RELATIONSHIP APPRAISAL: A ROUTE TO IMPROVED RESELLER CHANNEL PERFORMANCE

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This paper reports on research that was conducted in the computer market into the development of a relationship appraisal process. Criteria for the assessment from both parties are identified, along with the views of such a process being introduced. The literature in the area is reviewed and the results of the research is contrasted with that literature.

Introduction

Over the last several years growth in the information technology business has slowed dramatically to a single digit figure. There has been an increase in the level of global competition and, as a result, gross profits have gradually fallen especially in the hardware segment of the computer market. This has caused many of the companies to look at the cost structure of their business to reduce it as a percentage of revenue. Traditionally the majority of computer hardware products were sold by the manufacturer direct to the end user using the manufacturer's own sales force. This typically costs the manufacturer over 20% of revenue. In addition to reduced market growth a trend towards standardisation of hardware has evolved as well as increased customer expertise. These factors combined together to encourage manufacturers to explore channels of distribution that are more cost effective. However, the management of channels in itself poses a challenge to the manufacturer. This paper sets out to report on an approach being developed to manage this relationship in an effective and cost-efficient way.

This relationship is often given the description of "a partnership". However, in many business relationships there can be disagreements about both the role of the partner as well as the performance of that role by the partners. There can be conflict generated from possible power struggles within the partnership which serve neither partner particularly well. Thus, there is a requirement to understand each partner's needs and to attempt to respond to these in a mutually beneficial way and this is the major focus of the paper.

The manufacturer/distributor relationship

The changing nature of the computer market has led manufacturers to use distributors/resellers and the reasons fit in with previous literature. Stern et al (1989) gave reasons why manufacturers have varying channel structures that include resellers as:

- To increase the efficiency of the exchange process.
To break bulk and create assortments of complementary goods.

To make transactions routine.

To facilitate the search process with respect to customers.

Jackson and d'Amico (1989) have studied the use of distributors in a variety of industrial markets and have drawn up a set of product and market conditions in which it is common to use a distributor. They concluded that distributors are generally used when:

- The product is a standard item.
- The product is technically simple.
- There is a high gross margin on the product.
- Markets are large, in terms of numbers of customers.
- Customers order frequently.
- Customers require a short lead time.

The nature of the market and products, being hi-tech, also has a bearing. Moriaty and Kosnik (1988) recommend that manufacturers in the hi-tech markets need to build relationships with channels and customers. Expanding this recommendation, McKenna (1987) has stressed that developing relationships can overcome fear, uncertainty and doubt (FUD) amongst channel members.

The range of options available in terms of these intermediaries have been described in many individual marketing texts including McTavish and Maitland (1980), Corey (1983) and McKinnon (1989). There can be conflict between such intermediaries, for example Dimberline (1990) identified conflicts between wholesalers and specialist distributors. The problem was the claim by the specialist distributor that the additional services which they can offer (ex-stock availability, product knowledge) are forgotten when the wholesalers compete for orders simply on price. Powers (1989) reviews the combinations of intermediaries that can be used by manufacturers and points out that requirements will have to be traded off against each other, depending on which channel is chosen. For example, if the number of customers is relatively small a direct sales role can be used. When there is a large number of accounts it may be preferable to use one or more levels of intermediary, but this will lead to a loss of control of these accounts by the supplier/manufacturer. This is a scenario which is readily recognisable by the computer manufacturers. Figure 1 presents the channels for IBM personal computers and is reproduced from Stern et al (1989).

Hlavacek and McCuistion's (1983) previous work confirm that of Jackson and d'Amico (1989), but add that distributors should be used when items are stockable, ordered in small quantities, and sold to customers who are at a fairly low level in the customer organisation.

The literature also contains more quantitative/analytical methods of choosing and optimising the choice of marketing channel. Lilien and Kotler (1983) use a weighted-factor score method to evaluate alternatives. Corstjens and Doyle (1979) develop a model to solve decisions on channel choice, number of channels and pricing strategy between channels. Rangan et al (1986) develop an analytical model based on cost/revenue principles. Whereas the Corstjens and Doyle (1979) model selects the optimum number of intermediaries and optimum price, the Rangan et al (1986) model selects the optimum number of intermediaries and preferred intermediary network, for a fixed price structure.

The fundamental difficulty with these quantitative models is that the quality of their output is only as good as that of their input. To generate meaningful results, accurate hard data (e.g., demand and cost curves), which are generally not easily available, are required. Also, as Rangan et al comment, the optimum analytical result may be at odds with the manager's judgements, and the differences have to be reconciled and managed. It is very easy for the hard numerical results of quantitative analysis to be believed more readily than a more qualitative analysis, despite the inaccuracies or estimates
inherent in the data input into the quantitative model. The research reported in this paper combines both qualitative and quantitative elements and hopefully will give insights into the topic from both perspectives.

In looking at the manufacturer/supplier-distributor relationship several authors including Webster (1975, 1976), Shipley (1984) and Narus et al (1984) have examined the views of each participant. For example the distributor's view of himself can be summarised as follows:

- he is first and foremost an independent businessman
- he emphasises his ability to provide a broad range of products and full customer service
- customers for a supplier's product are his customers, not the suppliers'
- he sees himself as a large and desirable customer of the supplier
- he is more customer-oriented (his customer!) than supplier oriented.

However, the supplier's view of the distributor is different and the points raised include:

- the distributor is part of his (the supplier's) channel structure
- the distributor is unwilling to carry sufficient stock to ensure the best customer service
- the end-users of the product are the supplier's customers, not the distributors
- the distributor is there to handle small accounts, and physically distribute the goods
- the distributor's salesforce are only order-takers, unable to develop new accounts or markets, nor to provide technical service
- the distributor has a poor level of management experience and competence. There is no provision for management succession when the principal of the company retires, and financial control is poor.

In view of this disparity of ideas about the role of the industrial distributor, it is not surprising that there is an extensive collection of literature on conflict and power in marketing channels. These will be briefly reviewed as the research was carried out against a backdrop of change and possible conflict situations arising between supplier and reseller/distributor.

**Conflict and Power in Marketing Channels**

Conflict is one of a number of behavioural dimensions which have been studied in channel systems. Some authors have listed the following as the most popular areas of study: bargaining, conflict, cooperation, power, performance, member roles, member satisfaction and political economy. An exhaustive review of the literature in the mid 1980's, grouped according to the above headings, has been produced by Hunt et al (1985).

The importance of conflict has been emphasised in the study of channel behaviour, for example as Levy (1981) comments "the concept of conflict is central to marketing channel management".

Power in a relationship is one of the primary driving factors in how a relationship develops. Power can exist with both parties of the relationship. The amount of power each member has and uses, influences how the relationship develops. Work by Lusch (1976), then Gaski (1984) concluded that power was the causative factor in conflict between channel members. The idea is challenged by Etgar's (1978) work, which claims that where a high degree of conflict exists, this encourages the use of coercive power. In other words conflict causes the use of power. What may perhaps be concluded is that the use of power and conflict are strongly correlated.
The types of power that are used between members are well described by Etgar (1978), these are:

- **Reward Power**
- **Coercive Power** - punishment by the stronger channel member
- **Expert Power** - specialist knowledge that is essential for the channel to function
- **Referent Power** - this is the desire to be associated with an organisation, product or individual
- **Legitimacy Power** - recognition of a channel leader who makes decisions

These five power sources were subsequently reduced by, inter alia, Gaski (1984) to a binary set of coercive and non-coercive power. A more recent study by Butaney and Wurtzel (1988) suggested that distributors prefer a more diffuse power structure. This is in line with the approach taken currently where partnerships and long term relationships are predicted, eg Christopher et al (1991) and Crosby et al (1990).

Although the arguments for relationships and partnerships are currently advocated, it is recognised that areas of conflict do arise and these are important to identify for any relationship appraisal mechanism to be effective. A useful model to help understand the causes of conflict was developed by McGrath and Hardy (1989) and is reproduced in Figure 2.

Examining this model helps identify attributes that should be considered in a channel management audit or relationship appraisal. These include:

- **Differences in goals** - being the most fundamental cause of conflict.
- **Differences in target account lists** - this may include types of accounts and conflict over which accounts are taken direct by the manufacturer.
- **Differences in interpersonal relations** - these differences may be exaggerated by the different perception each member has regarding their role.
- **Channel length** - the more member levels, the more potential for channel conflict.
- **Channel variety** - dual distribution systems certainly can create conflict.
- **Channel density** - there are three types of distribution structure, exclusive, selective and intensive. McGrath and Hardy (1989) claim that selective distribution has the greatest potential for conflict as there is the greatest degree of uncertainty and potential for territorial infringement between resellers. The growth aspirations of an intermediary coupled with an ever mobile sales force will almost inevitably lead to this conflict. A further complication now exists in Europe following Articles 85 and 86, prohibiting restrictive trading. This encompasses exclusive distribution agreements in the E.C. This is particularly relevant in the computer market.
- **Sales order policies** - included here are minimum order quantities, discount labels, return policies and payment terms.
- **Manufacturer's support programmes** - if these programmes are present or not, the relevance to the reseller and the effectiveness in which they are performed, will contribute to the level of conflict. Examples include: promotions, trade shows and recognition awards.
- **Physical distribution** - issues such as on time delivery, partial shipments, accuracy of order acknowledgement.

Various writers have examined these variables, and others, to ascertain their importance in particular situations. For example, Shipley's (1987b) study of British distributors showed poor delivery service to be the greatest cause of distributor dissatisfaction, whereas the study by Narus et al (1984) showed
this to be a relatively insignificant problem. Etgar (1979) found that divergent expectations and lack of communications as possible causes of conflict. Rosenberg and Stern (1970) suggest causes of conflict to include differences in perceived roles and perceptions of reality. Differences may be magnified in the supplier/reseller relationship because of the differences in outlook as mentioned by Webster (1975, 1976). Frazier and Sheth (1985) developed a normative model which suggests the most appropriate behaviour to influence others in a channel relationship, depending upon attitudes and behaviours within that relationship.

The more analytical studies of Shipley (1987b) and Narus et al (1984) do not mention the more behavioural sources of conflict explicitly. This may be due to the questionnaire based methodology. However, it is easy to understand how conflicts of this nature can arise; in a study by Hill and Blois (1989) on the usage of distributors by small manufacturers, the majority of the manufacturers studied did not use distributors because of anecdotal evidence about their motivations, with little or no evidence to support these views!

**Successful Channel Management**

The importance of possible conflict in channels must be recognised, however, other research has advocated strategies to increase cooperation. Mallen (1973) investigated cooperation, conflict and power with parameters of 'forced' versus 'agreed upon' terms. The major conclusion was "The channel must cooperate and act as a unit for the maximisation of channel profits". Guiltinan et al (1980) found that cooperation appeared to be related to the effectiveness of channel communications, the degree of uncertainty reduction and the extent of participative decision making. In the case described below a centrally coordinated distribution system exists, Guiltinan et al (1980) found that if centrally coordinated distribution systems exist then they are more likely to be perceived effective if channel members are made to feel a part of the decision making structure. Previous research by Pearson and Monoky (1976) found that channels that were performing well exhibited more cooperative dimensions whilst low performance channels manifested more conflict dimensions.

Interestingly the body of literature on methods of successful channel management for a supplier often appear in the 'general management' literature, whereas the analyses of channel conflict often more frequently appear in the 'management science' type literature. Typical papers on successful channel management are those by Rosenbloom (1978), Narus and Anderson (1986a), Hardy and McGrath (1985a, 1988b) and Cespedes (1988a, 1988b). These are, in the main, papers which draw an anecdotes or short case histories of (American) companies to illustrate their points. There is a great deal in common in the basic principles put forward in these papers. A brief review of their ideas is useful to the relationship appraisal approach advocated in this paper. (See Table 1). Almost without exception, the papers are written with the assumption that it is the manufacturer/supplier who is controlling the relationship, and the methods put forward fall, perhaps not surprisingly, into analysis/planning/implementation/control models, with some additional useful insights produced by later authors.

**Vendor Management and Appraisal**

Before turning to specific appraisal issues it is worth commenting on the term vendor management. Formal vendor or supplier appraisals became popular in the early 1960's primarily as a tool to select a supplier for short term business. Vendor management, as it is now known, has developed rapidly following the acceptance of Just-in Time (JIT) manufacturing philosophy. JIT depends on a high level of vendor performance and the work reported above show that both the manufacturer/supplier and the distributor view each other, at times, as the vendor. Vendor relationships in this market have undergone a significant change in the last decade. Where once contracts were short term, suppliers numerous, competition often price based, contracts are now increasingly long term, exclusive and based more on technology, quality, responsiveness, dependability as well as
cost. Helper (1991) classifies the relationship between supplier and customer, by the method they use to resolve conflicts. She describes an ‘Exit’ relationship, as one where if a customer has a conflict they find a new vendor. This is contrasted with the ‘Voice’ relationship in which the customer works with the vendor to resolve the conflict. The measurement dimensions in describing a ‘Voice vs Exit’ relationship are information exchange and commitment. Figure 3 shows this model diagrammatically.

Helper claimed that in all cases, the performance of Voice based relationships were better than any other. This is an important piece of work in that it links the concept of a cooperative business relationship to improved long term performance of both partners. The objective, therefore, of modern vendor management is to move closer to the concept of a Voice based relationship rather than Exit based relationships. However, it is also recognised that the majority of business relationships need to be monitored and appraised to maximise effectiveness and efficiency. Giunipero (1990) found that over 45% of all companies utilise a formal quantitative rating system in making procurement decisions.

It is not appropriate to review attributes of satisfaction measurement in this paper, however their importance to the appraisal measurement process is recognised. For further information on this issue readers are referred to an excellent review of the literature by Lewis and Mitchell (1990).

The review of the literature reported above has confirmed the importance of the nature of the relationship between suppliers and distributors for their mutual success.

Problem areas have been identified and guidelines for successful relationships have been outlined. Most writers agree on the broad prescriptions as to what makes a channel successful. These are:

- find out the channel member’s needs and problems, by sitting down and discussing the issues.
- provide support for the channel members, on a regular basis.
- provide leadership to motivate channel members.

Hardy and McGrath also cite two key activities, including the need to treat channels as strategic assets. Also, to monitor their performance and constantly seeks ways to use them as a new competitive advantage. The criteria for examining a relationship are multiple and complex and have been touched on in a general way in this review. The following sections of this paper report on the research conducted and the conclusions reached in relation to implementing a relationship appraisal approach.

**Research aims and methodology**

The overall aim of the research was to commence the development cycle of a performance appraisal system between a manufacturer and distributors of particular computer products. This involved identifying the key measurement attributes to be used in the appraisal of both manufacturer and distributor and to identify the issues that might occur in implementation from both the manufacturers’ and distributors’ perspective.

The research process is best described diagrammatically, see Figure 4, where it can be seen that both qualitative and quantitative research was involved.

Bryman (1989) describes the approach as participative action research. The first, exploratory phase was designed to gain opinion of the appraisal issues developed from the literature. The second phase, using a larger sample size, was used to establish if a measurement of dis-satisfaction correlated with
the difference between attribute importance and satisfaction with the performance of the attribute. If identified, a simpler less time consuming measurement process could be used, allowing more time at the appraisal for discussion - as suggested in the literature.

To help identify the relative importance of their identified criteria the distributors in the focus groups were faced with the $100 model test where money is allocated to attributes by their level of importance, hence, more money allocated meant it was relatively more important. This method appeared to appeal to the distributors who felt that allocating real money made them think much more carefully about how they “spent it”. A more simple ranking approach, such as a Likert scale, may not have been found so interesting but this was used in the manufacturer’s sample.

**Research Results**

During the exploratory stage with the distributors, where five distributors were interviewed, attributes that were important to the distributors that were influenced by the manufacturer were identified. Also, the relative importance of these attributes was given on a scale of 1 to 10, and the absolute performance of the manufacturer at that point in time, against these attributes. These results are presented in Table 2.

An important point to note at this stage was the issue of ‘double counting’. The respondent would bias the attribute that had the worst performance currently as most important, but at the same time give it the least level of satisfaction which consequently increased the gap between importance and satisfaction. The methodology for phase II of the research with the distributors was modified to integrate both relative importance and current manufacturer performance into a single measure.

Phase I of the manufacturer’s responses produced over twentyfive attributes that were considered important in how well a distributor performed. These have been aggregated here although some differences existed across Europe, for example, payment performance by distributors was seen as much more important in the UK than in Germany. The criteria and their weights are given in Table 3.

Phase II of the research for the distributors meant six focus groups who were asked: What attributes, that the manufacturer can influence, are important to your (distributor) success? Secondly, of these attributes where, with a limited resource ($100) would you, if you were representing the manufacturer, allocate the resource, to improve the distributor business performance over the next year. The results are presented in Table 4.

The results show that order fulfilment was first with 20% of the vote, improvements to enable proactive or faster reactive pricing was second with 15% of the vote. In third place was the requirement for a clearer communication of the manufacturer’s distribution strategy scoring 13%. Distributor support activities achieved a 12% support with quality of products only 7% which suggests relative satisfaction with them. It should be noted that communication arose on a frequent basis and to some extent spanned almost all the attributes identified.

Phase II results from the mailed questionnaire to the manufacturer’s personnel regarding the appraisal criteria and their respective weights are reproduced below in Table 5.

During the research phase comments were invited from the participants in relation to the introduction of an appraisal system. These comments give additional insight into the process issues as well as the appraisal criteria and both these issues are important for successful implementation.

**The Distributor’s perspective**

It was expected that there would be a significant difference between the manufacture’s and distributors’ expectations of acceptable performance for certain attributes.

- It was felt that a significant amount of attention should be given to ensuring that the attributes were clearly defined.
The performance levels for each attribute needed to be explicitly stated.

The larger distributors, with larger market share, stressed that they expected to be dealt with more as an employee, being given direction and rewarded for good performance and vice versa.

Concern was expressed regarding the time required to implement the appraisal. It was suggested that two per year be carried out and up to a maximum of three hours per appraisal was acceptable.

All distributors agreed that their local manufacturer's representative should be present during the appraisal. They did, however, stress that they would like to have an opportunity to express their opinions directly to sales and marketing management within the manufacturer.

None of the distributors questioned, openly expressed any reservation regarding the concept of a formal business review process. They did stress the need for it to be interactive and constructive.

There was concern by the smaller distributors that they would not be measured equitably with other distributors operating in larger markets.

All distributors agreed that whilst the appraisal document would be useful, it would be the discussion around this framework that would be of most value.

The Manufacturer's perspective

It was felt that to have more than ten attributes would be prohibitive from an administrative perspective. Tending to be a chore rather than a tool to enhance business performance.

Criteria and expectations against the identified criteria must be clearly communicated well in advance.

It was important that distributors saw the benefits of the appraisal programme, seeing it as consultative tool, rather than just another "bright idea by a manufacturer".

It was important that the appraisal programme be seen to link into the overall objectives of the distribution programme. It should be communicated in that context.

The appraisal programme should be linked to an awards programme eg. distributor of the year, and therefore care must be taken to ensure it is fairly implemented. This would further increase motivation.

Differentiating marketing programmes to different tiers of performers was seen as potentially de-motivating to those in the lower tiers.

Concern existed that the smaller regions within Europe should be measured on performance relative to their competitors within that region, not to other large companies in the larger European countries of Germany, UK and France. All distributors must have a reasonable opportunity to reach number one position.

Marketing management saw the programme as an opportunity to facilitate contact with their largest customers, establishing customer needs directly.

Conclusions

Guiltinan et al (1980) found that coordination appeared to be related to the effectiveness of channel communication, the degree of uncertainty reduction and the extent of participative decision making. A joint performance review achieves these aims. Interestingly, Etgar's (1979) observation, regarding the effect restricted communication has in exaggerating conflict, was demonstrated in Phase II of the research with many distributors stating "the manufacturer's performance against most attributes would be improved through better communications".

Consistent with Giunipero (1990) and others, all the respondents
in the research felt that relationship appraisal would be a motivational tool, if conducted correctly, for both the manufacturer and the distributors. The research supported other writers (Rosenbloom 1985, Fields 1983, McGrath and Hardy 1987), in that the direct daily contacts of the two companies should be responsible for managing the appraisal process. Also supported is the concept of a customer care panel where line management from both companies are invited to the appraisal. The belief is supported by Boggis (1990) who describes a performance appraisal system using a "customer care panel". There was common agreement that the appraisal must be simple and of negligible cost to prepare as suggested by Fields (1983). The appraisal's value resulting from the structured communication. Wieters and Osman (1979) claim that one should focus on products of lesser importance, was not accepted as being practical or of interest, by either the manufacturer or distributors.

Evaluation of infrequent activities was not discussed by either group. Discussion of infrequent activity performance will tend to involve the individuals present at the appraisal. It was identified that both channel groups were unwilling to make quantitative personnel appraisals of each other. It was suggested that a section be included in the appraisal for comments without a quantitative assessment. This is consistent with Silvesto's (1990) point that intangible aspects of performance should always be discussed, no matter how difficult they are to quantify, given that they add value to the business relationship. This is supported by Weiters (1979) and Nickolaus (1990).

The appraisal criteria suggested by the distributor resembled those of a customer service model (Gronroos, 1982). Both technical and functional attributes were present. This represents the manufacturer operating a service model in the eyes of the distributor. The manufacturer sponsored attributes were more focused on the functional qualities of the distributor. This is perhaps understandable given the role of the reseller in the eyes of the manufacturer.

The attributes that Magrath and Hardy (1989) and Weiters and Osman (1979) suggest as being frequently used in a channel management audit on potential conflict and/or relationship appraisal were well correlated with the attributes suggested by the distributors in this research. Although Weiters and Osman (1979) recommend eight or fewer attributes, this criteria was not met by either the manufacturer or distributor representatives who suggested fifteen and ten respectively. There was agreement, however, that the number of criteria should be minimised, but disagreement over the removal of criteria with nominal weights.

The appraisal delivery process proposed by Churchill and Suprenaut (1982) was consistent with the expectations of all those interviewed. In parallel to this, the concept of "benefits" to each channel member being the focus of the appraisal (Helper, 1991) was viewed as essential for the programme's success. The expectation of both distributors and the manufacturer personnel interviewed was that small incremental improvements in performance would justify the appraisal programme, because of the resulting increase in customer satisfaction. This is consistent with Bolton and Drew's (1991) Expectation theory.

Timmerman (1986) warns that it is unrepresentative to compare companies of different sizes in a performance appraisal. Similarly, there was a common concern from both distributors and the manufacturer's representatives of the smaller European countries to not be directly compared with Germany, UK and France. The validity of using the appraisal to judge in a Distributor competition is therefore questioned. Such a reward could dilute the focus from building a relationship, the primary objective of the appraisal. Also, the manufacturer's proposal to allocate technical resources in preference to the higher performing distributors, a form of expert power (Etgar, 1978), was seen to be difficult to manage and therefore dropped.

The research reported in this paper has attempted to link the empirical data collected in the computer market to previous author's work in this and related areas. It demonstrated that whilst the concept of relationship appraisal was received
positively by the participants in the relationship, great care was needed in its implementation to minimise complexity, cost and threat to each party involved.

References


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**TABLE 1**

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**TABLE 2**

**BUSINESS PLANNING**

1. Business plan quality: 7
2. Monthly order forecast: 6
3. Safety records: 1
4. Inventory size reports: 1
5. Customer sales report: 3
6. Customer profile report: 2

**FINANCIAL PERFORMANCE**

1. Quota: 25
2. Payment performance: 10
3. Compliance with minimum lot size: 8
4. Compliance with cancellation proc: 3
5. Compliance with warranty proc: 4

**SALES DEVELOPMENT**

1. Quality of pre and post sales: 12
2. Adequate inventory level: 6
3. Effectiveness of promo. material: 6
4. Effective use of HP resources: 6
RATINGS OF ATTRIBUTES

Summary - All Groups

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TABLE 5

FINANCIAL PERFORMANCE

1. Quota 25   30
2. Payment performance 10   10
3. Compliance with minimum lot size 8   5
4. Compliance with cancellation proc. 3   3
5. Compliance with warranty proc. 4   9

SALES DEVELOPMENT

1. Quality of pre and post sales 12   0
2. Adequate inventory level 6   8
3. Effectiveness of promo. material 6   6
4. Effective use of HP resources 6   6

BUSINESS PLANING

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<th>OLD</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Business plan quality</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>2. Monthly order forecast</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>3. Safety records</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>4. Inventory size reports</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>5. Customer sales report</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>
FIG 3

VOICE

INFEASIBLE

EXIT

STAGNANT

FIG 4

The research methodology.

Manufacturer

Distributor

Secondary literature and data research

Exploratory Primary Research

1x Focus group session

5x Semi-structured interviews

Phase I

Primary Research

20x Mailed Questionnaire

6x Focus group session

Conclusions and Recommendations

Phase II