

Conflict: its influence on the satisfaction of the distribution channel members¹

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Resumen

El propósito principal del artículo es analizar el efecto de los conflictos entre los miembros del canal de distribución (que se centra en el turismo) en el nivel de satisfacción experimentado por las empresas de estudio al comercializar servicios del turismo. En la primera parte de este estudio, consideramos de una manera teórica, algo de los aspectos en el contenido de los conflictos que están presentes en los canales de distribución así como la satisfacción experimentada. Concluimos a través de los resultados de un estudio empírico el cual confirma que las situaciones del conflicto afectan de una manera negativa los niveles de satisfacción que los miembros experimentan en el canal de distribución mientras participan en el intercambio (en este caso de servicios turísticos).

Abstract

The main purpose of the following article is to analyze the effect of the conflicts between the members of the distribution channel (focusing on Tourism) on the level of satisfaction experienced by both parties when commercializing tourism services. In the first part of this study, we consider in a theoretical way, some of the aspects on the conflicts content that are present in the distribution channels as well as the experienced satisfaction, being the last one the result of the exchange relationship. We conclude by presenting the results of an empiric study that was conducted by the author; with which we confirm that the situations of conflict affect in a negative way the levels of satisfaction that the members experience in the distribution channel while they participate in the exchange.

INTRODUCTION

The study of the relationships between businesses in the distribution channels becomes relevant to know the essential content of those exchange relationships.

Among the aspects considered in the content of these relationships we found; the power that each party carries in the relationship; the

strategies used to influence one another; the behaviors developed by the participants; the cooperation in the exchange and; the conflicts that emerge from the interaction and the interest opposition. As well as other aspects which that are part of the results from the relationship, like the satisfaction experienced in an ongoing basis between parties as a result of the exchanges made, and the expectations to continue in the future with this exchanges; being these last an important aspect constituting a basis to know the long term horizon that the participants perceive about the existing relationships.

1. CONFLICT AND SATISFACTION. Conceptual issues inside the distribution channel relationships

1.1 Conflict in exchange relationships

On exchange relationships, the individual characteristics of their members along with the economic and organizational elements that support the relationship become a source of contradiction between them, bringing the possibility of conflictive situations occurrence.

Conflict is showed through social interaction, at both perceptive and

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actual levels. This side is defined as "one distribution channel member's perception that the objectives achievement is being jeopardized because of other member, resulting in tension" (Gaski, 1984).

This definition leads us to state that the perception of the impossibility to get achievement is directly manifested on easily identified disagreements for the relationship members. This conception of conflict as a manifest behavior constitutes the perspective taken in the present study.

1.1.1 Conflict antecedents.

The concept of conflict, once delimited, gives way to show the antecedents that drive to this behavior. The literature about this aspect considers two main antecedents. One of them includes the structural components of the relationship, and the other one the attitudinal components of the members (Etgar, 1979).

Below, we detail some of the elements that limit the context of each antecedent.

Among the structural antecedents, are found: 1. The structure of the decision making process which shows that depending on the formalization level of decisions and procedures, at the same level, conflicts may be produced between parties. The same applies to the participation in the decision making process; as greater or lesser participation exists from members, the lower the possibility of disagreements to occur between them (Schul & Babakus, 1988).

2. The dependence on another member by which, members participating in this situation act depending on the influences of the ones

carrying power. This constraint brings the possibility of greater differences and confrontations, because the points of view oppose each other more intensely and in a more direct way (Pondy, 1967; Gundlach & Cadotte, 1994) even more when the tolerance field is trespassed by these dependent members; and 3. The resource movement, because the organizations in disadvantageous positions of power level, will receive less resources; for example payment options and promotion aids not satisfying dependent members. Resource movement implies specific demands that when not granted could result in unfavorable situations. These members have to accept the conditions of the ones with greater power (Dwyer & Walker, 1981), which are not always so convenient.

In the other hand, attitudinal antecedents include: 1. Strategies implying power, 2. The style and content of communication, 3. The functions performance, 4. The differences among expectations, and 5. Trust.

The use of strategies implying power has a direct relationship with the conflict level between parties. The businesses receiving these influences do not perceive in a pleasant way, the punishments and pressure that powerful businesses could apply, because they don't accept the demands made by the recipients (Frazier & Rody, 1991).

The style and content of communication propose that if the communication process between parties is not right, it could be impossible to reach an agreement between them. The misinterpretations of the messages lead to frustration, promoting disagreements and suddenly actio-

ns. (Etgar, 1979). The communication programs, that channel members could implement jointly with other members are a powerful tool to overcome possible mistakes between them. These programs traditionally consist of the participation of both members in seminars and the market information exchange; by doing this, greater interaction is achieved and as a consequence opens more possibilities to know diverse and deeper perspectives (Magraht & Hardy, 1989).

The function performance can be explained when the members do not perform correctly the marketing functions they are responsible for in the exchange, putting hurdles to other distribution channel members to reach their objectives (Stern & El-Ansary, 1992).

As it was appointed before, other antecedents are present, like the differences among expectations. The presence of those differences lead channel members, to not perceive the outcomes from another member's performance based on their own expectations. In this particular case, fights about the policies and strategies taken are common, affecting on this process interpersonal relationships.

At last but not least, trust is emphasized; and the greater the level of trust that a channel member has on another member, the lower the possibility of disagreement occurrence between them (Anderson & Narus, 1990). The level of acquired trust between members permits a greater level of communication.

1.1.2 Conflict measurement.

Conflict could be measure as a function of the disagreements produced

between parties. Those disagreements could be characterized by their occurrence frequency, their intensity, as well as the importance with which they appeal to the participants (Magraht & Hardy, 1989).

The disagreements frequency is shown in very different levels regarding the characteristics of the relationship. Frequency could be present in minimum levels, also denominated sporadic disagreements, where the time between their occurrence is relatively long; though there also exist extended disagreements in the course of the relationship, with greater frequency levels.

1.1.3 Conflict consequences.

Historically and generally, there has been more attention focused on conflict due to the negative outcomes that it produces on the relationships (Stern & El-Ansary, 1977). In the other hand, its positive influence has been recognized, because by its presence relationships between members could be reorganized (Pondy, 1967) in the event that they would not happen in the expected way.

Conflict produces some positive outcomes associated with: 1. Communication improvement; 2. Bring new alternatives regarding different ways for the solution of problems; as well as 3. The development of compensatory power (or response power) (Assael, 1969).

Going back to the traditional definition of conflict, its non functionality has received much more attention in the study of the distribution channel relationships, because these type of negative consequences interrupt members' performance to

achieve their objectives additionally to the evidence, that this outcome enables to detect the negative points inside the relationship; enhancing coordination and control as they are reduced (Rosenbloom, 1973). The it could be beneficial to know which disagreements are the ones generating high levels of conflict between members (Robbins, et al. 1982) and which of these conflict levels are perceived by them.

Interesting results were found regarding the last aspect, where the current conflict levels are correlated to the type of structure of the distribution channel. It is worth to express that the present study measures conflict by the frequency with which the antecedents originating contradiction occur, considering them as the original variables that conform the global variable: conflict.

Negative outcomes of conflict have effect on other behaviors and on satisfaction. The presence of high conflict levels results negative for the satisfaction of the relationships (Rosenberg & Stern, 1971), but lower levels (weak) or perceived as destructive, have a positive effect on the satisfaction of the channel members (Frazier, 1983b; Gaski, 1984; Katsikeas & Piercy, 1991). Additionally, satisfaction could be affected not only by high conflict levels but also by the strategies used by the members for its solution. In this case, a positive relation is evidenced between the use of those strategies and the current conflict, only for disagreements of great importance. Although for the less important, commitment results an effective mechanism to eliminate them (Ganesan, 1993).

1.2 Satisfaction in exchange relationships.

The interaction process between distribution channel members opens up the behaviors developed by the relationship participants. As a consequence, parties observe if they are rewarded or not for their efforts made during the exchange and, on this way, they experience satisfaction or dissatisfaction because of the obtained outcome.

Satisfaction from the relationship perspective is considered as "an affective positive state resulting from the measurement of all aspects of the professional relationship with other businesses" (Anderson & Narus, 1984).

The performance of the relationship constitutes an aspect strongly related to the satisfaction level experienced by a company in its relationship with another company (Hunt & Nevin, 1984). The corresponding functions and roles enable to reach objectives, and an effective performance of those factors affect in a positive way the distribution channel members.

If the relationship expectations are met there would be no doubt that satisfaction will be strengthened as well (Oliver & Swan, 1989). In a similar way, if a company perceives that other company has certain level of customer focus and that its investments on that relationship contribute to the achievement of better results; higher satisfaction levels would be reached by all members as a matter of fact (Wray, Palmer & Bejou, 1994).

Some other aspects positively related with satisfaction are: the use of power sources based on experience (Wray, Palmer & Bejou, 1994);

rewards (Richardson et al., 1995) as well as; the influence of power in a general way (Stern & Brown, 1969; Dwyer, 1980 and Leonidou, 1989). Conflict solution methods as well as low conflict levels don't stay outside the boundaries of those aspects that should favor the levels of satisfaction between members (Stern & Brown, 1969; and Leonidou, 1989).

2. THE CONFLICT-SATISFACTION RELATIONSHIP: a practical application

The main objective of the following epigraph is to show the results of an empirical study² conducted in a tourism distribution channel of Asturias (Spain), in which the effect of the current conflict level on the satisfaction of the members from this specific channel is confirmed. Particularly, we start from the fact that disagreements do exist between channel members and that these produce harmful effects to the relationship, better said, negative consequences for it.

When the relationship participants perceive that their objectives are being jeopardized, their feeling of satisfaction will be affected in a negative way regarding other channel members.

The actions constituting barriers for the achievement of those objectives, are followed by frequent disagreements that also could lead to an unexpected end of the relationship. As part of the pragmatic framework developed until here, the work of

Brown, Lusch and Smith (1991) is highlighted, and it confirms an inverse correlation between conflict and experienced satisfaction.

Regarding these theoretical antecedents and based on the current perceptions manifested in the industry of our study, we have formulated a related hypothesis, which can be expressed as follows:

"High conflict levels between distribution channel members, lead to low satisfaction levels in their relationships".

To fundament this hypothesis we relayed on the correlations analysis between the global value of conflict and the satisfaction variables. On Table 1 are shown the original variables that build up conflict; while Table 2 shows the mean values obtained for conflict, satisfaction, and for the current relationship, from the four perspectives of study (four samples).

Following, we present the content of the relationships found. Our audience could realize that this phenomenon is explained only by the perspective of one of the distribution channel members: the retail travel agencies; about their relationship with the wholesale travel agencies; case in which the relationship between conflict and satisfaction has statistical significance³.

From the travel agencies pers-

pective, conflict levels are derived from: 1. Not meeting some of the conditions established in the negotiation with the wholesalers; 2. Wholesalers' mistakes in programming the tourism packages; as well as, 3. Wholesalers not confirming some of the reservations made by the retailer; all of them constitute antecedents for dissatisfaction in the relationship with the wholesalers. Not failing to mention that 4. Delays on the rappel payments from the wholesaler, and 5. The mistakes made by the wholesalers while processing receipts for the retailer; are two antecedents that affect the satisfaction level.

The analysis developed on this epigraph made us able to determine that the causal relationship between conflict and satisfaction is possible in this specific distribution channel, although only by the perspective of one of its members: the retail travel agencies. Therefore, our hypothesis, is confirmed by this last statement.

As a partial conclusion we can state that the relationships satisfaction could be threatened by the power positions taken by the distribution channel members, their current cooperation levels, as well as by the current conflict manifestations between them.

CONCLUSIONS

We had put special interest on highlighting the diverse conflict levels (high, moderate, low) produced in the exchange relationships. In our study that particular aspect is

approved in a pilot sample, we proceed to depurate y corect some aspects of the original questionnaire. Finally it was applied to the population mentioned above, comprised of the four types of providers.

2. Robbins et al. (1982) Study of the conflict levels in the North American pharmaceutical industry in channels with certain degree of integration (franchises, retail chains, and voluntary chains sponsored by wholesalers).

3. Field research Facts; Universe: direct and intermediary tourism services firms (lodging, active tourism, wholesale and retail travel agencies). Population: 341 firms. Sample: 136 firms. Research method: mailed survey. A structured questionnaire was built from personal interviews with some retail, and wholesale travel agencies, and hotels (particularly with their managers in some cases, and with their personnel in charge of reservations and other services) to find out more about the aspects in which there were disagreement between all the parties involved in the relationship. Once these instruments were

treated in a significant way, which enabled us to know the dimension of the phenomenon in the tourism distribution channels of Asturias.

As a main contribution, regarding the experienced satisfaction of the distribution channel members on their relationships, we found that aspects of different nature could influence those relationships. Among them: the level of the functions and roles performed by the members involved in the relationship; meeting or not their expectations, the level of the current customer orientation existing on each member; and the power related aspect (power sources based on rewards and experience).

Depending on the power intensity, certain levels of satisfaction will be obtained by the members. Other influence aspects, which were mentioned before are: cooperation, conflict, and the own expectations of continuity that the members could develop.

We have also found that existing conflicts, influence in a negative way the experienced satisfaction from the distribution channel members. The last statement was obtained on the retail travel agencies sample, confirming our initial hypothesis. The satisfaction levels could be negatively affected when an increase of the following aspects is produced: the disagreements frequency between members, produced when one of them doesn't meet the negotiated aspects; the programming mistakes by the wholesalers (due to his own performance); the mistakes on the receipts issued by the wholesalers; as well as the deficient management of reservations by the wholesaler and the rappel payment delays to the retailer.

Once all the information was ta-

The obtained responses from each provider type were the following:

Provider Type	Population	Sample
Hotels	238	76
Active Tourism	32	10
Wholesale Travel Agencies	12	9
Retail Travel Agencies	59	41

culated, the reliability of the instrument was evaluated. The evaluation was made through the Cronbach Alpha, which is a reliability measure that refers to the degree of consistency between the points derived independently which shows how effective is the instrument to measure the phenomenon under study, it has values from 0 to 1, and from 0.7 it is considered adequate. The obtained result from the population was positive, with a measure of 0.85. The instrument was also adequate in terms of validation of content since it was referred from preceding studies that developed the concept of conflict (Table).

Table: Reliability of the Conflict scale applied on each provider type

Provider Type	Alpha Coefficient
Hotels	0.8114
Active Tourism	0.8443
Wholesale Travel Agencies	0.8682
Retail Travel Agencies	0.8046

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Table 1. Conflict: Original Variables

Variables
Retailer selling more products from one wholesaler than from another
Wholesaler asking for in advance payment from the retailer.
Wholesaler complaints to the retailer for payment delays from this last.
Conditions established in the negotiation process
Wholesaler rappel payment delay to the retailer
Retailer complaints to the wholesaler because of customer complaints
More than one customer reserving to the wholesaler through the retailer
Wholesaler sales termination to a retailer
Retailer payment delay to the wholesaler.
Reservation from the wholesaler not confirmed to the retailer.
Wholesaler offering more products to one retailer than to another.
Mistakes on receipt issued to the retailer.
Misunderstanding of each other's suggestions
Wrong programming from the wholesaler
Inadequate personal relationships between them.
Not meeting the issues stated in the negotiation.
Retailer complaints to the wholesaler for sales made to a final customer.
Wholesaler obligating only some retailers to meet what is stated in the program.
Retailer asking for extra payments additionally to the one established at the beginning.

Table 2: Outcomes from the correlation between Conflict-Satisfaction

Business Type	Perceived conflict level (Mean value)	Perceived satisfaction level (Mean value)	Correlation Index Conflict-Satisfaction
Lodging	1.74	6.97	0.1575 (Non significant)*
Tourism Active	3.70	6.88	-0.0505 (Non significant)*
Wholesalers	4.89	5.90	-0.2682 (Non significant)*
Retailers	4.44	6.95	-0.4252 (Significant = 0.006)

* Non-significant statistical relation