

FOR REFERENCE

NOT TO BE TAKEN FROM THIS ROOM

A STUDY ON CHANNEL CONTROL IN  
MARKETING EMBROIDERED TERGAL TULLE TO WHOLESALERS

by  
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B.A., in Business Administration, Boğaziçi University, 1985

Submitted to the Institute for Graduate Studies in  
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the requirements for the degree of  
Master of Arts  
in  
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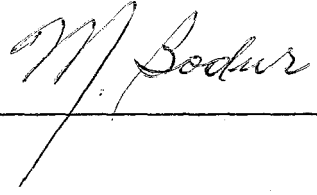
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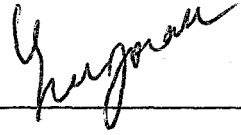
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## A B S T R A C T

In this thesis, channel control was examined by using power sources and behavioral interactions among the channel members.

The study was conducted with wholesalers who sell embroidered tergal tulle in Sultanhamam through a questionnaire by asking the degree of the supplier's control over the wholesalers' marketing activities and the source of potency of supplier over the wholesaler in the different activities.

It was concluded that the supplier should use mainly management control mechanism in order to control the channel.

It was also found that suppliers rely on economic sources of power rather than non-economic sources of power to achieve control over their wholesalers.

The results of analysis showed that there are associations between the degree of supplier control over the wholesalers' marketing activities and experience and level of integration of the firm.

In this study it was also found that there are relationships between the source of potency of supplier in the different activities and level of integration and experience of the firm.

The study includes the literature review and field study which was conducted by a questionnaire. The interpretations of the computer analyzed data and the implications of the findings were presented.

## Ö Z E T

Bu tezde, kanal kontrolü kanal elemanları arasındaki davranış ilişkileri ve etki kaynakları göz önüne alınarak incelendi.

Bu araştırma Sultanhamam'da brode tergal tül satan toptancılar arasında anket kullanılarak yapıldı.

Yapılan bu çalışmada üreticilerin kanalda kontrolü sağlamak için öncelikle yönetime destek verdikleri gözlenmiştir.

Ayrıca üreticiler kanal kontrolünü sağlamak için ekonomik etkinlik kaynaklarına güveniyorlar.

Bu çalışmadaki pazarlama faaliyetlerinde, üreticinin toptancılar üzerindeki etkinliği ile firmanın kuruluş süresi ve büyüklüğü arasında bir ilişki olduğu bulundu.

Ayrıca üreticinin diğer faaliyetleri yerine getirmesinde toptancı üzerindeki etkisi ile firmanın kuruluş süresi ve büyüklüğü arasında bir ilişki olduğu gözlemlendi.

Çalışma, bu konuda yapılmış olan önceki çalışmalarını ve anket aracılığı ile yapılan bir saha çalışmasını kapsamaktadır. Bilgisayar ile analiz edilen verilerin yorumu ve sonuçlarının katkıları da ayrıca sunulmuştur.

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### LIST OF SYMBOLS

$n$	Sample size
$S$	Standard deviation
$S^2$	Variance
$\alpha$	Significance level
$\bar{X}$	Mean
$\%$	Percent
$\leq$	Less than or equal to



## INTRODUCTION

Marketing channels can be viewed as sets of interdependent organizations involved in the process of making a product or service available for use or consumption. Rosenbloom defined the marketing channels as: "The external contactual organization which management operates to achieve its distribution objectives".<sup>1</sup>

The channel should be viewed as an orchestrated network that creates value for the user or consumer through the generation of form, possession, time, and place utilities.<sup>2</sup>

The channel manager should develop and operate the external contactual organization in such a way as to support and enhance the other strategic variables of the marketing mix in order to meet the demands of the firm's target markets.

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<sup>1</sup>Bert Rosenbloom, Marketing Channels: A Management View, 2nd Ed., (The Dryden Press, 1983), p.4.

<sup>2</sup>Robert F.Lusch, "Erase Distribution Channel from Your Vocabulary and Add Marketing Channels," Marketing News (July 27, 1979), p.12.

It has been demonstrated in many ways that good channel design should proceed with a clarification of channel objectives, alternatives, and likely payoffs. The objectives are conditioned by the particular characteristics of customers, products, middlemen, competitors, and environment.

A necessary prerequisite to the effective management of marketing channels is a knowledge of why channels exist, the functions they perform, and the factors that account for the way they are structured. Effective management of the marketing channel is a necessary prerequisite for successful implementation of a firm's marketing strategy.

Efficient channel administration by a channel leader calls for a conscious planning effort directed towards development and implementation of a channel control mix.

The ability of a channel leader to control a distribution channel stems from the ability to offer incentives to channel members to comply with his policies.

The purpose of this study is to suggest a method of improving present measures of channel control in marketing embroidered tergal tulle. The embroidered tergal tulle is made of polyester yarn and is an important durable consumer good. Specifically, this thesis will present the results of pilot study and to evaluate the contribution of various factors to channel control.

This research on marketing channels has showed that conduct of channel members as well as performance of channels are affected considerably by the behavioral interactions among channel members and specifically by their power relations.

The organization of the chapters is as follows:

Chapter I will provide a review of previous work on the topic of channel control and power sources which were helpful for the theoretical framework of the study.

Chapter II will present the research design and methodology and the findings of an empirical study.

In the final chapter, interpretations of the findings and implications of the study will be discussed.



**THEORETICAL FRAMEWORK  
OF THE  
MARKETING CHANNELS**

## CHAPTER I

### THEORETICAL BACKGROUND OF THE STUDY

#### 1.1. MARKETING CHANNELS

Marketing channels can be viewed as sets of inter-dependent organizations involved in the process of making a product or service available for use or consumption. It should be recognized that not only do marketing channels satisfy demand by supplying goods and services at the right place, quantity, quality, and price, but they also stimulate demand through the promotional activities of the units comprising them. Lusch stated that the channel should be viewed as an orchestrated network that creates value for the user or consumer through the generation of form, possession, time, and place utilities.<sup>1</sup>

Rosenbloom defined the marketing channels as: "The external contactual organization which management operates

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<sup>1</sup>Robert F. Lusch, "Erase Distribution Channel from Your Vocabulary and Add Marketing Channels", Marketing News (July 27, 1979), p.12.

to achieve its distribution objectives".<sup>2</sup> The channel manager must develop and operate the marketing channel in such a way as to support and enhance the other strategic variables of the marketing mix in order to meet the demands of the firm's target markets.

Channel management is concerned with the entire process of setting up and operating the contactual organization that is responsible for meeting the firm's distribution objectives, while physical distribution management is more narrowly focused on providing product availability at the appropriate times and place in the marketing channel.<sup>3</sup>

A basic decision facing the channel manager in the development of the marketing channel is whether to use intermediaries such as wholesalers and retailers in the contactual organization and whether facilitating agencies should also be used. The basis for making this decision rests on specialization and division of labor and contactual efficiency.

A distribution channel is comprised of a set of interdependent institutions and agencies involved with the task of moving anything of value from its point of conception, extraction, or production to points of consumption. In other words, there is interdependency among their members relative

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<sup>2</sup>Bert Rosenbloom, Marketing Channels: A Management View, 2nd Ed., (The Dryden Press, 1983), p.5.

<sup>3</sup>Louis W.Stern and Adel I.El-Ansary, Marketing Channels, 2nd Ed., (Prentice-Hall, Inc., 1982), p.18.

to task performance. A channel can be viewed as a system because of the interdependency; it is a set of interrelated and interdependent components engaged in producing an output.

Channel structure refers to the group of channel members to which a set of distribution tasks has been allocated. Ancillary structure is the group of institutions and parties that assists channel members in performing distribution tasks. The channel manager would like to develop optimum channel and ancillary structures based on specialization and division of labor. The ability to do so is limited, however, because the interorganizational setting in which the channel manager must operate, limits control over independent channel members.<sup>4</sup>

## 1.2. COMPONENTS OF MARKETING CHANNELS

Marketing channels are comprised of a whole host of different types of institutions and agencies. Among the most prominent of these are retailers, wholesalers, common and contract carriers, distribution centers, and public warehouses.

### 1.2.1. Retailing<sup>5</sup>

Retailing involves the direct sale of goods and services to ultimate household consumers. The overwhelming

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<sup>4</sup>Louis P. Bucklin, A Theory of Distribution Channel Structure, (IBER Special Publications, 1966), p.5.

<sup>5</sup>Theodore N. Beckman, William R. Davidson, and W. Wayne Talarzyk Marketing, 9th ed. (New York: The Ronald Press Co., 1973), p.234-238.

majority of retail sales is consummated in stores or retail establishments as opposed to other conduits, such as the mail, house-to-house selling, or automatic vending machines.

There are few strategies available for retailers. The first is concerned with margins and inventory turnover rates. Nowadays, a heavy emphasis has been placed on low margin, high turnover, minimum service operations. The second strategy is concerned with assortments, whereby retailing establishments design and evolve product-mix strategies to suit changing shopping patterns. The third one is location. Decreased search-shopping patterns are making the location decision, especially site selection, even more important. The fourth dimension is customer service. Large scale retailers are becoming increasingly sophisticated at segmenting their markets into those subsets with high, moderate, and low service requirements and have developed different means to serve each segment.

Retailers are particularly well suited for performing such distribution tasks as:<sup>6</sup>

1. Offering manpower and physical facilities that enable producers, manufacturers and wholesalers to have many points of contact with consumers.
2. Providing personal selling, advertising and display to sell suppliers' products.

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<sup>6</sup>Rosenbloom, Marketing Channels, p.44.

3. Interpreting consumer demand and relaying it through the channel.
4. Dividing large quantities of products into consumer sized lots.
5. Offering storage close to points of consumer contact.
6. Reducing risks of producers, manufacturers and wholesalers by accepting delivery of merchandise in advance of selling season.

As retailers continue to grow larger and as more of them embrace the marketing concept, their role in the marketing channel will become a more independent and dominant one.

Retailers face an exceedingly complex and difficult set of environments. The consumer environment is marked by population shifts, the emergence of the new family image, changes in the age, income, and education levels of the population, and alterations in consumer values. The competitive environment is increasingly threatening. Increasing intertype competition and the growth of vertical marketing systems and free-form corporations combined with the acceleration of institutional life cycles mean that no retailer's market is secure from competitive incursions. Adoption of new technologies will be the solution, but the risk is very high because of the giant investment required in purchasing. In retailing, sophisticated and effective

management practices is critical for survival.

While it is likely that new retailing institutions will continue to emerge and that existing institutions will continue to evolve there is considerable room for innovative management within the present institutional mix. As Bucklin observes: "There are substantial frontiers yet to be conquered in tying together the wholesale and retail sectors of the business, improving logistics and inventory control."<sup>7</sup>

Retailing institutions, methods and techniques evolve with a changing social structure which in turn has evolving political, economic, and business components. Certain combinations of these components produce specific social structures that create the need for retailing institutions and operational methods.

### 1.2.2. Wholesaling<sup>8</sup>

Wholesalers consist of business that are engaged in selling goods for resale or business use to retail, industrial, commercial, institutional, professional or agricultural firms or organizations, as well as to other wholesalers.

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<sup>7</sup>Bucklin, A Theory of Distribution Channel Structure, p.67.

<sup>8</sup>Wroe Alderson, "Factors Governing the Development of Marketing Channels," in William G.Moller, Jr., and David L. Wilemon (eds.), Marketing Channels: A Systems Viewpoint (Homewood, III.: Richard D.Irwin, 1971), p.20-24.

The significance of the wholesaler's role in a channel of distribution is defined by the efficiency of his sorting function whereby he helps match the heterogeneous output of suppliers on the hand with the diverse needs of retailers, industrial, and personal users on the other. There have been increased pressures on wholesalers to prove their economic viability in this respect. Evidence of their ability to maintain such viability through adaptation to changing conditions is seen in the structural variety of wholesaling and the fact that there has been considerable growth in the volume of trade produced by wholesale establishments.

While the size of wholesale establishment is not growing as rapidly as the size of those in retailing, both wholesaling and retailing are the industries of small businesses.

Many suppliers use wholesalers to reach their customers because they prefer to turn troublesome, supposedly lower-return distribution activities over to specialist.

Wholesalers are especially well suited for performing distribution tasks such as:<sup>9</sup>

1. Planning local distribution.
2. Providing low cost sales contacts.
3. Providing low cost warehousing.
4. Offering credit and financing inventories.

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<sup>9</sup>Rosenbloom, Marketing Channels, p.32.



5. Accepting large shipments and breaking them down into smaller ones.
6. Anticipating customer requirements and maintaining warehouses.
7. Assembling products from many suppliers.
8. Providing rapid delivery.
9. Providing guarantees, making adjustments, and handling returns and allowances.

In the long run, the manufacturer can expect to deal with a larger and stronger wholesaling organization which he has helped to create. The development of mutual dependencies will produce a more cohesive channel system. On the other hand, wholesalers' perceived selfinterests are more directly involved with the well-being of retailers than those of manufacturers; therefore, it is logical to assume that wholesalers would develop approaches to assure the survival of retailers. Many wholesalers offer retailers direct selling aid, expert assistance in all aspects of retail operations, local and speedy delivery, relief from inventory burdens, quick adjustments, credit extension, and guaranteed sales.

### 1.2.3. Physical Distribution<sup>10</sup>

In all marketing channels the product must be moved in the right quantity at a specific time to a specific place

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<sup>10</sup>Ronald H. Ballou, Business Logistic Management, (Englewood Cliffs, N.J.: Prentice-Hall, 1978), p.7-8.

in order to be delivered most efficiently to the industrial user or final consumer.

Physical distribution is the task of sustaining a physical flow of materials and products from their points of extraction or production to their points of final consumption. Smykay defined physical distribution as: "The broad range of activities concerned with efficient movement of finished products from the end of the production line to the consumer, and in some cases includes the movement of raw materials from the source of supply to the beginning of the production line."<sup>11</sup>

Channel management interfaces with physical distribution management in at least four areas:<sup>12</sup>

1. Defining channel member service standards.
2. Making sure a proposed physical distribution program meets these standards.
3. Selling of the program to the channel members.
4. Monitoring the program once instituted to determine if it continues to meet channel members' service needs.

Inventory management and control will always play a vital role in the operations of firms directly involved in

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<sup>11</sup>Edward W.Smykay and Allan D.Dale, "Inventory Control," Handling and Shipping (February 1973), p.5.

<sup>12</sup>Rosenbloom, Marketing Channels, p.53.

distribution. Inventory control deals with how much and when to order as well as how much inventory to keep in stock. The objective of inventory control is to minimize total inventory cost subject to demand and service constraints. In order to determine when to reorder, it is first necessary to know projected demand, delivery lead times, and the length of review periods. Moreover, critical to decisions on when and how much to order is an accurate sales forecast. Selection of suitable transportation modes is an integral part of developing a sound physical distribution systems.

Despite the availability of sophisticated techniques, many channel members are not effective in managing the physical possession flow. Research shows that companies with high distribution costs frequently provide poorer service than some of their competitors who have lower distribution costs, even though they are supplying essentially the same products to identical markets. The problem is termed "maldistribution". One of the major reasons for the significance of this problem seems to be a lack of top management support and effort in integrating the different areas required for effective physical distribution system management. Another major reason is the overabundance of technique -or equipment-oriented approaches to solving distribution problems as opposed to a truly integrated systems management approach. What is required is a method of organizing and performing the complex interdisciplinary analysis needed to avoid maldis-

tribution for each case.<sup>13</sup>

### 1.3. DESIGNING THE CHANNEL<sup>14</sup>

Channel design is a very important aspect of the firm's overall marketing strategy because it can be a key factor in helping the firm to gain a differential advantage.

Rosenbloom stated that channel design refers to those decisions involving the development of new marketing channels where none had existed before, or to the modification of existing channels.

Channel design can be viewed as a seven phase process:

Phase one involves recognizing that a channel design decision is being faced. The channel manager must be alert to changing conditions, both internal and external, and determine whether such changes have implications for channel design.

Phase two is the setting and coordinating of distribution objectives which must be consistent or congruent with the firm's general marketing objectives and policies as well as with its overall objectives and policies.

Phase three is the specification of the distribution tasks that will have to be performed in order to achieve the

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<sup>13</sup> Stern and El-Ansary, Marketing Channels, p.192.

<sup>14</sup> Rosenbloom, Marketing Channels, p.135.

distribution objectives.

Phase four consists of the development of possible alternative channel structures. The channel structures should be specified in terms of three basic dimensions:

- i) number of levels
- ii) intensities at the various levels
- iii) the types of intermediaries to be used at each level

Phase five involves the evaluation of the many variables affecting channel structure. Some major variables need to be considered: such as, market variables, product variables, company variables, middlemen variables, environmental variables and behavioral variables. In relating these variables to channel structure, various heuristics are often used.

Phase six is the choosing of the best channel structure for achieving the distribution objectives. It is not possible to choose optimal channel because perfect information analysis and forecasting needed to do so are in most cases beyond the range of human capability.

Phase seven is the selection of channel members. Selection decisions can be made independent of channel design decisions when new channel members are added to the channel. Only those manufacturers who sell directly to users are not faced with the selection of channel members. In general, the more selective the intensity of distribution, the more emphasis the firm needs to place on selection and vice versa.

The channel manager should attempt to analyze his markets with a view towards gaining differential advantages through channel designs. The channel manager must also be sensitive to changes in the market and, if necessary, be able to make appropriate modifications in the channel structure to adapt to such changes quickly and smoothly.

#### 1.4. VERTICAL MARKETING SYSTEMS<sup>15</sup>

The most fundamental development affecting channel management in recent years has been the growth of vertical marketing systems. These systems are characterized by a tight alignment of channel members, a higher degree of central programming by a channel leader, professional management, and scale economies in the performance of distribution tasks. There are three basic forms of vertical marketing systems:

##### 1.4.1. Administered Systems

The administered vertical marketing system is a conventional marketing channel that is characterized by effective interorganizational management. Such channels are typically carefully developed and programmed to achieve a very high level of coordination and cooperation in order to meet distribution objectives. As Etgar points out: "...firms at each level only concern themselves with the distribution

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<sup>15</sup>Michael Etgar, "Effects of Administrative Control on Efficiency of Vertical Marketing Systems", Journal of Marketing Research, Vol.13 (February 1976), p.12.

of a product to the next adjacent level. Conventional channels are coordinated through the operation of prices and the related modes of market mechanisms; the types and variety of products to be handled, levels of promotion, and location of retail outlets are determined by the interaction of manufacturers and distributors as buyers and sellers in intermediary markets."

#### 1.4.2. Contractual Systems

Contractual marketing systems exist when the inter-organizational relationships among firms are formalized—often with a written contract. There are three basic types of contractual marketing systems:

##### A. Retail Cooperative Organizations

Retail cooperative organizations are created when a group of retailers gets together and agrees to pool its buying power and contribute to the operation of the organization by collectively supporting its own wholesaling operations.

##### B. Wholesaler Sponsored Voluntary Chains

Wholesaler sponsored voluntary chains differ from retail cooperative organizations in two respects. First, the initiative for setting up the organization comes from the wholesaler rather than from the retailers themselves. Second, the wholesaler remains under private rather than cooperative

the wholesaler remains under private rather than cooperative ownership.

### C. Franchise Systems

Franchising involves a continuous and contractual relationship in which a franchisor provides a licensed privilege to do business plus offers assistance in organizing, training, merchandising, management and other areas in return for a specific consideration from the franchisee.

#### 1.4.3. Corporate Systems

Corporate vertical marketing systems exist when channel members on different levels of distribution for a particular product are owned and operated by one organization. Corporate forward integration occurs frequently when a manufacturing firm decides to establish its own sales branches, distribution centers, and wholesale outlets.

### 1.5. BEHAVIORAL PROCESSES IN CHANNEL COORDINATION

The marketing channel is characterized not only by economic processes but by behavioral processes as well. The channel manager needs a general knowledge of these behavioral dimensions as they operate in the marketing channel so that their effects can be incorporated into his decision making. The basic coordinative process involves four key steps:<sup>16</sup>

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<sup>16</sup> Stern and El-Ansary, Marketing Channels, p.265.



### 1.5.1. Service Output Level

It is the responsibility of marketing management to encourage the development of goods and services that will satisfy the needs of defined market segments. Once relevant markets have been isolated and appropriate products have been developed, the manager should know how the products will be made available and should know the service output levels demanded of the commercial channel by the consumer. Then a channel can be constructed which will deliver these outputs.

### 1.5.2. Role Specification

Role, the set of prescriptions defining what the behavior of a position member should be, provides the channel manager with a basis for delineating what part he expects each channel member to play and what role the firm is expected to play in the marketing channel.

According to Gill and Stern (1969), the concepts of positions and their associated roles are basic to understanding the relationship of members in a socioeconomic system. A position pertains, in general, to the location of a person or class of persons in a network of social relationships. Roles are the unifying factors relating persons or groups of persons to positions in that they define appropriate behaviour for the occupant of each position.<sup>17</sup>

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<sup>17</sup> Lynn E. Gill and Louis W. Stern, Distribution Channels: Behavioral Dimensions (Houfhton Mifflin Co., 1969), p.22-29.

Basically, role prescriptions are determined by the norms or behavioural standards of the concerned group, members' values, and their commonly shared ideals. Role prescriptions define certain levels of cooperation and coordination in the performance of marketing tasks. Role prescriptions implicitly predict each other's behaviour to a limited degree. This ability of predict behaviour enables channel members to cooperate and function as part of an integrated channel system even in the absence of any vertical contractual or ownership relations.<sup>18</sup>

Role behaviour of channel members usually deviates, however, from role prescriptions specified by other system members, and such deviations can induce channel conflict. Role deviations are caused by many factors. Most important among these are the uncontrollable and fluctuating situations surrounding interactions between channel members, incompatible organizational objectives of deviating channel members, miscommunication between channel members, and differing channel member personal expectations.<sup>19</sup> Thus, role behaviour is only partially determined by other channel members' role prescriptions. Each channel member brings to his channel position his own role behaviour requirements.

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<sup>18</sup> Robert A. Robicheaux and Adel I. El-Ansary, "A General Model for Understanding Channel Member Behavior," Journal of Retailing, 52 (Winter 1975-1976), p.13-30.

<sup>19</sup> Warren J. Wittreich, "Misunderstanding the Retailer," Harvard Business Review, 40 (May, -June 1962), p.147-52.

Channel management should specify the appropriate roles for each of the various system members so that performance goals will be attained. In order to achieve it, channel managers must employ economic and social power.

### 1.5.3. Power

Power in a distributive channel connotation is defined as the "ability of one channel member (or a group members) to administer directly marketing strategy variables of other channel members.<sup>20</sup> Availability of power to specific channel members allows them to demand compliance from other channel members thus effectively controlling the distributive channel and assuming channel leadership<sup>21</sup>

According to Dahl power as the ability of one individual or group to prompt another unit to do what it would not have otherwise done... Dahl suggested that power can be estimated by measuring the amount of change induced in the actions of others (1957).<sup>22</sup>

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<sup>20</sup>Shelby D.Hunt and John R.Nevin, "Power in a Channel of Distribution: Sources and Consequences," Journal of Marketing Research, Vol.11 (May 1974), p.185-93.

<sup>21</sup>Robert W.Little, "The Marketing Channel: Who Should Lead This Extra-Corporate Organization?", Journal of Marketing, Vol.34 (January 1970), p.31-38.

<sup>22</sup>Robert A.Dahl, "The Concept of Power," Behavioral Science, Vol.2 (July 1957), p.201-218.

On the other hand, Emerson viewed power as a function of dependence. According to Emerson: "The dependence of Actor P over Actor O is directly proportional to P's motivational investment in goals mediated by O, and inversely proportional to the availability of those goals to P outside of the O-P relation." (1962)<sup>23</sup>

The use of power by individual channel members to affect the decision making or the behaviour of others is the mechanism by which congruent and effective roles become specified, roles become realigned, when necessary, and appropriate role performance is enforced. So, there are a number of bases of power that may be available to one channel member in his attempts to influence another and vice versa.<sup>24</sup>

#### A. Reward Power

Reward power is based on the belief by a channel follower that the channel leader can mediate rewards because the leader has believed to have access to some resources that the follower values. Specific rewards that may be used by specific channel members may include granting of wider margins and allocation of promotional allowances, and better credit terms.

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<sup>23</sup>Richard M. Emerson, "Power-Dependence Relations," American Sociological Review, Vol.27 (February 1962), p.31-41.

<sup>24</sup>Stern and El-Ansary, Marketing Channels, p.273.

## B. Coercive Power

Coercive power reflects the expectations of a channel member that he will be punished for failure to conform to the channel leader's plans. Sanctions may often involve reductions in margins, withdrawals of promotional allowances, denials of exclusive territorial grants, and the slowing down of shipments. Coercive power is often used in situations where there is an extreme imbalance of power within the channel. However, when coercive power is continuously applied, countervailing power will eventually develop in the channel.<sup>25</sup>

## C. Expert Power

Expert power is based on channel members' perception of the leader as having a special knowledge which could help the channel. Thus manufacturers are often expected to have special knowledge about new products and promotion to assist dealers in that respect.<sup>26</sup>

## D. Identification Power

Identification power is based on the desire of a channel member to join and/or belong to a given organization.<sup>26</sup>

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<sup>25</sup> James R. Brown, Robert F. Lusch, and Darrel D. Muehling, "Conflict and Power-Dependence Relationships in Retailer-Supplier Channels," Journal of Retailing, Vol. 59 (Winter 1983), p. 53-80.

<sup>26</sup> Michael Etgar, "Selection of An Effective Channel Control," Journal of Marketing, Vol. 40 (July 1978), p. 53-58.

## E. Legitimacy Power

Legitimacy power stems from recognition of channel members that the channel leader has a "right" to make specific decisions and expect compliance with regard to these decisions.<sup>26</sup>

Marketing managers concerned with operationalizing these concepts and using the power-control framework for their channel management strategies are primarily interested in the effectiveness of the various power sources as generators of control potential and leadership opportunities, as shown in Figure 1.1.<sup>27</sup>

### The Use of Economic and Noneconomic Sources of Power<sup>28</sup>

Etgar evaluated the relative effectiveness of the deployment of economic and noneconomic based power sources in achieving channel control over different channel decisions.

Etgar pointed out that "Economic rewards and penalties have an important advantage over noneconomic ones like legitimacy, expertise, and identification. The former were found to be positively linked to channel leaders' power and therefore useful for control generation; the latter were

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<sup>27</sup> Micheal Etgar, "Channel Domination and Countervailing Power in Distributive Channels," Journal of Marketing Research, Vol.13 (August 1976), p.254-62.

<sup>28</sup> Micheal Etgar, "Selection of An Effective Channel Control Mix," Journal of Marketing, Vol.40 (July 1978), p.53-58.

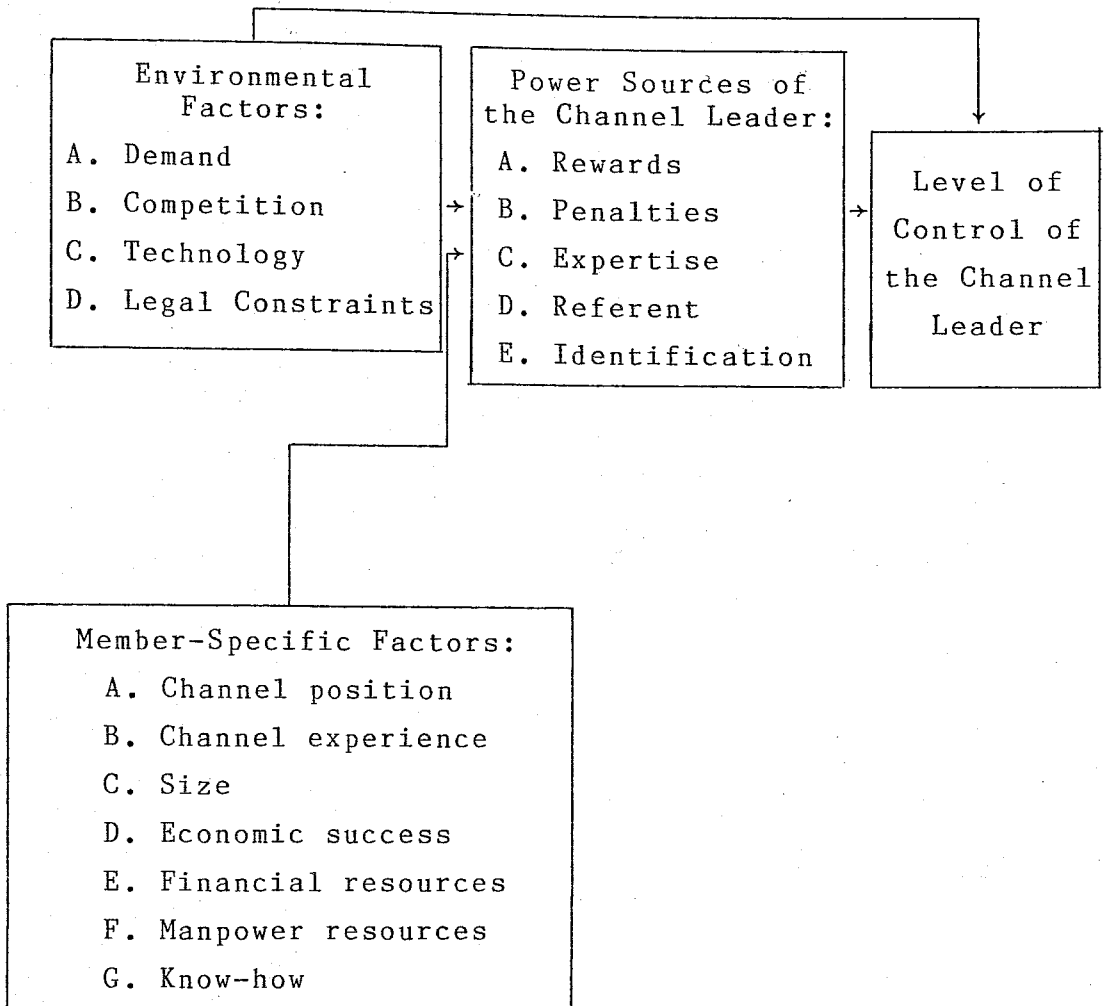


FIGURE 1.1. Model of Power and Control

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Source: Michael Etgar, "Channel Environment and Channel Leadership," Journal of Marketing Research, Vol.24 (February 1977), p.70.

found to be inversely related to power."

Etgar further concluded that the effectiveness of a power source will be affected by:

- i) The extent to which it can be applied on an individual basis and targeted to specific channel members (selectivity),
- ii) The extent to which it can be related to specific performance by channel members (directedness).

Expert, referent, and legitimacy power sources may be less flexible and can often be viewed as being unrelated to specific performance by channel members. For example, legal constraints may not allow a channel members and require them to offer identical or equal rewards to all. Meanwhile, economic power sources can be applied on an individual basis and can be related to specific performance. However, there are serious side effects attending the use of reward and coercive power, such as the conflict generated.

Economic and noneconomic sources of power will be used in the research as a main mechanism to control the marketing channel.

The main factors involved in the use of power are summarized in Figure 1.2 in terms of the relationships between two firms (A and B), where A is the power holder and B is the power subject. The results of A's use of power produces certain feedbacks. As a consequence of these feed-



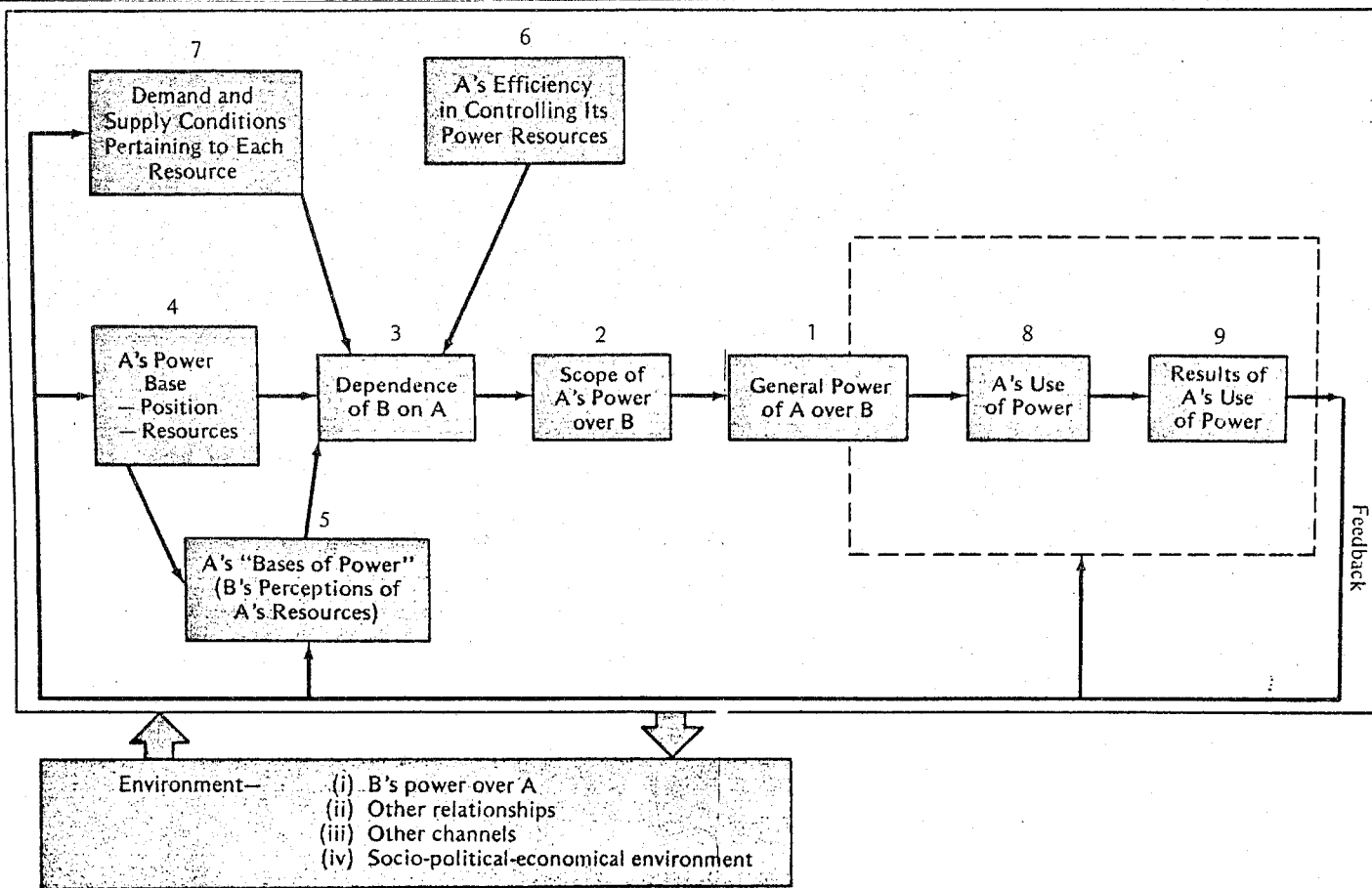


FIGURE 1.2. Model of a Power Relationship Between Two Firms

Source: Ian Wilkinson, Power in Distribution Channels, (Bedfordshire, England: Cranfield Research Papers in Marketing and Logistics, Session 1973-74), p.17.

backs, the various sources of power may be changed, such as the depletion of some resources due to the use of rewards, punishments, expertise, and the like. Finally, the nature of the environment surrounding the relationship is likely to affect a number of elements in the model.

#### 1.5.4. Conflict

Rosenberg and Stern have defined conflict as an adversary relationship as well as the distance between reciprocal channel members' perceptions of issues, which are symptomatic of conflict.<sup>29</sup> Moreover, Stern and Gorman view conflict as "a change in the task environment, within individual firms in a channel system, and/or in the relationships between elements of the environment and channel members which induce realignment in the relationships between the channel system members." (1969)<sup>30</sup> On the other hand, Boulding defines conflict as "a situation of competition in which the parties are aware of the incompatibility of potential future positions and in which each party wishes to occupy a position that is incompatible with the wishes of the other." (1962)<sup>31</sup> There are a number of causes which affect Channel Conflict:

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<sup>29</sup>Larry J. Rosenberg and Louis W. Stern, "Conflict Measurement in the Distribution Channel," Journal of Marketing Research, Vol. 8 (November 1971), 437-42.

<sup>30</sup>Louis W. Stern and Richard H. Gorman, "Conflict in Distribution Channels," Journal of Marketing Research, Vol. 6 (November 1969), 450.

<sup>31</sup>Kenneth E. Boulding, "The Economics of Human Conflict" in E. G. McNeil (Ed.), The Nature of Human Conflict, (Prentice-Hall, 1962), p. 1.

### A. Goal Incompatibility

Each channel member has a set of goals and objectives that are very often incompatible with those of other channel members.

### B. Domain Dissensus

Conflict may also occur when a channel member is assigned a role (domain) that he does not have the capacity to fulfill, when demands are made upon the channel member that are more than can be expected from the position within the channel that the member holds, and when a channel member feels he must relate to two reference groups and cannot decide which role is dominant.<sup>32</sup>

### C. Differing Perceptions of Reality

Differing perceptions of reality usually call forth conflicting solutions to the same problems. Even in the presence of a willingness to cooperate and an acceptance of superordinate goals, conflict sometimes arises when perceptions of reality differ.

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<sup>32</sup> Alvin L. Bertrand, Social Organizations: A General Systems and Role Theory Perspective (Philadelphia: F.A. Davis, 1972), p.173.

## 1.6. CHANNEL CONTROL

Speh has defined control as "any process in which a person or group of persons or organization of persons determines, that is, intentionally affects the behaviour of another person, group or organization. In the channel context, control refers to the process by which any member of the channel exercises influence over some element in the marketing mix employed by the entire channel."<sup>33</sup>

Methods for controlling the marketing actions of channel members are an important facet of channel management, and the degree of control exercised by any given channel member may have a critical bearing on total channel effectiveness. As Louis Bucklin stated, "The need for control in distribution systems emerges because coordination left to market forces alone often results in nonoptimal decision patterns for both the operators of the system and the consumers it serves."<sup>34</sup>

Some degree of control is required in all channels to encourage a minimum degree of unity and common direction that enhances the performance of all organizations. The control achieved by some firms over selected decision variables of others is a major determinant of the level of cooperation and

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<sup>33</sup> Thomas W. Speh and E.H. Bonfiled, "The Control Process in Marketing Channels: An Exploratory Investigation," Journal of Retailing, Vol.54 (Spring 1978), p.13-26.

<sup>34</sup> Louis P. Bucklin, "A Theory of Channel Control," Journal of Marketing, Vol.37 (January 1973), p.39-47.

is necessary for the containment of conflict throughout the channel.

Channel control is the ability of a channel member to predict events and achieve desired outcomes in his relations with other channel members. Channel control can result from channel leadership. Moreover, the level of channel control achieved by one firm over others in a channel may be issue specific.<sup>35</sup> For example, while the manufacturer may have control over pricing, retailers may have control over inventory levels in the channel.

In order to understand better the channel control process, channel leadership and relevant issues should be analyzed.

#### 1.6.1. Channel Leadership<sup>36</sup>

In order to achieve effective channel management and thus improved coordination and performance within a channel system, it will be necessary to locate an institution that is willing to assume a leadership role, that is, an organization that will use its power bases to aid in overcoming the spontaneous variability of individual channel member behaviour and to allocate the resources within the system so as to enhance the system's viability. Thus channel leadership can be viewed as the use of power to intentionally affect the

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<sup>35</sup> Adel I. El-Ansary and Robert A. Robicheaux, "A Theory of Channel Control: Revisited," Journal of Marketing, Vol.38 (January 1974), p.2-7.

<sup>36</sup> Michael Etgar, "Channel Environment and Channel Leadership" Journal of Marketing, Vol.24 (February 1977), p.69-76.

behaviour of other channel members in order to cause them to act in a manner that contributes to achievement of a desired level of channel performance.

A focal point of interest is the extent to which a marketing channel is administered by a channel leader - a channel member who can stipulate marketing policies to other channel members and who thus controls directly some or all of their decisions and activities.

In the absence of such a channel leader, the administration of the channel becomes dependent on the price mechanism of intermediary markets through which cooperation of the different channel members is secured.<sup>37</sup>

The ability of the channel leader to exercise control in his distribution channel stems from his access to a set of economic, social, and psychological resources usually defined as power sources or bases. The channel leader secures compliance from channel members in return for rewards given to cooperating channel members or penalties imposed upon non-cooperative members.

The major function of a channel leader will be to engage in channel management; using his power to further coordinate efforts and to dampen activities so as to assure

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<sup>37</sup> Michael Etgar, "The effects of Administrative Control on the efficiency of Vertical Marketing Systems," Journal of Marketing Research, Vol.23 (February 1976), p.12-24.

adequate performance throughout the channel system; frequently modifying decisions based on economic criteria alone.

#### 1.6.2. Channel Management by Manufacturers<sup>38</sup>

It is assumed that the manufacturers will be the channel leader and that middlemen will be the channel followers. However, as Mallen points out: "The growth of mass retailers is increasingly challenging the manufacturer for channel leadership, as the manufacturer challenged the wholesaler in the early part of this century. (1963)"<sup>39</sup>

Large manufacturers are potential leaders of channels since they have economic power. But small ones may also serve as potential sources of control and direction of a vertical, interorganizational structure.

The manufacturer can dominate the channel by the development of strong consumer attraction or loyalty to his products. A manufacturer may also use coercive methods, such as refusing to deal with particular middlemen or limiting sales to them unless they conform to his desires. He can also employ resale restrictions, exclusive dealing, and tying the contracts.

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<sup>38</sup>Robert W. Little, "The Marketing Channel: Who Should Lead This Extra-Corporate Organization?," Journal of Marketing, Vol. 34 (January 1970), p. 31-38.

<sup>39</sup>Bruce Mallen, "A Theory of Retailer-Supplier Conflict, Control, and Cooperation," Journal of Retailing, Vol. 39 (Summer 1963), p. 24-32.

### 1.6.3. Channel Management by Wholesalers<sup>40</sup>

Wholesalers are not qualified to lead channels in many of today's highly developed markets. Wholesalers can dominate channels in only a few industries in which their role as builders of assortments, integrators of product line, and reliable sources of merchandise for their customers. In order to hold their positions, they must maintain differential advantage in performing this role. Otherwise, they will become increasingly vulnerable.

### 1.6.4. Channel Management by Retailers<sup>41</sup>

Such retailers have integrated the wholesaling functions within their channels and a number of them have integrated backwards to the manufacturing level. They have the economic power to communicate and enforce a greater recognition of the system's common goals which are congruent with some goals in each member firm. Retailers have the ability to enforce a reward and penalty system within the interorganizational structure. They are able to design and administer joint-decision efforts and responsibilities in a manner that can lead to less conflict than would likely be the case without their intervention.

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<sup>40</sup> Stern and El-Ansary, Marketing Channels, p.410.

<sup>41</sup> Little, The Marketing Channel, p.34.



#### 1.6.5. Who Should Lead The Channel?<sup>42</sup>

Although the question as to which organization should lead the channel has been debated in the marketing channel context, there exists no single satisfactory answer. Little suggested regarding "Who should lead is highly subjective. Attempts to establish appropriate empirical measures should be pursued." (1970)<sup>43</sup>

The ultimate answer as who should lead must, however, be left to an empirical analysis of power and the relevant payoffs from its use on a case-by-case basis.

#### 1.7. MARKETING CHANNELS IN TURKEY<sup>44</sup>

Although Turkish managers have mentioned channels of distribution as the most important decision area, the policy makers have ignored this fact in formulating the public policy toward distribution. This can be observed by examining the five year economic development plans of the Turkish Republic.

Sales concept is still dominant in the Turkish economy as a result of existing economic, social, political and other environmental conditions Marketing channels are mostly very complex. Most of the marketing functions are left the channel

<sup>42</sup> Stern and El-Ansary, Marketing Channels, p.420.

<sup>43</sup> Little, The Marketing Channel, p.36.

<sup>44</sup> Kemal Kurtuluş, "Present Status of Marketing Channels in Turkey," Management International Review, Vol.20:4 (1980), p.38-44.

members. But in most cases they are not performed sufficiently because of their financial, physical, managerial and organizational constraints. Consumers are not protected. Standardization, quality control, servicing, advertising, and price discriminations are the major areas for the consumer protection.

A significant modernization in distribution channels has taken place during the last years, especially after 1970. It is expected that this development will continue in the future.

In this chapter, previous studies about some aspects of marketing channels were presented. These studies were used as guidelines in designing the survey described in the next chapter.

The study provides a method of improving present measures of channel control. The degree of supplier's control and source of potency of suppliers over the wholesalers in the marketing activities are the variables used in this study.

In the empirical study to be described in the next part, mainly these variables were utilized to investigate channel control in marketing embroidered tergal tulle.



## CHAPTER II

### THE EMPIRICAL STUDY

#### 2.1. RESEARCH DESIGN AND METHODOLOGY

In this chapter the methodology, and findings of an empirical study conducted in Istanbul will be discussed.

##### 2.1.1. Research Objectives and Questions

The objective of this study is to examine power relations between manufacturer and wholesaler and to suggest a method of improving present measures of channel control in marketing embroidered tergal tulle to wholesalers.

"Tulle" is known as silk net or rayon net. It is stiff, sheer silk or rayon fabric made with a hexagonal mesh. Tulle is used in veils, dress goods, ballet costumes and overdapping.<sup>1</sup> The embroidered tergal tulle is made of polyester yarn and is an important durable consumer good. The embroidered tergal tulle production in Turkey has emerged after the second half of 1970's. Many households preferred

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<sup>1</sup>Encyclopedia Americana, Vol. 27, Definition of Tulle.

tergal tulle since it took longer time to get dirty and there was no need for ironing.

The study was conducted in the form of a descriptive research in which the associations between several variables were investigated. Descriptive research is performed through a field study. Its realism in studying phenomena in its natural setting, and possibility of producing additional hypotheses are the basic advantages of field study; whereas, overlapping effects of too many variables form the main setback of this type of study.<sup>2</sup>

The direction of this study can be explained by the following research questions:

- i. What is the degree of the supplier's control over the wholesalers' marketing activities?
- ii. What is the source of potency (power) of supplier over the wholesaler in the following activities?

Specifically the relations between following constructs and variables will be examined.

- I. Firm's level of integration and the degree of the supplier's control in marketing activities.
- II. Firm's level of integration and the source of potency of supplier in the different activities.

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<sup>2</sup>Dennis Palumbo, Statistics in Political and Behavioral Science, Appleton-Centry-Crofts, 1969, p.21-31.

III. Suppliers' reliance on economic sources versus non-economic sources to achieve control over their wholesalers.

IV. Firm experience and the degree of the supplier's control in marketing activities.

V. Firm experience and the source of potency of supplier in the different activities.

#### 2.1.2. Data Collection Procedure and Instrument

Data used for the study were collected by a four page questionnaire administered to wholesalers who sell embroidered tergal tulle during May 1987 in Sultanhamam, Istanbul.

Information was collected from primary sources by a self-administered, structured and undisguised questionnaire which is presented in Appendix 1. In that kind of a questionnaire, questions are presented with exactly the same wording and in exactly the same order to all respondents. The reason for standardization is to ensure that all respondents are replying to the same question. Besides a few open-ended questions, the responses as well as the questions are standardized which makes it simple to administer and easy to tabulate and analyze<sup>3</sup>.

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<sup>3</sup>Gilbert Churchill, Marketing Research: Methodological Foundations: 3rd Ed., (The Dryden Press, 1983), p.177.

Where possible, personal interviews were conducted using a structured questionnaire. If personal interviews were not possible, the questionnaire was dropped off and later picked up by the trained interviewers.

All respondents received a questionnaire which consisted of 32 questions, in total (See: Appendix 1).

Question 1 to 7 are about the characteristics of the firms. All of the questions are open-ended.

Question 8 to 19 are close-ended questions. In these questions, each wholesaler was requested to describe his manufacturer's extent of control on the 12 marketing activities on a seven point semantic differential scale.

TABLE 2.1  
Measures of Control

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Insure Control Over

1. Wholesale pricing
  2. Choice of wholesale location
  3. Minimum order size
  4. Mix of units ordered
  5. Wholesale advertising
  6. Provision of credit to customers
  7. Ability to buy from other suppliers
  8. Salesmen training
  9. Salesmen hiring
  10. Physical layout of the store
  11. Participation in professional and trade associations
  12. Selling policies-territorial and customer restrictions
- 

Source: Michael Etgar, "Selection of an Effective Channel Control Mix," Journal of Marketing, Vol. 42 (July 1978), p.56.

Finally, question 20 to 32 were also close-ended questions by which respondents were asked to state the extent of practice on 13 power sources by their manufacturer on a seven point semantic differential scale.

TABLE 2.2  
Measures of Power Sources

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Economic Sources

1. Financial assistance at start
2. Financial assistance on a regular basis
3. Help in wholesale advertising
4. Assistance in store management
5. Provision of market information
6. Provision of sales leads
7. Promptness of delivery
8. Frequency of delivery

Non-Economic Sources

1. Selection of products
  2. Assistance in training
  3. Rate of development of new products
  4. Level of expertise
  5. Team association
- 

Source: Michael Etgar, "Selection of an Effective Channel Control Mix," Journal of Marketing, Vol.42 (July 1978), p.56.



The questionnaire was pre-tested before finalized and all necessary corrections and improvements were made accordingly.

### 2.1.3. Sampling Plan

Sampling method is a nonprobability judgement sampling. Nonprobability samples involve personal judgement somewhere in the selection process. Judgement samples are often called purposive samples; the sample elements are hand-picked because it is expected that they can serve the research purpose. Most typically, the sample elements are selected because it is felt that they are representative of the population of interest.<sup>4</sup>

Sampling unit is the wholesaler who gives the answers to the questionnaire. The questionnaire was administered to wholesalers who sell embroidered tergal tulle in Sultanhamam, Istanbul.

The population for these wholesalers is approximately 60-65.

Out of 40 questionnaires distributed 36 have been returned and all of them were usable in data analysis. Thus, 60% of the population was reached.

Sampling frame, the list of respondents, is presented in Appendix 2.

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<sup>4</sup>G.Churchill, Marketing Research: Methodological Foundations, p.345.

#### 2.1.4. Data Analysis Methods

After all the questionnaires were coded, SPSS (Statistical Package Program for Social Sciences) has been utilized for analyzing the data.

In analysing the data the following statistical analysis were used.

##### A. Frequency Analysis

Extracting information from data generally begins with the frequency analysis. A frequency analysis can be defined simply as a listing of the number of observations: the basic units being studied and the unit of measurement being used that fall into each of several categories or class intervals in the form of a table or chart are presented.<sup>5</sup>

##### B. Pearson Correlation Analysis

Pearson Correlation coefficient analysis is the inter-correlations among the several variables in the study. If the fit is good, the ratio of the two sums will be close to zero, and  $r$  will be close to one.<sup>6</sup>

##### C. Factor Analysis

Factor Analysis is one of the more popular "analysis

<sup>5</sup>D.Palumbo, Statistics in Political and Behavioral Science, p.62.

<sup>6</sup>D.Palumbo, Statistics in Political and Behavioral Science, p.91.

of interdependence" techniques. In a factor-analytic study, linear combinations of the variables are determined that assist in studying the interrelationships. That is what a factor is, a linear combination of the variables. The purpose of factor analysis are two: data reduction and substantive interpretation. The first purpose concerns summarizing the important information in a set of  $p$  variables by a set of less than  $p$  factors. The latter purpose is concerned with the search for and the testing of constructs that underlie observed variables.<sup>7</sup>

#### 2.1.5. Limitations of the Study

The study as a descriptive one aims to obtain complete and accurate information, therefore the research design has to consider much more provision for protection against bias than is required in experimental studies. As a field study, it is difficult to have complete control over customers as well as conditions of contact.

Only 36 of the respondents contacted in Sultanhamam, Istanbul were available for the analysis. This limited number of cases which are subject to sampling error effecting the accuracy of factor analysis employed.

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<sup>7</sup>G.Churchill, Marketing Research: Methodological Foundations, p.621.

## 2.2. RESEARCH FINDINGS

In this part, the results of the study will be discussed mainly in four parts.

### 2.2.1. Frequency Analysis of Wholesalers' Characteristics

As shown in Table 2.3, a total of 36 cases available for analysis were obtained from the interviews performed in Sultanhamam.

Wholesalers were divided into two groups by experience; 44.4% of respondents are in operation since 8 years or under and 55.6% of respondents have been established since 9 years and over.

Nearly 42% of the wholesalers were supplied by utmost for manufacturers whereas the remaining 58% of the wholesalers were in relation with five manufacturers and over.

Similarly, 52.8% of the wholesalers were in touch with utmost 160 retailers and 47.2% of the respondents were in touch with 161 retailers and over.

Finally, wholesalers were divided into groups by level of integration; 55.6% of wholesalers contacted utmost 164 firms whereas, the remaining 44.4% of the respondents had contact with 165 firms and over. The level of integration was operationalized by the total number of retailers and manufacturers each wholesaler's contacted with.

TABLE 2.3  
Wholesalers' Characteristics

	<u>No. of Wholesalers</u>	<u>% of Wholesalers</u>
a. Experience		
$\leq 8$ years	16	44.4
$\geq 9$ years	<u>20</u>	<u>55.6</u>
	36	100.0
b. No. of manufacturers supplied with		
$\leq 4$	15	41.7
$\geq 5$	<u>21</u>	<u>58.3</u>
	36	100.0
c. No. of retailers contracted with		
$\leq 160$	19	52.8
$\geq 161$	<u>17</u>	<u>47.2</u>
	36	100.0
d. Level of integration (includes b+c)		
Medium	20	55.6
Large	<u>16</u>	<u>44.4</u>
	36	100.0

According to Table 2.4 which shows the degree of the supplier's control over the wholesalers' marketing activities, wholesale pricing, provision of credit to customers, minimum order size, and mix of units ordered are

the areas in which control of manufacturers is the highest. Wholesale advertising, salesmen training, and salesmen hiring are the areas in which control of manufacturers is the lowest. So this implies that manufacturer can control the wholesalers by using financial and product tools.

**TABLE 2.4**  
Degree of the Supplier's Control

	<u>Mean Score*</u>
. Wholesale pricing	5.889
. Choice of wholesale location	3.333
. Minimum order size	4.667
. Mix of units ordered	4.667
. Wholesale advertising	2.278
. Provision of credit to customers	5.278
. Ability to buy from other suppliers	3.667
. Salesmen training	2.694
. Salesmen hiring	1.917
. Physical layout of the store	2.528
. Participation in professional and trade associations	2.444
. Selling policies-territorial and customer restrictions	4.528

\*Scale Values: 1- Very Little  
7- Very Much

Table 2.5 shows the potency of supplier over the wholesaler in the different activities. It can be observed that suppliers have power especially in the areas of

financial assistance at start, financial assistance on a regular basis, promptness of delivery, and frequency of delivery. Assistance in training and team association are the areas that the suppliers have less power in than others. This implies that suppliers rely on economic power sources rather than noneconomic power sources to achieve control over their wholesalers.

TABLE 2.5  
Potency of Supplier

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	<u>Mean Score*</u>
. Financial assistance at start	5.417
. Financial assistance on a regular basis	4.861
. Help in wholesale advertising	2.278
. Assistance in store management	2.167
. Provision of market information	4.083
. Provision of sales leads	4.222
. Promptness of delivery	5.083
. Frequency of delivery	4.889
. Selection of product	3.944
. Assistance in training	2.222
. Rate of development of new products	3.361
. Level of expertise	3.167
. Team association	2.944

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\*Scale Values: 1- Very Low  
7- Very High

### 2.2.2. Supplier Control Degree and Sources of Potency

A factor analysis was conducted on each of the two sets of data (See: Table 2.6 and 2.7). In Table 2.6, the problem was to understand whether the domains of the suppliers' control over the wholesalers' marketing activities can be clustered by factor analysis.

Result of the analysis showed that 12 variables (statements) were reduced to four factors and these four factors explain 69.0% of total variation.

Communalities show the percent of variation in each variable explained by four factors.

To identify the factors extracted in the factor analysis process, we followed the usual procedure of relying on a subjective judgement of the nature of the variables that have the highest loadings on each factor.

Table 2.6 shows that salesmen training, salesmen hiring, and physical layout of the store variables load highly on the first factor. This factor reflects wholesalers' perceptions of manufacturers' assistance in wholesale management and is labeled wholesale management control. High ratings on this factor imply higher levels of supplier support in order to control the marketing channel.



TABLE 2.6  
Factor Loadings of Supplier Control Degree

	<u>F1</u>	<u>F2</u>	<u>F3</u>	<u>F4</u>	<u>Communality</u>
. Wholesale pricing		.846			.807
. Choice of wholesale location					.796
. Minimum order size				.773	.653
. Mix of units ordered			.830		.747
. Wholesale advertising			.716		.662
. Provision of credit to customers		.821			.745
. Ability to buy from other suppliers					
. Salesmen training	.768				.620
. Salesmen hiring	.716				.547
. Physical layout of the store	.788				.762
. Participation in professional and trade associations					.593
. Selling policies-territorial and customer restrictions					.618
PCT. of VAR.	30.3	15.8	14.0	8.9	
CUM. PCT.	30.3	46.1	60.1	69.0	
EIGENVALUE	3.63	1.89	1.68	1.07	

The variables that have highest loadings on the second factor are respectively, wholesale pricing and provision of credit to customers. This factor can be labeled financial control.

Mix of units ordered and wholesale advertising are loaded highest in the third factor. Since these variables are

related with promotion and its alternatives, the third factor is labeled as promotional control.

Finally, minimum order size is loaded highest in the fourth factor. This factor is labeled inventory control.

Results showed that wholesale management control is the most important variable by explaining 30.3 percent of total variation. Then, financial control is the second most important variable followed by promotional and inventory control.

It is concluded that the supplier should use mainly management control mechanism in order to control the channel in the wholesalers' marketing activities.

In Table 2.7, the problem was to understand what the source of potency of supplier is over the wholesaler in the different activities. Moreover, whether economic or noneconomic sources of power dominate in the channel control was tested by using the factor analysis.

In Table 2.2, the first eight variables measures the source of potency of supplier's economic power sources and next five variables measures the potency of supplier's non-economic power sources (See: Table 2.2). It is seen from the Table 2.7 that factor one, factor two, and factor three are all correlated with variables that explain economic sources of power. This finding indicates that suppliers rely on economic sources of power rather than non-economic sources

of power to achieve control over their wholesalers.

The factor analysis indicates that four factors accounted for 69.9% of the total variance.

Each of the factors can be considered as comprising the common characteristics of the different activities which have high loadings on these factors.

TABLE 2.7  
Factor Loadings of Supplier Potency

	<u>F1</u>	<u>F2</u>	<u>F3</u>	<u>F4</u>	<u>Communality</u>
. Financial assistance at start	.730				.721
. Financial assistance on a regular basis	.799				.759
. Help in wholesale advertising				.899	.816
. Assistance in store management		.668			.655
. Provision of market information		.677			.642
. Provision of sales leads					.628
. Promptness of delivery		.664			.753
. Frequency of delivery		.897			.835
. Selection of products	.750				.661
. Assistance in training					.681
. Rate of development of new products					.664
. Level of expertise			.667		.630
. Team association			.793		.637
PCT. of VAR.	35.6	13.6	11.2	9.5	
CUM. PCT.	35.6	49.2	60.4	69.9	
EIGENVALUE	4.63	1.76	1.46	1.23	

As shown in Table 2.7, financial assistance at start, financial assistance on a regular basis, and selection of products variables load highly on the first factor. All variables measure the extent of financial assistance and help in selection of products that manufacturers provide to their wholesalers. Consequently, this factor was labeled financial support and product assistance. It explains 35.6% of the total variation and is the most important factor. It should be noted that these variables include both economic and non-economic sources of power.

Similarly; frequency of delivery, promptness of delivery, provision of market information, and assistance in store management have the highest factor loadings on factor two, explaining 13.6% of the relationship. Factor two was labeled Delivery and Management Support. This factor incorporates only the economic sources of power.

For the same set of data, factor three is labeled as cooperation with the supplier with the understanding of his expertise. This factor describes primarily non-economic sources of power.

Finally, factor four explains 9.5% of the variation and is labeled advertising support. The variable loading on this factor includes only help in wholesale advertising. This factor describes mainly economic power sources.

Results showed that financial support and product assistance are the most important variables by explaining 35.6% of total variation. Then delivery and Management Support are the second most important variables followed by cooperation with the supplier for its expertise and advertising support.

### 2.2.3. Correlations Between Supplier Control and Firm Characteristics

A set of factor analyses were conducted. The problem was to understand the relationship between the supplier's control degree in marketing activities and experience of the wholesalers. Firms with less experience as wholesalers were factor analyzed separately from those who were more experienced (See Table 2.8).

On the other hand, the second problem was to understand the relationship between the supplier's control degree in marketing activities and the level of integration of the wholesalers (See Table 2.9). The level of integration of the wholesaler was operationalized by terms of the total number of firms that the wholesaler has contact with. Medium size firms have fewer contacts with the suppliers and/or retailers; whereas, the other group has more contacts with the suppliers and/or retailers.

#### A. Results on Experience Level Variations

In Table 2.8, the factor analysis indicates that four factors accounted for 80.4% of the total variance for less experienced wholesalers.

In Table 2.8, results of the analysis for more experienced wholesalers showed that 12 variables were reduced to four factors and these four factors explain 73.6% of total variation.

As shown in less experience wholesalers part of Table 2.8, wholesale pricing, selling policies, and minimum order size have the highest factor loadings on factor one, explaining 33.1% of the relationship. Factor one was labeled Financial and Marketing Control.

Table 2.8, shows that salesmen training, salesmen hiring, and participation in professional and trade associations variables load highly on the first factor for more experienced wholesalers. The first factor is labeled participation in professional associations and management control and explains 31.5% of the total variation and is the most important factor.

In the case of less experienced wholesalers salesmen training and physical layout of the store variables load highly on the second factor. Factor two was labeled Management Control. High ratings on this factor imply higher levels of supplier support in order to control the marketing channel.

The variables that have highest loadings on the second factor for more experienced wholesalers are respectively, mix of units ordered and wholesale advertising. This factor can be labeled promotional control.

Similarly, wholesale advertising and salesmen hiring are loaded highest in the third factor. Since these variables are connected with promotion, the third for less experienced wholesalers factor is labeled Promotional Control.

Wholesale pricing and provision of credit to customers are loaded highest in the third factor for more experienced wholesalers. This factor is labeled directly Financial Control.

For the same set of data, factor four is labeled Product Control for less experienced wholesalers. The variable loading on this factor includes mix of units ordered.

Finally, the fourth factor is labeled Inventory Control for the more experienced wholesalers. The variable loading on this factor includes only minimum order size.

Results showed that relatively less experienced wholesalers perceive that manufacturers control their financial and marketing activities whereas older wholesaler institutions perceive that suppliers are in control of their personnel management.

TABLE 2.8

## Factor Analysis of Marketing Control by Wholesaler's Experience

CONTROL VARIABLES	LESS EXPERIENCED				MORE EXPERIENCED			
	F1	F2	F3	F4	F1	F2	F3	F4
. Wholesale pricing	.889						.928	
. Choice of wholesale location								
. Minimum order size	.673							.910
. Mix of units ordered				.831	.737			
. Wholesale advertising			.869		.614			
. Provision of credit to customers							.786	
. Ability to buy from other suppliers								
. Salesmen training		.908			.781			
. Salesmen hiring			.870		.777			
. Physical layout of the store		.913						
. Participation in professional associations					.821			
. Selling policies-territorial and customer restrictions	.694							
PCT. of VAR.	33.1	21.1	15.0	11.3	31.5	18.6	15.0	8.6
CUM. PCT.	33.1	54.2	69.2	80.4	31.5	50.1	65.1	73.6
EIGENVALUE	3.96	2.53	1.79	1.35	3.78	2.22	1.79	1.02



## B. Results on Integration Level Variables

In Table 2.9, for the moderately integrated wholesalers, the analysis showed that all variables were reduced to four factors and these four factors explain 76.9% of total variation.

In Table 2.9, for highly integrated wholesalers the factor analysis indicates that four factors accounted for 75.6% of the total variance.

As shown in moderately integrated wholesalers section of Table 2.9, wholesale advertising and physical layout of the store have the highest factor loadings on factor one, explaining 33.6% of the associations. Factor one was labeled Promotional Control.

Highly integrated wholesalers section of Table 2.9 shows that choice of wholesale location, physical layout of the store, and participation in professional and trade associations variables load highly on the first factor. This factor is labeled store location and layout control and explains 33.6% of the total variation.

In the same way, factor two for moderately integrated wholesalers is labeled control of exclusive wholesalership and location. Only choice of wholesale location and ability to buy from other suppliers variables have high loadings on this factor.

Similarly, wholesale advertising and mix of units ordered are loaded highest in the second factor for highly integrated wholesalers. The second factor is labeled Promotional Control.

Wholesale pricing and provision of credit to customers are loaded highest in factor three for moderately integrated wholesalers. This factor was labeled Financial Control.

Moreover, wholesale pricing and ability to buy from other suppliers are loaded in the third factor for highly integrated wholesalers. This factor can be labeled Financial Control.

Finally, factor four was labeled Inventory Control for both types of firms since minimum order size was the variable with highest loading.

Results indicated that for the moderately integrated wholesalers, supplier's promotional control is the most important factor whereas, for the highly integrated wholesalers the type of control exercised is related to store characteristics such as its location and layout.

A Pearson Correlation Analysis was conducted in order to observe the correlations between experience and level of integration of wholesalers with the degree of the supplier's control in marketing activities.

TABLE 2.9

## Factor Analysis of Marketing Control by Wholesaler's Level of Integration

CONTROL VARIABLES	MODERATE				HIGH			
	F1	F2	F3	F4	F1	F2	F3	F4
. Wholesale pricing			.797				.797	
. Choice of wholesale location		.768			.802			
. Minimum order size				.703				.886
. Mix of units ordered						.810		
. Wholesale advertising	.860					.829		
. Provision of credit to customers			.913					
. Ability to buy from other suppliers		.866					.729	
. Salesmen training								
. Salesmen hiring								
. Physical layout of the store	.769				.916			
. Participation in professional associations					.862			
. Selling policies-territorial and customer restirctions								
PCT. of VAR.	33.6	16.8	14.7	11.8	33.6	18.0	15.1	8.9
CUM. PCT.	33.6	50.4	65.1	76.9	3.6	51.6	66.7	75.6
EIGENVALUE	4.02	2.02	1.75	1.41	4.03	2.16	1.80	1.07

Table 2.10 presents the results. According to the findings on experience, 16% variation in salesmen hiring is explained by the number of years of operation. As years in operation increase, supplier involvement in salesmen hiring, wholesale advertising, provision of credit to customers, choice of wholesale location, mix of units ordered and wholesale pricing also increase.

According to the findings on wholesaler's level of integration, 17% of the variation in the marketing activities that provision of credit to customers was explained by supplier's control. As level of integration increases control of supplier on provisions of credit to customers, pricing and wholesale advertising increases.

#### 2.2.4. Correlations Between Suppliers Potency and Firm Characteristics

A set of factor analyses were conducted. The problem was to understand the association between the source of potency of supplier in the different activities and experience of the wholesalers. Firms with less experience as wholesalers were factor analyzed separately from those who were more experienced (See Table 2.11).

On the other hand, the second problem was to understand the association between the source of potency of supplier in the different activities and the level of integration of the wholesalers. The level of integration of

the wholesaler was operationalized by terms of the total number of firms that the wholesaler has contact with. Medium size firms have fewer contacts with the suppliers and/or retailers; whereas, the other group has more contacts with the suppliers and/or retailers (See Table 2.12).

TABLE 2.10  
Supplier's Control with Pearson Correlation Analysis

	Experience		Level of Integration	
	r	r <sup>2</sup>	r	r <sup>2</sup>
. Wholesale pricing	.252*	.063	.324**	.104
. Choice of wholesale location	.266*	.070	-.017	.001
. Minimum order size	.091	.008	.056	.003
. Mix of units ordered	.253*	.064	-.105	.011
. Wholesale advertising	.355**	.126	.288**	.082
. Provision of credit to customers	.309**	.095	.413***	.170
. Ability to buy from other suppliers	-.029	.001	.047	.002
. Salesmen training	.170	.028	.028	.001
. Salesmen hiring	.395***	.156	-.028	.001
. Physical layout of the store	.049	.002	-.150	.023
. Participation in professional and trade associations	.0911	.008	-.178	.032
. Selling policies-territorial and customer restrictions	.141	.019	-.171	.029

Significance levels: \*.1 ≤ p ≤ .05  
 \*\*.05 ≤ p ≤ .01  
 \*\*\*p ≤ .01

#### A. Results on Experience Level Variations

Results of factor analysis on less experienced wholesalers indicate four factors accounted for 80.7% of the total variance. 80.7 percent is the highest result of the research.

For more experienced wholesalers, results of the analysis showed that 13 variables were reduced to four factors and these four factors explain 71.5% of total variation.

Provision of market information, frequency of delivery, and selection of products variables load highly on the first factor for less experienced wholesalers. The nature of these variables suggest that this factor represents the supplier's ability to influence his wholesaler using management and product policies. Consequently, this factor was labeled Management and Product Support and explains 45.4% of the total variation. It should be noted that this factor includes both economic and non-economic sources of power.

Provision of sales leads and assistance in training have the highest factor loadings on factor one for more experienced wholesalers explaining 30.5% of the relationship. Factor one was labeled Management Support. It should be noted that this factor includes both economic and non-economic sources of power.

The variables that have highest loadings on the second factor for less experienced wholesalers are respectively, help in wholesale advertising and assistance in store management. This factor is labeled promotional support. This factor describes economic sources of power.

Similarly, frequency of delivery, provision of market information, and assistance in store management have the highest factor loadings on factor two more experienced wholesalers. This factor was labeled Delivery and Management Support. This factor primarily describes economic sources of power.

Level of expertise is loaded highest in the third factor for less experienced wholesalers. This factor can be labeled cooperation which is non-economic in nature.

For the same set of data, factor three for more experienced wholesalers is labeled Financial Support. The variable loadings on this factor include financial assistance at start and financial assistance on a regular basis.

Finally, the fourth factor is labeled training and creating team association. The variable loadings on this factor for less experienced wholesalers include team association and assistance in training.

Rate of development of new products and level of expertise are loaded highest in factor four for more experienced wholesalers. This factor can be labeled Technical Support which is non-economic in nature.

Results showed that for less experienced wholesalers, management and product support is the most important factor whereas, for the older wholesaler institutions management support is the most important factor. It should be noted that both factors include economic and non-economic sources of power.

TABLE 2.11

## Factor Analysis of Supplier Potency by Wholesaler's Experience

SOURCE OF POTENCY VARIABLES	LESS EXPERIENCED				MORE EXPERIENCED			
	F1	F2	F3	F4	F1	F2	F3	F4
. Financial assistance at start							.808	
. Financial assistance on a regular basis							.854	
. Help in wholesale advertising		.656						
. Assistance in store management		.852				.682		
. Provision of market information	.866					.743		
. Provision of sales leads					.813			
. Promptness of delivery								
. Frequency of delivery	.823					.825		
. Selection of products	.839							
. Assistance in training				.622	.764			
. Rate of development of new products								.796
. Level of expertise			.891					.684
. Team association				.911				
PCT. of VAR.	45.4	14.5	10.8	10.0	30.5	16.8	14.5	9.7
CUM. PCT.	45.4	59.9	70.7	80.7	30.5	47.3	61.8	71.5
EIGENVALUE	5.89	1.88	1.40	1.29	3.96	2.17	1.88	1.25



## B. Results on Integration Level Variations

The analysis for moderately integrated wholesalers showed that all variables were reduced to four factors and these factors explain 64.4% of total variation.

For highly integrated wholesalers, the factor analysis indicates that four factors accounted for 74.5% of the total variance.

Financial assistance at start, financial assistance on a regular basis, and selection of products have the highest loadings on factor one for moderately integrated wholesalers all measure the extent of financial assistance, that suppliers provide to their wholesalers. Factor one is labeled Financial Support. It should be noted that this factor includes both economic and non-economic power sources.

Selection of products, financial assistance at start, and financial assistance on a regular basis variables load highly on the first factor for highly integrated wholesalers. This factor is labeled Product and Financial Support and explains 37.2% of the total variation. This factor incorporates both economic and non-economic sources of power.

Frequency of delivery, promptness of delivery, provision of market information, and assistance in store management are loaded highest in factor two for moderately integrated wholesalers. This factor is labeled Delivery and Management Support which is economic in nature.

Similarly, frequency of delivery and promptness of delivery are loaded highest in the second factor for highly integrated whole salers. The second factor is labeled Delivery Support which is economic in nature.

In the same way, level of expertise and rate of development of new products have high loadings on factor three for moderately integrated wholesalers. This factor can be labeled Technical Support.

Furthermore, team association and level of expertise are loaded in the third factor for highly integrated wholesalers. This factor can be labeled as cooperation with the supplier with the understanding of his expertise.

Factor four is labeled Advertising Support since the variable was help in wholesale advertising for moderately integrated wholesalers.

The fourth factor is labeled Advertising Support which is economic in nature for highly integrated wholesalers.

Results indicated that for the moderately integrated wholesalers, financial support is the most important factor whereas, for the highly integrated wholesalers product and financial support is the most powerful factor. It should be noted that both factors incorporate economic and non-economic sources of power.

TABLE 2.12

## Factor Analysis of Supplier Potency by Wholesaler's Level of Integration

SOURCES OF POTENCY VARIABLES	MODERATE				HIGH			
	F1	F2	F3	F4	F1	F2	F3	F4
. Financial assistance at start	.724				.763			
. Financial assistance on a regular basis	.787				.723			
. Help in wholesale advertising				.863				.859
. Assistance in store management		.668						
. Provision of market information		.677						
. Provision of sales leads								
. Promptness of delivery		.644				.674		
. Frequency of delivery		.850				.817		
. Selection of products	.732				.799			
. Assistance in training								
. Rate of development of new products			.632					
. Level of expertise			.746				.648	
. Team associations							.784	
PCT. of VAR.	32.8	12.3	10.4	8.9	37.2	14.8	12.4	10.1
CUM. PCT.	32.8	45.1	55.5	64.4	37.2	52.0	64.4	74.5
EIGENVALUE	4.29	1.48	1.17	1.09	4.75	1.82	1.48	1.11

A Pearson Correlation Analysis was conducted in order to observe the correlations between experience and level of integration of wholesalers and the source of potency of supplier in the different activities.

Table 2.13 reveals correlation between variables on supplier's source of potency.

According to the findings on experience, 11.3% variation in selection of products is explained by the number of years of operation. As years in operation increase, supplier involvement in selection of products, team association, level of expertise, assistance in training, provision of market information, and financial assistance at start also increase.

According to the findings on wholesaler's level of integration, 7.8% of the variation in the different activities that rate of development of new products was explained by supplier's source of potency. As level of integration increases power sources of supplier on rate of development of new products increases.

For more experienced firms, both economic and non-economic sources of power is provided.

TABLE 2.13

Supplier's Potency with Pearson Correlation Analysis

	Experience		Level of Integration	
	r	r <sup>2</sup>	r	r <sup>2</sup>
. Financial assistance at start	.269*	.072	.048	.002
. Financial assistance on a current basis	.165	.027	.130	.017
. Help in wholesale advertising	-.140	.020	.036	.002
. Assistance in store management	.162	.026	.129	.017
. Provision of market information	.297**	.088	.001	.000
. Provision of sales leads	.183	.033	.165	.027
. Promptness of delivery	.140	.020	-.189	.036
. Frequency of delivery	.190	.036	-.109	.012
. Selection of products	.336**	.113	-.008	.000
. Assistance in training	.233*	.054	.157	.025
. Rate of development of new products	.160	.026	.279**	.078
. Level of expertise	.302**	.091	.076	.006
. Team association	.303**	.092	.129	.017

Significance levels: \*.1 ≤ p ≤ .05  
 \*\*p ≤ .05

**CONCLUSIONS AND IMPLICATIONS**

### CHAPTER III

#### CONCLUSIONS AND IMPLICATIONS

In this chapter, the conclusions drawn from the findings and implications for some concerned parties will be discussed.

#### 3.1. CONCLUSIONS

The objective of this study was to examine power relations between manufacturer and wholesaler and to suggest a method of improving present measures of channel control in marketing embroidered tergal tulle.

The study was conducted with 36 wholesalers who sell considered tergal tulle in Sultanhamam through a questionnaire. The questionnaire included questions about the degree of the supplier's control over the wholesalers' marketing activities and the potency of supplier over the wholesaler in the different activities.

The data were analyzed by computer programs like frequency distribution, pearson correlation analysis, and factor analysis.

In this study, it was found that 44.4 percent of wholesalers established their firms since eight years and remaining wholesalers were in the textile market over nine years. It was also found that 55.6 percent of respondents contacted utmost 164 suppliers and retailers whereas remaining wholesaler had contact with 165 and over suppliers and retailers.

Wholesale pricing, provision of credit to customers, minimum order size, and mix of units ordered are the areas in which control of manufacturers is the highest. It can be observed that suppliers have power sources especially in the areas of financial assistance at start, financial assistance on a regular basis, promptness of delivery, and frequency of delivery which is economic sources of power in nature.

It is concluded from the factor analysis that the supplier should use mainly management control mechanism in order to control the channel in the wholesalers' marketing activities.

It is also concluded that suppliers rely on economic sources of power rather than non-economic sources of power to achieve control over their wholesalers.

Results showed that financial support and product assistance are the most important variables in measuring supplier's source of power over the wholesaler in the different activities. It should be noted that these variables



include both economic and non-economic sources of power.

It is concluded that relatively less experienced wholesalers perceive that manufacturers control their financial and marketing activities whereas older wholesaler institutions perceive that suppliers are in control of their personnel management. Moreover; for moderately integrated wholesalers, supplier's promotional control is the most important factor whereas, for the highly integrated wholesallers type of control exercised is related to store characteristics such as its location and layout.

It is also concluded from the pearson correlation analysis that, as years in operation increase, supplier involvement in salesmen hiring, wholesale advertising, provision of credit to customers, choice of wholesale whole-sale location, mix of units ordered and wholesale pricing also increase. Furthermore, as level of integration increases control of supplier on provisions of credit to customers, pricing and wholesale advertising increases.

Results showed that for less experienced wholesalers, management and product support is the most important factor whereas for the older wholesaler institutions management support is the most important factor. Moreover, for the moderately integrated wholesalers, financial support, for the larger wholesalers, product and financial support are the most powerful factors. It should be noted that all factors incorporate economic and non-economic sources of power.

It is concluded from the pearson correlation analysis that, as years in operation increase, supplier involvement in selection of products, team association, level of expertise, assistance in training, and financial assistance at start also increase. For more experienced firms, both economic and non-economic sources of power is provided. Furthermore, as level of integration increases power sources of supplier on rate of development of new products increases.

The implications of these findings and recommendations will be discussed in the following section.

### 3.2. IMPLICATIONS OF THE STUDY

The findings of this study may have implications for some concerned parties as manufacturers and marketing researchers.

#### 3.2.1. Implications for Manufacturers

Suppliers should obtain more control over wholesalers by using economic power sources rather than noneconomic power sources.

Wholesale advertising, salesmen training, and salesmen hiring are the areas in which control of manufacturers is the lowest. Manufacturers should also control these marketing activities in order to have complete control process in the marketing channel.

The manufacturer must assume new responsibilities for making the wholesaler more effective through programs of product development, careful pricing, promotional support and management control.

### 3.2.2. Implications for Marketing Researchers

Marketing researchers should give more focus in searching marketing channel control issues related with economic and non-economic power sources.

For marketing researchers, research effort has to be directed towards identifying the situational and structural factors that affect channel members' willingness to accept control, as well as potential leaders' willingness to exert it.

As with all relatively new approaches to marketing research, further research must be carried out before its ultimate value can be assessed.

Finally, it should be noted that the results of the study may have its limitations. Therefore, these results can not be generalized among all manufacturers and wholesalers in the similar marketing channels.

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APPENDIX 1

QUESTIONNAIRE

Sayın Firma Yetkilisi:

Boğaziçi Üniversitesi, İşletme Bölümünce yürütülen bir araştırma gereğince bu anketler hazırlanmıştır. Anket tamamiyle akademik amaçlı olup, başka hiçbir konuda kullanılmayacaktır.

Yardımlarınız için şimdiden teşekkür ederiz.

**I.BÖLÜM: FİRMA İLE İLGİLİ BİLGİLER**

1. Adı, Adresi :
2. Hukuki Statüsü :
3. Faaliyet Dalı :
4. Kuruluş Yılı :
5. Personel Sayısı :
6. Çalıştığınız Üretici Sayısı :
7. Çalıştığınız Perakendeci Sayısı:

## 2.BÖLÜM: DAĞITIM KANALLARI

### A. Aşağıdaki pazarlama faaliyetlerinde üreticilerin toptancılar üzerindeki etkisi nedir?

#### 1. Toptancı Fiatlandırmasında

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 2. Toptan satış yeri seçiminde

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 3. En düşük sipariş miktarında

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 4. Siparişteki çeşitlilikte

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 5. Toptancı reklamında

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 6. Müşteriye tanınan kredi koşullarında

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 7. Diğer üreticilerden alma serbestisinde

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 8. Satış elemanı yetiştirilmesinde

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 9. Satış elemanının işe alınmasında

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 10. Mağazanın fiziksel düzenlenmesinde

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 11. Mesleki ve ticari kuruluşlara katılımında

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA

#### 12. Satış politikalarında (Bölgesel ve müşteri kısıtlamaları)

ÇOK AZ                      1   2   3   4   5   6   7                      ÇOK FAZLA



B. Üreticinizin aşağıdaki faaliyetleri yerine getirmesinde üzerinizdeki etkisi nedir?

1. Toptancıya başlangıçta finansal destek

ÇOK DÜŞÜK 1 2 3 4 5 6 7 ÇOK YÜKSEK

2. Toptancıya sürekli finansal destek

ÇOK DÜŞÜK 1 2 3 4 5 6 7 ÇOK YÜKSEK

3. Toptancıya reklam çalışmalarında yardım

ÇOK DÜŞÜK 1 2 3 4 5 6 7 ÇOK YÜKSEK

4. Mağaza yönetimine destek

ÇOK DÜŞÜK 1 2 3 4 5 6 7 ÇOK YÜKSEK

5. Pazar hakkındaki bilgilerin sağlanması

ÇOK KÖTÜ 1 2 3 4 5 6 7 ÇOK İYİ

6. Satış önderliğinin sağlanması

ÇOK KÖTÜ 1 2 3 4 5 6 7 ÇOK İYİ

7. Teslimatta çabukluk

ÇOK KÖTÜ 1 2 3 4 5 6 7 ÇOK İYİ

8. Teslimatta sıklık

ÇOK DÜŞÜK 1 2 3 4 5 6 7 ÇOK YÜKSEK

9. Desen seçimi

ÇOK SINIRLI 1 2 3 4 5 6 7 ÇOK GENİŞ

10. Personel yetiştirmede yardım

ÇOK AZ 1 2 3 4 5 6 7 ÇOK FAZLA

11. Yeni desen gelişimindeki oran

ÇOK KÖTÜ 1 2 3 4 5 6 7 ÇOK İYİ

12. Uzmanlaşma seviyesi

ÇOK DÜŞÜK 1 2 3 4 5 6 7 ÇOK YÜKSEK

13. Toptancılar arasındaki işbirliği

KESİNLİKLE YOK 1 2 3 4 5 6 7 KESİNLİKLE VAR

**APPENDIX 2**

**RESPONDENT LIST**

### List of Respondents

1. Modern Mefruşat
2. Çalık Mefruşat
3. Yıldız Mefruşat
4. Manifatura 74
5. Akmanlar Mefruşat
6. Akgül Manifatura
7. Genel Tekstil A.Ş.
8. Tarman Tekstil A.Ş.
9. Lale Mefruşat
10. Dömeks A.Ş.
11. Pertül A.Ş.
12. Pınar Mefruşat
13. İlkem Örme Sanayi ve Ticaret A.Ş.
14. Gilteks Mefruşat
15. Küçükçalık Tekstil A.Ş.
16. Metsaş A.Ş.
17. Doğan-Birlik Mefruşat
18. Var-Sat Tekstil A.Ş.
19. Öz-Kök Mefruşat
20. Okan Tekstil Limited Şirketi
21. Öz-Kök Tekstil A.Ş.
22. Doğan Tekstil A.Ş.
23. Işık Mefruşat
24. Taşan Mefruşat
25. Beteks A.Ş.
26. Moral Tekstil A.Ş.
27. Persan A.Ş.
28. Katırcı Mefruşat
29. Gürünlüler Tekstil A.Ş.
30. Ümit Mefruşat
31. Yönteks A.Ş.
32. İstikbâl Mefruşat
33. Sayınlar Tekstil A.Ş.
34. Alev Mefruşat
35. Eser Mefruşat
36. Nurtaş Tekstil A.Ş.