, the industry has been able to offer more to a user for same or even less. Anecdotally, the ASP (Average Selling Price) for a Smartphone in 2013 was Rs. 13,000 (volume: 41 mn units), which has come down to Rs. 10,700 (volume: 95 mn units) by the end of 2015. At the same time, the specifications of a Smartphone have

improved substantially. In 2013, just 0.07% of Smartphones shipped had 4GB RAM for instance, which in 2015, was a little over 0.6%. Similarly, other major specifications that trigger the buyer's decision to purchase a Smartphone have improved while ASPs exhibited a receding trend.

An examination of the present scenario, coupled with an analysis of historical trends tells us that the market for India mobile handsets will settle around 250 mn units in 2016, a 4% growth compared to 2015. The outlook seems suggest that this trend will continue for a few more years, as we move towards a 'Smartphones only' market; this is because the predicted demise of Feature phones does not seem likely anytime very soon.

# Variables for the study

# 1. Distributors Effectiveness

Distributor effectiveness reflects the extent to which the distributor undertakes key business activities in the distributor's market on behalf of a foreign based export-supplier (Knight, 2000). By the very nature of their function, distributors are expected to contribute value to their channel relationships by providing access to foreign market customers (cf. Burt, 1992) in order to achieve positive economic outcomes. Distributor effectiveness has been linked to performance, especially with respect to generating revenue and meeting financial objectives (Kirpalani & MacIntosh, 1980; Knight, 2000).

#### 2. Communication

Mohr and Nevin (1990) proposed a classification of communication strategies to be applicable to channel management contexts based on the various combinations of communication facets. Because communication processes underlie most aspects of organizational functioning, communication behaviour is critical to organizational success (Kapp and Barnett, 1983; Mohr and Nevin, 1990; Snyder and Morris, 1984)

#### 3. Trust

Trust is a partnering-related antecedent that is considered central to business relationships (Young, 2006). Trust represents the degree of confidence in the other firm's willingness to act in regard to the mutual benefit of both firms (Moorman *et al.*, 1992). When partners have trust in each other and are committed to a relationship, they are more likely to meet customer needs and achieve profitability (Anderson and Weitz, 1992). Trust is based on the firm's perception of their partner's expertise and reliability (Ganesan, 1994) and can develop early in a relationship, especially if communication is face-to-face and personal (Huang *et al.*, 2008). Trust improves the relationship quality between business-to-business customers (Kumar *et al.*, 1995; Lambe *et al.*, 2000), it decreases perceptions of risk (Handfield and Bechtel, 2002), and it increases loyalty (Jambulingam *et al.*, 2011).

#### 4. Commitment

Commitment is the enduring desire to maintain a relationship. Commitment to a relationship will result in a desire to develop a stable relationship and a willingness to make sacrifices (or cooperate) to maintain the relationship (Anderson and Weitz, 1992). Morgan and Hunt (1994) suggest a committed counterpart will participate in relationship out of a desire to make the relationship work. In support, a committed organization is likely to spend time and effort on developing effective strategies and environmental scanning (Dickinson and Ramaseshan, 2004, p. 74). The relationship between commitment and working other organizations is supported in empirical research (Dickinson and Ramaseshan, 2004; Evangelista, 1994; Faulkner, 1995; Morgan and Hunt, 1994).

# 5. Cooperation

Cooperation is defined as similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time. Cooperation leads to trust which, in turn, leads to a greater willingness to cooperate in the future, which then generates greater trust, and so on. Thus, in a static model of working partnerships, co operation tentatively appears to be causally antecedent to trust.

#### **6.** Contracts

The performance of marketing activities by channel members can be coordinated by alternative mechanisms, either normative means (e.g., trust) or explicit agreements (contracts) (Lusch & Brown, 1996; Weitz & Jap, 1995). Frazier (1999) highlights the importance of examining contracts in channels of distribution research, due in part to the potential for contracts to harm channel performance. In extant research, explicit contracts have been suggested as enhancing profitability of the channel by coordinating channel members' efforts (Lusch & Brown, 1996). Contracts may stipulate which functions are to be performed by the distributor and/or the manufacturer, the nature of information that is to be provided between the parties in the channel relationship, as well as sales quotas or other performance targets to be met. In addressing such issues, however, contracts have the potential to create conflict and dysfunctional behavior that hinders performance (Lusch & Brown, 1996). Contracts may provide too little flexibility of operations making it difficult for a distributor to reach optimal outcomes while serving export manufacturers and local market customers (Jap & Ganesan, 2000). Such flexibility has been shown to be an important determinant of channel performance (Bello & Gilliland, 1997).

Further, written contracts have been suggested to produce higher levels of conflict between manufacturers and distributors (Young & Wilkinson, 1989).

#### 7. Conflict

Marketing channels can be viewed as social systems influenced by behavioral dynamics (such as channel conflict) that are associated with all social systems (Stern, Brown, 1984). Conflict in marketing channels, has been the focus of numerous channel investigations (Gaski, 1984), refers to goal-impeding behavior by one or more channel members. Conflict implies a level of tension, frustration, and disagreement in the relationship due to one party obstructing the other party in reaching its goal (Geyskens et al., 1999). Although channel

conflicts can be functional (Coughlan, Anderson, Stern, & El-Ansary, 2001), generally, higher levels of conflict will decrease relationship quality. Previous studies have found that the presence of relative dependence asymmetries often gives rise to channel conflicts and inhibits the emergence of a climate conducive for building trust and commitment (Kumar et al., 1995)

Conflict often exists in inter organizational relationships due to the inherent interdependencies between parties. Conflict may arise when the level of economic satisfaction among the partners in a relationship drops (Ferro, Svensson and Payan, 2016). Given that a certain amount of conflict is expected, an understanding of how such conflict is resolved is important (Borys and Jemison, 1989).

With sufficient communication, trust, and cooperation, conflict can be perceived as functional (Anderson and Narus 1990). But unsolved and uncontrolled conflict can diminish relationship quality. Conflict deflates relationships as parties are likely to become dissatisfied, lose faith in the relationship, and be less likely to make the investments necessary to sustain it (Lee 2001; Palmatier et al. 2006).

# 8. Satisfaction

Geyskens et al. (1999) define satisfaction as the positive affective state resulting from the appraisal of all aspects of an organization's working relationship with another organization. Satisfaction is typically positioned as an important construct in inter-organizational research (Duarte and Davies, 2004; Skinner et al., 1992). McNeilly and Russ (1992) suggest that as organizations experience success with their relationship over time they will subsequently experience satisfaction, in part, because of perceptions of compatibility between organizations (Anderson and Narus, 1990). Satisfaction can be defined as a customer's "affective or emotional state toward a relationship" (Palmatier et al. 2006, p. 139). Satisfaction is the overall, cumulative evaluation of experiences (Garbarino and Johnson 1999) and is a key construct of relationship quality. Satisfaction decreases dissolution intention (Hocutt 1998; Ping 1993, 1995, 1999; Stewart 1998) and fosters commitment, and is thus part of relationship developing power.

# 9. Sales Performance

Managers work to improve marketing performance in terms of sales and market share growth. Such marketing-related growth should impact financial performance through improved revenue numbers. Increased market share enhances sales revenues resulting in improved profitability and return on investment. Greater market share may also lead to economies of scale that result in a reduction of the average cost per unit sold, thereby enhancing profitability. Items in the marketing performance scale focus on the organization's average market share growth, average sales volume growth, and average sales (in dollars) growth as compared to the industry average (Green & Inman, 2005).

# **Objectives of the Study:**

- 1. To identify the key dimensions of Distribution Strategies followed by Mobile Devices Marketers in India.
- 2. To analyze the impact of Attitudinal Factors, and Operational Factors on Channel Outcomes for Mobile Devices Marketers in India.

# **Research Methodology:**

In this study, the researcher focuses on identifying key constructs of distribution channel strategy of mobile devices marketers. The variables identified are properly measured with the help of a structured questionnaire.

Major constructs of the study are classified in three groups namely, Attitudinal Factors, Operational Factors and Channel Outcomes. Table 1 describes the components of each group.

**Table 1: Description of the Dimensions** 

Constructs/Groups	<b>Sub-Dimensions</b>		
Attitudinal Factors	Communication, Commitment, Trust,		
7 (SP / SSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSS	Cooperation		
Operational Factors	Distributors Effectiveness, Contracts,		
1,00470007	Conflicts		
Channel Outcomes	Satisfaction, Sales Performance		

The nature of the study is quantitative. The research design is causal in nature and type of data used is both primary and secondary. Sampling technique used is purposive judgemental sampling.

#### **Sample Description**

Sample for this study are the distributors of mobile devices located in different states of India. A total of 100 distributors of five major brands of mobile devices are taken as sample size. In the current context, Distributors of major brands, both small and large and working in the industry for last five years are qualified to become the respondents of the study.

More specifically, three types of distributors exist in the market of mobile devices. These are:

- 1. Exclusive Distributors
- 2. Multi-brand Distributors
- 3. Company Owned Distributors

It should be noted that the first category of distributors are considered as respondents for the purpose of this study due to Market Share/Sales Volume. This study uses purposive judgemental sampling for selecting the sample.

The data collected for the study is through a structured close-ended questionnaire. The instrument captured all the variables that were required to test the hypotheses. The mode of data collection was via sending the web link of the google doc to the respondents. A brief introduction of the questionnaire is given below.

#### **Data Collection instrument**

The instrument is developed based on an extensive review of literature from Marketing Channel and Distribution strategy of electronic devices manufacturers. A total of 47 items were generated in the first stage and the questionnaire was divided into two sections as described below.

**Section I.** Section I has 47 items related to *Distributor Reliability, Communication, Commitment, Satisfaction, Sales performance, Cooperation, Trust, Conflicts and Contracts* Respondents were asked to rate the items in each scale on a 5-point scale ranging from strongly disagree/Not at all important (1) to strongly agree/Most important (5). The items for each dimension are explained below.

**Section II.** Section II included three questions. The first questions asked for position/designation of the respondent. Second question was about length of experience in the distribution of mobile devices. It also asked respondents about the size of the company.

# Data Analysis

# **Profile of the respondents**

A profile of both respondents and responding firms is presented below:

Table 2:	Respo	ndent's	<b>Profile</b>
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Demographics	Frequency	Percent	
Designation (N=140)			
Owner	42	30	
Manager	53	37.86	
Any other staff member	45	32.14	
Experience (N=140)			
Less than 1 year	41	29.28	
1 to 5 years	67	47.86	
More than 5 years	32	22.86	
Size (N=140)			
10-30	41	29.28	
30-50	58	41.43	
More than 50	41	29.29	

Table 2 presents the profile of the respondents on the basis of designation, experience and size. It can be seen that majority of the respondents belonged to Manager or Executive level management staff of the distributor. About 47.86% of the distribution firms had an experience of 1-5 years in the industry of mobile devices, 22.86% had an experience of more than 5 years, while roughly 29.28% had an experience of less than a years. Organizations with less than 10-30 employees were considered small. Approximately, 29% of the distributors fall under small category. Those between 30-50 employees were considered medium. In this study there were 41% of the firms satisfying this condition. The firms with more than 50 employees were considered large and they were representing 29% of the sample.

# Results of Factor Analysis and Reliability:

Exploratory Factor Analysis was used to condense the information contained in the 47 original variables into a smaller set of variates (factors) with a minimum loss of information (Hair, Anderson, Tatham, and Black, 1998) so as to arrive at a more parsimonious conceptual understanding of the set of measured variables. Since the goal was data reduction, initially Principal Components Analysis (PCA) was run using the dimension reduction function in SPSS 20.0. The results of the method shows that item no DR3, DR5, SAT6 & SP6 don't satisfy the condition of factor loading (>.4). Hence, they are dropped for further considerations. Further, the cronbach's Alpha value for the overall scale is .802, which is greater than the recommended value. Hence the overall scale is Reliable. Moreover, dimensions wise, almost every dimensions obtained cronbach's Alpha value greater than .5, except channel Conflicts (Cronbach's Alpha Value is .392, which is less than .5)

**Table 3: Results of Exploratory Factor Analysis and Reliability Analysis** 

Name of Dimension	Items	Factor	Cronbach's
		Loading	Alpha
1. Distributor Effectiveness	DR1	.501	.674
	DR2	.714	
	DR3		
	DR4	.956	
	DR5		
	DR6	.451	
2. Commitment	DC1	.715	.642
	DC2	.956	
	DC3	.483	
	DC4	.817	
	DC5	.843	
3. Communication	BCOM1	.774	.615
	BCOM2	.478	
	BCOM3	.694	
	BCOM5	.595	
	BCOM6	.553	
4. Satisfaction	SAT1	.694	.512
	SAT2	.423	
	SAT3	.599	
	SAT4	.580	
	SAT6		
5. Sales Performance	SP1	.522	.645
	SP2	.561	
	SP3	.789	
	SP4	.502	
	SP5	.441	

	SP6		
6. Business Contracts	BC1	.749	.516
	BC2	.739	
	BC3	.544	
	BC4	.634	
7. Channel Conflicts	CC1	.446	.305
	CC2	.405	
	CC3	.661	
	CC4	.461	
8. Trust	T1	.749	.584
	T2	.517	
	T3	.512	
	T4	.559	
9. Cooperation	C1	.643	.682
	C2	.591	
	C3	.484	
	C4	.858	
	C5	.858	
Overall Cronbach's Alpha: .802			

#### Research Model

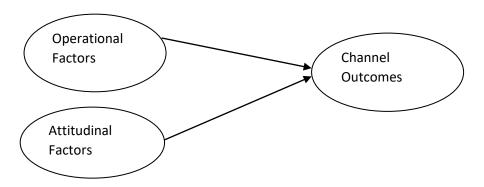


Figure 2

As mentioned in the above research model, each of these three primary dimensions is derived from their sub dimensions. Respondents are required to give their perspective on Operational Factors, Attitudinal Factors and Channel Outcomes on five point interval scales. The score for the primary dimensions are the average of their sub-dimensions. Based on the above framework, two hypotheses are developed and tested by applying Structural Equation Modelling.

# The following hypotheses are:

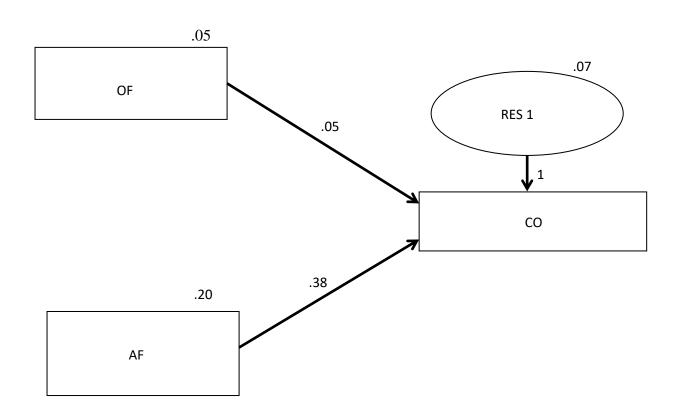
Ho1: There is no significant impact of Attitudinal Factors on Channel Outcomes of Mobile Devices Marketers.

Ho2: There is no significant impact of Operational Factors on Channel Outcomes of Mobile Devices Marketers.

**Table 4: Fit Indices** 

Fit Indices	Observed Value
RMSEA	.061
CMIN/DF	1.594
NFI	.812
GFI	.850
TLI	.932
CFI	.952

# **Structural Model**



# a) Operational Factors and Channel Outcomes

This hypothesis Ho1 suggested the perception of Operational Factors do not directly influence the channel outcomes for mobile devices marketers. The impact is positive but weak (SE is .032) and statistically insignificant (CR= .450, which is less than 1.96). Therefore Hypothesis Ho1 is well supported.

#### b) Attitudinal Factors and Channel Outcomes

This hypothesis Ho2 proposed the perception of Attitudinal Factors don't directly influence the channel outcomes for mobile devices marketers. The impact is positive and strong (SE is .534). Further, it is statistically significant (CR=7.417, which is less than 1.96). Therefore Hypothesis Ho1 is not supported.

**Table 5: Summary of Hypothesis Testing** 

	Description			Significance
H		S.E.	C.R.	(Yes/No)
$H_{01}$	Operational Factors to Channel Outcomes	.032	.450	No
$H_{02}$	Attitudinal Factors to Channel Outcomes	.534	7.417	Yes

# **Conclusions:**

As discussed in the previous section of the work, nine dimensions of distribution strategy are clubbed in three primary factors. The results of structural model comprises of three dimensions found to be fit as per the indices obtained in SEM.

This model of the work considers Attitudinal Factors and Operational Factors as independent variables and channel outcomes viz. Satisfaction and Sales Performance as Dependent Variable.

This has been found from the results that path coefficient of Operational Factors is not significant. This is an indication that Operational Factors are not directly influencing the channel outcomes. Therefore, Hypothesis Ho1is well supported

However, attitudinal factors are significantly impact the channel outcomes, which is indicative of positive and significant path coefficient. Hence, the hypothesis Ho2 is not supported.

# **Managerial Contributions**

The major implications of the study can be summarized as follows:

Firstly, in the context of distribution strategy of mobile devices marketers, three broad dimensions namely, operational, attitudinal and channel Outcomes (formed by combing nine factors) have emerged critical as an outcome of extensive literature review. Distributors are required to consider these significant and strategically important factors at the time of designing effective distribution strategy. Secondly, the attitudinal aspects like Cooperation, Trust and Commitment need special attention in distribution channels. Finally, an effective distribution channel is a backbone of any successful organization provided it is designed considering both hard and soft aspects of business.

#### **Limitations and Further Research**

As is the case with similar studies, the present research too suffers from limitations that could possibly affect the reliability and validity of the findings.

- The sample selected was small which might limit the generalizability of results. However, the researchers feel that it represents a necessary and economical first step in identifying relevant distribution strategy dimension that can later be tested in larger, more representative samples in the Indian context.
- > Purposive sampling procedure employed to collect data from distributors may also limit the applicability of results.
- The study covered only the distributor's perceptive. However, manufacturers are equally important in designing an effective distribution channel in this form of dyadic relationship.

These limitations pave the way for future studies. The research in this area might also include manufacturers for understanding the dyadic relationship. This information would be vital, especially when taking into account the gap in the perceptions of both Distributor and Manufacturer/Principal firm. The present study was intended at developing a reliable and valid instrument for measuring dimensions of distribution channel. However, the instrument has been tested in the Indian context only. Researchers have cautioned that such scale modifications, which are empirically generated, must be cross-validated on other samples. Furthermore, another interesting avenue for further research could be a detailed study on multi level modeling in place of single level modeling where a set of dimensions of manufacturers and distributors are different.

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