Quest for Variation in Inter- Firm Influence :
An Empirical Exploration

* *Kaushik Mandal*
** *Koushick Roy*

Abstract

Previous research studies have been carried out in different aspects of inter-firm influences, but no efforts have yet been taken to understand influence strategy wise variation across the countries and within a country across the industries. Hence, with an objective to fill this research gap, we primarily focused in this research in measuring the influence strategy variation among the channel participants (CPs) of USA & India, and within India, we focused on a cross section of the industries namely, water purifier, FMCGs, pharmaceutical, and cement. To maintain parity with research use to compare with the situation of USA, we estimated influence strategies by perceived reporting of CPs. Hence, samples for the present research were drawn from owners of the CP firms or their authorized representatives. We held a discussion with the executives of the leading players of the four industries namely B2B, FMCG, pharmaceutical, and cement, and based on their market share in the Southern part of West Bengal, we prepared a list of CPs. The questionnaire was sent to 317 CPs randomly drawn from four industries mentioned, but we received 219 responses. Appropriate statistical testing revealed variation of influence strategies between USA and India, and a significant association between influence strategies and industry-type. This research would be extremely helpful for organizations that are planning to deal with distribution partners of the emerging nations. In a nutshell, this research has proposed being 'glocal' in place of 'global' strategies.

Keywords: channel participants, inter-firm influence, emerging market, coercive

Paper Submission Date : September 17, 2015 ; Paper sent back for Revision : January 6, 2016 ; Paper Acceptance Date : March 30, 2016

W e influence our social relations to sustain and get things done. Likewise, marketers influence channel participants to act on the objective set by them. This is really crucial for marketers for efficient operation of the distribution system. In fact, controlling of activities of the channel partners results in timely placement of the product at the customer door step. If supply is placed timely (regular), it leads to customer satisfaction (Bhoyar & Nagendra, 2012). Actually, without controlling channel participant's behavior, it is next to impossible for the marketers to drive channel participants' activities in their own favor. In practice for behavioral control over channel participants, marketers employ strategies to motivate participants. Indeed, with an objective to illustrate the success pathway, marketers talk about profit enhancing activities for participants. Alternative to this positive approach, marketers make channel partners focused on future miserable consequences of the channel participants of not obeying company directives.

In fact, research has stated that satisfaction of the channel members leads to higher commitment from them (Paul, 2014). On the other hand, conflict in general, and unfairness in deals, in particular, lowers communication in the buyer - seller relationship (Kang, 2014). Naturally, under compulsion, just to avoid the undesirable future consequences, channel participants have to follow the directives of marketers without questioning. Furthermore,

* *Assistant Professor,* Department of Management Studies, National Institute of Technology, Durgapur - 713 209, West Bengal. E-mail : kaushikmandal.nit@gmail.com

** *Divisional Head- Water Products,* Forbes Professional Division, Eureka Forbes Ltd. *& Ex Research Scholar,* Department of Management Studies, National Institute of Technology, Durgapur - 713 209, West Bengal. Email: koushickroy@gmail.com

marketers take the help of legal bindings and force channel participants to follow the guidelines drafted in legal documentation. Hence, in such situations, participants under legal obligation have no option left other than to follow the marketer's preferred activities.

There are industry factors, namely marketability and degree of competition. Both regulate influence strategies. Marketability is understandable in terms of brand equities of marketer's brands as well as corporate image of the marketer. In effect, both of these generate favorable bargaining power for the marketer and may be used to control channel participants in the process of negotiation. On the other way round, the degree of competition (number of competitors and their competitiveness) also affects power of bargaining of the marketer, and thus, has an the impact on the controlling abilities of the same. Hence, we accept the logic of industry wise variation of the marketer's influencing strategies. Extending this, it is also clear that the influence strategies may vary across the industries since both the industry factors influence in combination. In this relation, it is also imperative to study whether influencing channel participants by their respective channel leader (marketer) is affected by the country factor or not. Logically, one nation's state of economic development has an impact on marketability and degree of competition factors, and the country factor may have its impact on influencing channel participants.

Review of the Relevant Literature

Inter-firm relationship literatures cover many issues; power of bargaining is one of them. Power of bargaining which is generated due to size of the business, resource dependency, and option for alternatives is crucial for determining the exchange relationship between two parties participating in the exchange mechanism (Radaev 2013). Inter-firm relationship is also governed by culture of both the parties. Adaptation of business partner's culture is important for development of trust between each other (Weck & Ivanova, 2013) and mutual trust and transparency in the form of open book practices (Kumra, Agndal, & Nilsson, 2012) increases chances of relational continuity. Overall, key relationship management tools have an impact on supply chain processes (Teller, Kotzab, Grant, & Holweg, 2016). Generally, it has also been found that most of the literatures are in the line of exploring either various facets of influencing (Frazier & Summers, 1984 ; Kale, 1986) or unfolding the relationship between dealers' own perceptions on different facets of influence strategies and their willingness to continue with the same marketer (Frazier & Kale, 1989; Frazier & Rody, 1991 ; Keith, Jackson, & Crosby, 1990).

Furthermore, to analyze whether a particular research is based on industry wise variation of influence strategies or not, we classified them into three categories. It is seen that maximum of the research studies came under the 'single industry and single country' category (See Table 1). In fact, these research studies confined their work within the responses of channel participants of single industry from a single economy. Thus, naturally, in case of these research studies, no scope is available for researchers to compare vis-à-vis usage of influence facets across the industries. There are very few research studies (see Table 1) that have been identified with the literature set of 'more than one industry within a single country,' but no single research has been found within the said literature set that has been attempted on suitable comparative analysis across industries. Virtually no research is available on the topic where comparison in relation to practice of influence facets has been carried out either across countries or across various industries of a country.

It is exciting to find two common shortcomings for most of the literatures. We observe that the studies are not in a position to make any comment in relation to variation across countries, especially countries staging two different levels of economic development. It is also interesting to find researchers put very little emphasis on variation across industries. These two observations are due to underscoring of industry specificity factors in the present population of research studies. Despite the observations of Frazier and Kale (1989), who expressed the need for executing studies across several industries, almost all the research studies excepting a few (Kazemi, 2010) ignored the study of deviation across the industry. Even these research studies have emphasized little to go for cross country research. In reality, the present situation of business demands for transnational corporations (TNC), and all

Table 1. Summary of Literature and Gap in Research

Single Industry-Single Country	
Frazier & Summers (1984) (Indiana-U.S.)	Venkatesh, Kohli, & Zaltman (1995) (U.S.)
Dwyer & Walker (1981) (U.S. - Experiment-MBA Students)	Molla & Sanchez (1997) (SPAIN)
Frazier & Summers (1986) (Indiana , Illinois, & Ohio-U.S.)	Kim (2000) (U.S.)
Kale (1986) (India)	Shamdasani, Keh, & Chan (2001) (Singapore)
Frazier & Kale (1989) (Bolivia, India, Jamaica, Malaysia, Pakistan, Thailand)	Bandyopadhayay (2004) (India)
Chinomana 2013 (Taiwan-China)	Payan & McFarland 2005 (U.S.)
Frazier (1989) (U.S.)	McFarland, Challagalla, & Shervani (2006) (U.S.)
Keith et al. 1990 (U.S.)	Brown, Grzeskowiak, & Dev (2009) (U.S.)
Frazier & Rody (1991) (U.S.)	Chang & Lin 2008 (Taiwan-China)
Scheer & Stern (1992) (U.S.)	

More than One Industry-Single Country but no Comparison Across Industries	More than One Industry-More than One Country
Frazier & Sheth (1985) (U.S.)	Research Gap
Boyle et al. (1992) (U.S.)	
Su, Yang, Zhuang, Zhou, & Dou (2008) (China)	
Kazemi (2010) (Iran & India)	
Mandal and Roy (2012) (India)	

Source: Literature Review

successful TNCs are always in search of potential markets. Since India is a nation having a high market potential, it is one of the preferred destinations for them. To make a successful entry in this emerging nation, it is necessary to know the business practices and environment prevalent and predominated here. Hence, it is also imperative to learn the variation vis-à-vis influence strategies among the industries within the country and between the countries.

Therefore, based on these two identified research gaps, we develop the following four sets of hypotheses for the present occasion. We think that conclusions derived by employing these hypotheses would result in a newer truth towards the present population of literature.

Research Problem and Hypotheses

We have identified three sets of the research problem. The first set of the research problem relates to cross country perspective. Channel participants (CPs) of USA are influenced by their marketer, and they can make their observation about the influence mix employed over them in aggregate. Since this is presented in an aggregate, it is a distribution which has its mean (central tendency) and deviation from the mean (dispersion). Similarly, another distribution can be formed by the observation of channel participants (CPs) of India about the influence mix applied over them by their marketer. Question appears whether these two distributions of CPs of USA and their Indian counterparts are similar or not. To unfold the query, we have developed the following set of dual hypotheses :

Hypotheses Set 1

✎   **H01 :** There is no correlation in the mean 'influence mix' applied between channel participants of USA and India.

🖎 **H1 :** There is a correlation in the mean 'influence mix' applied between channel participants of USA and India.

Hypotheses Set 2

🖎 **H02 :** There is no correlation in the standard deviation *(SD)* 'influence mix' applied between channel participants of USA and India.

🖎 **H2 :** There is correlation in the standard deviation *(SD)* 'influence mix' applied between channel participants of USA and India.

We have also studied the second type of research problem which is related to variation in the degree of influence usage across the industries. For the purpose, we have classified influence attempt in three level of categories : 'weak,' 'moderate,' and 'strong' based on their frequency of usage. We have tabulated degrees of influence attempted in case of each of the industries and have compared them along with testing vis-a-vis development of the second set of hypotheses. These hypotheses are presented in general and we can make them specific by changing only the type of influence strategies.

Hypotheses Set 3

🖎 **H03 :** There is no association between 'industry type' and 'influence strategy mix'.

🖎 **H3 :** There is an association between 'industry type' and 'influence strategy mix'.

'Influence strategy mix' combines information exchange, recommendations, requests, threat, promises & legalistic plea, and 'industry types' covers the following industries : pharmaceutical, FMCG, cement, and water purifier.

In spite of the democratic system present, 'coercion' is a means for controlling in Indian society. In the perspective of the healthcare sector, Shah and Basu (2010) presented the evidence of coercion by other members of a family and they related it with the culture of lack of self autonomy in Indian society. Therefore, it is also requisite to study the effect of coercion on industry type and since Frazier and Summers (1986) categorized threat and legalistic plea as a coercive influence strategy and rest of the influence strategies as non-coercive influence strategies, we employ this classification and develop the following hypotheses to study the above query.

Hypotheses Set 4

🖎 **H04 :** There is no association between 'industry type' and 'degree of coercion'.

🖎 **H4 :** There is an association between 'industry type' and 'degree of coercion'.

The 'degree of coercion' combines coercive and non coercive strategies, and 'industry types' covers pharmaceutical, FMCG, cement, & water purifier industries.

Statistics Used for Testing the Hypotheses

For dealing with hypotheses Set 1 & Set 2, we have used correlation coefficient and testing of significance of that correlation coefficient (detail can be seen in section 'Results'). For the hypotheses presented as hypotheses Set 3 and Set 4, we have employed chi-square test of association to investigate the hypotheses.

We have used Pearson's correlation coefficient (PCC) for bivariate data set (consider x and y) available for study. PCC is the ratio of $\dfrac{\text{cov}(x, y)}{sd_x\, sd_y}$ where (x, y) is covariance between x & y and sd_x is the standard deviation of the observation x, and sd_y is the standard deviation of the observation . For measuring significance of Pearson correlation coefficient (PCC), we have tested the null hypothesis that PCC is zero against the alternative one that PCC is away from zero. If the probability value is significant at any pre specified level (0.05 or 0.01) that is either greater than 0.05 or both, we consider that PCC is considerably away from zero.

For the other two hypotheses, we have employed chi- square statistics which is straightforward and stylish. This statistics compares observed frequency with the expected (model) frequency when the cells in terms of row and column are independent of each other. The summated value of square difference between model and observed in terms of each unit of model/expected frequency is considered calculated value of chi- square, and if it is higher than the tabulated values with specified degrees of freedom, that is, multiplication between (row-1) and (column-1), we reject the null hypothesis that frequencies of the cells in terms of rows and columns are independent of each other. In fact, chi- square statistics measures the deviation of frequency observed in a cell from the expected frequency of the same cell if frequencies between row and column are independent of each other. If the deviation is large, chances of independence between row and column would be less and thus, chances of its alternative that frequencies between row and column are dependent upon each other will be prominent.

$$\chi^2 = \sum_1^k \frac{(O_{ij} - E_{ij})^2}{Eij}$$

where,

O_{ij} = an observed frequency of the cell corresponds to ith row and jth column,

E_{ij} = an expected frequency of the cell corresponds to ith row and jth column,

k = total frequencies of all the columns or total frequencies of all the rows,

Expected frequency of a cell

= (total frequencies of corresponding row of that cell $\times$ total frequencies of corresponding column of that cell)/n (Field, 2009).

There is an alternative measure, but in case of a large sample, it is synonymous to χ^2 distribution. This is based on maximum likelihood principle and named as 'Likelihood ratio' (L_{χ^2}).

$L_{\chi^2} = 2 \sum_1^{rc} observed_{ij} \ln\left[\dfrac{observed_{ij}}{expected_{ij}}\right]$, where r and c are the rows and columns, respectively and is indicating natural logarithm.

Using the calculated value of chi- square statistics, we can compute two coefficients namely, contingency coefficient, Cramer's V, and Phi coefficient. All of these determine the strength of association between attributes specified in rows and columns.

(1) Coefficient of Contingency : Chi- square statistics tests whether there is an association between two attributes or not. But it is not possible to find strength of association by chi- square statistics. One of the ways of measuring this said strength of association is estimating the contingency coefficient. The value of this correlation coefficient varies from -1 (corresponding to total negative association between the variables) to 1 (complete association between the variables) ; whereas, contingency coefficient (C) varies between 0 and near about but less than 1 which we call $Cmax$. Observed contingency coefficient (C_{obs}) suffers from the disadvantage that it does not reach a maximum or the minimum. The maximum value of the contingency coefficient depends on the size of the table (number of rows and number of columns). Thus, an attempt has been made to restructure it, and $C_{standard}$ can be calculated by taking the ratio between C_{obs} and $Cmax$. Here, $C_{standard}$ varies between 0 and 1 (Blaikie, 2003).

The statistic of coefficient of contingency is given as below:

$$C_{obs} = \sqrt{\frac{\chi^2}{(\chi^2 + n)}}$$

where,
χ^2 = computed value of chi-square, n = the total number of sample size.

$$Cmax = [(r - 1/r)(c - 1/c)]^{1/4}$$

where,
r and c are the rows and columns, respectively.

$C_{standard} = \dfrac{C_{obs}}{C_{max}}$ lie between 0 and 1 since C_{max} can never be zero in a given r and c, but C_{obs} can be 0 as χ^2 can be equal to 0 and maximum of C_{obs} can be C_{max}.

(2) Cramer's V : Another way of determining strengths of relationship between the variables is Cramér's V. Cramer's V varies from 0 since chi-square can be equal to 0 (corresponding to no association between the variables) to near to 1 (higher level of association).

$$V = \sqrt{\frac{\chi^2}{(k-1)n}}$$

where, χ^2 is considered as chi-square and k is the minimum between number of rows or columns in the table and n is the sample size (Malhotra, 2007).

(3) Phi Coefficient

$$\emptyset = \sqrt{\frac{\chi^2}{n}}$$

where, chi-square is denoted as usual and 'n' is the size of the sample (Field, 2009). This coefficient can be calculated only for situation where two rows and two columns are present. If chi-square is valued null, then $\emptyset$ is also the same and its maximum value depends on χ^2 and 'n'. Thus, it not restricted to 1 (Field, 2009).

Survey, Sampling, and Data Preparation

With the given set of hypotheses, we proceed for designing our research. It was extremely difficult to gather responses from CPs of USA from India, but it is very much important for cross country comparison. To solve this problem, we have taken the results of a research of Boyle, Dwyer, Robicheaux, and Simpson (1992) that was carried out in USA. Moreover, we have used the same set of instruments used by Boyle et al. (1992) since we wanted to compare the responses between CPs of the two countries (USA & India) and where the responses of CPs of USA have already gathered in Boyle et al.'s (1992) work by the same instrument. Time frame of Boyle et al.'s work was before 1992. Construct developed by Boyle et al. (1992) is of 29 items. We have taken all the items for doing our survey in India.

Since we have to check the inter-industry variation of marketers' influencing strategies over their respective channel partners, we have decided to take responses from CPs across industries. Another decision we had to make was regarding which industries we should consider for our study. We have selected CPs of consumer durables (water purifier), fast moving consumer goods (FMCGs), cement, & pharmaceutical industries. This industry cross section was chosen to ascertain which role of CPs predominantly serves the purpose of good industry coverage. Our research is confined to the Southern part of West Bengal, which has high market potential, and is culturally

homogenous with respect to the other parts of our nation (Sengupta, 2009). Census data (Census 2011) also confirms the fact.

We collected the names and addresses of channel participants of these four industries from various sources like (a) yellow pages, (b) respective trade associations' directories, & (c) executives of major companies operating in this region. We gathered 421 dealers (channel partners) who were operating under various companies. We sent the proposal to all the dealers. However, 219 dealers responded. Hence, the response rate is near about 52% (see Table 2). We structured our questionnaire based on items available in Boyle et al.'s (1992) construct for measuring the same. We conducted this study in the period between July 2012 to February 2013. Items are reliable and validated as it is pretested in the work of Boyle et al. (1992). After receiving the responses, we prepared the data as per the requirements of testing the various hypotheses.

According to Boyle et al. (1992), there are six facets of influence. In the construct developed by Boyle et al. (1992), some items are present under each of these six facets. Our questionnaire based survey recorded the opinion of the channel partners on each of the items, and based on these item-scores, we calculated score on each of the facets by averaging them for each respondent. Furthermore, for the purpose of converting continuous responses into categorical responses, we chose the influence facet that affected the respondents' highest as '1' and rest all as '0'. For the case of a tie, we distributed value '1' by a number of ties. In this way, industry wise frequency distribution of the influence facet has been tabulated. We further classified by averaging frequencies in relation to threat and legalistic plea as coercive and rest four as non-coercive, and tabulated industry wise frequency distribution of the degree of coercion applied in influencing distributor.

Results of Hypotheses Set 1 and Set 2

The Table 3 shows the tabulated mean and *SD* of Indian respondents across four industries. We calculated the mean

Table 2. Sampling at a Glance

Industries	Population	Randomly Selected	Responded
Water Purifier	53	53	53
Cement	117	80	56
FMCG	121	80	57
Pharmaceutical	130	104	53
Total	**421**	**317**	**219**

Table 3. Mean & Standard Deviation of Influence Facets Used in Indian Distribution System Across the Industry

Influence Facets	FMCG		Pharma		Cement		Water Purifier		Overall	
	Mean	*SD*	*Mean*	*SD*	*Mean*	*SD*	*Mean*	*SD*	*Mean*	*SD*
Recommendation	3.65	0.96	4.57	0.70	3.93	0.98	3.92	0.82	4.01	0.93
Information Exchange	3.80	0.97	4.13	0.71	4.04	0.97	3.54	0.99	3.88	0.94
Promise	2.86	1.19	4.28	0.76	4.10	0.87	3.47	0.99	3.67	1.12
Request	2.48	0.80	2.63	0.79	2.81	0.85	2.85	0.92	2.69	0.85
Legalistic Plea	2.23	1.21	2.00	0.96	2.85	1.14	2.81	1.31	2.47	1.21
Threat	1.49	0.63	2.46	1.06	2.08	0.89	2.31	1.08	2.07	0.99

Table 4. Mean & Standard Deviation of Influence Facets Used in USA

Influence Facets	Automobile Dealer		Tire Dealer	
	Mean	SD	Mean	SD
Recommendation	3.37	0.81	3.23	1.12
Information Exchange	2.97	0.71	2.72	0.98
Promise	2.58	0.87	2.58	1.02
Request	2.35	0.8	1.9	0.94
Legalistic Plea	1.75	0.8	1.32	0.62
Threat	1.37	0.53	1.23	0.57

Source: Boyle et al. (1992)

and *SD* of overall of the said four industries. In the Table 4, we have shown the mean and *SD* of the two groups of channel participants from USA and this has been taken from Boyle et al. (1992).

For testing H1, we checked each pair of correlation between seven types of CPs from various industries. These seven types are pharmaceuticals from India, cement from India, FMCGs from India, water purifiers from India, total of Indian responses, automobiles from USA, and tires from USA. Hence we received $^{7}C_{2}$, that is, 21 correlations of mean 'influence mix,' all of which are significant at the 5% level (see Table 5). Thus, null hypothesis (H01) is rejected for all 21 cases. This indicates significant correlation in mean 'influence mix' between USA and

Table 5. Correlation of the Mean of the 'Influence Mix'

Correlation Between	Correlation Value	Probability Significance	Remarks
FMCG & Pharma	0.833	0.040	Significant at 5% level
FMCG& Cement	0.906	0.013	Significant at 5% level
FMCG & Water Purifier	0.942	0.005	Significant at 1% level
FMCG & Four Industries_Our Work	0.952	0.003	Significant at 1% level
FMCG & Boyle-Automobile Dealer	0.959	0.003	Significant at 1% level
FMCG & Boyle-Tire Dealer	0.922	0.009	Significant at 1% level
Pharma & Cement	0.894	0.016	Significant at 5% level
Pharma & Water Purifier	0.905	0.013	Significant at 5% level
Pharma & Four Industries_Our Work	0.950	0.004	Significant at 1% level
Pharma & Boyle-Automobile Dealer	0.880	0.021	Significant at 5% level
Pharma & Boyle-Tire Dealer	0.959	0.003	Significant at 1% level
Cement & Water Purifier	0.947	0.004	Significant at 1% level
Cement & Four Industries_Our Work	0.971	0.001	Significant at 1% level
Cement & Boyle-Automobile Dealer	0.879	0.021	Significant at 5% level
Cement & Boyle-Tire Dealer	0.903	0.014	Significant at 5% level
Water Purifier & Four Industries_Our Work	0.980	0.001	Significant at 1% level
Water Purifier & Boyle-Automobile Dealer	0.962	0.002	Significant at 1% level
Water Purifier & Boyle-Tire Dealer	0.968	0.002	Significant at 1% level
Four Industries_Our Work & Boyle-Automobile Dealer	0.952	0.003	Significant at 1% level
Four Industries_Our Work & Boyle-Tire Dealer	0.975	0.001	Significant at 1% level
Boyle-Automobile Dealer & Boyle-Tire Dealer	0.977	0.001	Significant at 1% level

Table 6. Correlation of the *SD* of the 'Influence Mix'

Correlation Between	Correlation Value	Probability Significance	Remarks
FMCG & Pharma	-0.331	0.522	Insignificant
FMCG & Cement	0.543	0.265	Insignificant
FMCG & Water Purifier	0.329	0.524	Insignificant
FMCG & Four Industries_Our Work	0.715	0.111	Insignificant
FMCG & Boyle-Automobile Dealer	0.772	0.072	Insignificant
FMCG & Boyle-Tire Dealer	0.242	0.645	Insignificant
Pharma & Cement	0.181	0.732	Insignificant
Pharma & Water Purifier	0.712	0.113	Insignificant
Pharma& Four Industries_Our Work	0.397	0.436	Insignificant
Pharma & Boyle-Automobile Dealer	-0.649	0.163	Insignificant
Pharma & Boyle-Tire Dealer	-0.970	0.001	Negatively Significant at 1%
Cement & Water Purifier	0.640	0.171	Insignificant
Cement & Four Industries_Our Work	0.595	0.213	Insignificant
Cement & Boyle-Automobile Dealer	0.141	0.790	Insignificant
Cement & Boyle-Tire Dealer	-0.321	0.535	Insignificant
Water Purifier & Four Industries_Our Work	0.784	0.065	Insignificant
Water Purifier & Boyle-Automobile Dealer	-0.179	0.734	Insignificant
Water Purifier & Boyle-Tire Dealer	-0.824	0.044	Negatively Significant at 5%
Four Industries_Our Work & Boyle-Automobile Dealer	0.219	0.677	Insignificant
Four Industries_Our Work & Boyle-Tire Dealer	-0.440	0.383	Insignificant
Boyle-Automobile Dealer & Boyle-Tire Dealer	0.628	0.182	Insignificant

Table 7. Contingency Table for Influence Strategy Mix - Industry Wise

Industry Types	Observed / Expected	Influence Strategy Mix					
		Recommendation	Information Exchange	Promise	Request	Legalistic Plea	Threat
Cement	Observed	18	18	13	0	5	3
	Expected	23.6	16.4	10.5	1	3.9	1.5
Water Purifier	Observed	23	11	9	2	6	3
	Expected	22.4	15.6	10	1	3.6	1.5
FMCG	Observed	22	25	9	1	1	0
	Expected	24	16.7	10.7	1	3.9	1.6
Pharmaceuticals	Observed	29	10	10	1	3	0
	Expected	22	15.3	9.8	1	3.6	1.4

India. Similarly, for the purpose of testing hypotheses Set 2, we received 21 correlations of standard deviation of 'influence mix' (see Table 6). Out of these, we found 19 correlations are insignificant and two are negatively significant at the 5% level. Thus, in case of the said 19 cases, H02 is accepted and for the rest of the two cases, H02 is rejected. Hence, we infer no negative correlations in the *SD* of 'influence mix' between USA and India. Both of

Table 8. Results of Hypotheses 3

Test	Value	Probability Significance	Remarks
Pearson Chi-Square	24.399	0.059	Significant at 10% level
Likelihood Ratio	27.898	0.022	Significant at 10% level
Phi	0.332	0.059	Significant at 10% level
Cramer's V	0.191	0.059	Significant at 10% level
Contingency Coefficient	0.315	0.059	Significant at 10% level

the results lead to a very interesting finding. Measure of central tendencies of 'influence mix' like means of the same are highly correlated, but the measure related to dispersion from the center, that is, standard deviation is uncorrelated between CPs of USA and India. *Statistically, it indicates a pattern of the distribution of employed influence strategies is similar in location, but different in their spread between USA and India.* Thus, we can claim conceptually that the distribution pattern of the perceived influence mix is different between CPs of USA and India.

Results of Hypotheses Set 3

A set of second hypotheses is related to inter industry comparison within India. This group of hypotheses is related to establishing a relationship between two attributes, namely 'industry types' and 'influence strategy mix'. We have considered the said two attributes in two axes and have presented a joint distribution of observed and expected value of responses in the Table 7. Furthermore, to check whether the relationship is significant or not, we employed required statistics like Pearson's chi square, likelihood ratio, Phi coefficient, Cramer's V, and contingency coefficient. Results for all stated measures show that null hypothesis is nullified significantly at the 10% level (see Table 8). Hence, all these results converge to a single point that there is an association between 'industry types' and 'influence strategy mix'. Quoting the results of contingency coefficient and Phi coefficient, we can state that degree of association between 'industry types' and 'influence strategy mix' are moderate (0.315 and 0.332). Results of Cramer's V for the same purpose is low to moderate (0.191). Results of Cramer's V is more significant in case of more than 2*2 situations (Field, 2009). Hence, strength of association is considered as low to moderate.

Our results are easily complemented by observed joint frequency distribution between 'industry types' and 'influence strategy mix' (see Table 7). It is fairly understandable from the Table that the role of 'recommendation' is quite high for pharmaceuticals and water purifier industries ; whereas, for cement and fast moving consumer goods industries, 'recommendation' along with 'information exchange' serve the same. Channel participants across the four specified industries have been affected equally by 'promise' with the moderate degrees. Interestingly, they have been influenced similarly in case of 'request,' 'legalistic plea,' and 'threat' despite its variation in terms of coercive nature. Thus, we can claim in favor of significant, but low to moderate levels of industry variation.

$$\text{Observed Contingency Coefficient} = C_{obs} = \sqrt{\frac{\chi^2}{(\chi^2 + n)}} = \mathbf{0.315}$$

$$C_{standard} = \frac{C_{obs}}{C_{max}}$$

$$Cmax = [(r - 1/r)(c - 1/c)]^{\frac{1}{4}} = [(4 - 1/4)(6 - 1/6)]^{\frac{1}{4}} = \mathbf{0.8891}$$

$$\text{Therefore, } C_{standard} = \frac{C_{obs}}{C_{max}} = \frac{0.315}{0.8891} = \mathbf{0.3542}$$

Table 9. Contingency Table of Degree of Coercion - Industry Wise

Industry Types	Observed / Expected	Coercive	Non-Coercive	Total
Cement	Observed	8	49	57
	Expected	5.39	51.61	57
Water Purifier	Observed	9	45	54
	Expected	5.11	48.89	54
FMCG	Observed	1	57	58
	Expected	5.49	52.51	58
Pharmaceutical	Observed	3	50	53
	Expected	5.01	47.99	53

Table 10. Values for Measuring Association

Test	Value	Probability Significance	Remarks
Pearson Chi-Square	9.614	0.022	Significant at 5% level
Likelihood Ratio	10.931	0.012	Significant at 5% level
Phi	0.208	0.022	Significant at 5% level
Cramer's V	0.208	0.022	Significant at 5% level
Contingency Coefficient	0.204	0.022	Significant at 5% level

Results of Hypotheses Set 4

In this set of hypotheses, we enquire about the use of coercion in an influence attempt. Looking through the Table 9, it appears that across the four mentioned industries, role of coercive influence strategies is quite less as compared to non-coercive influence strategies. This result is similar with the finding of others (Chang & Lin, 2008 ; Frazier & Summers, 1986 ; Frazier & Kale, 1989; Keith et al., 1990). Furthermore, it is also observable that among the four industries - cement and water purifier can be clustered for their higher usage of coercion in comparison with other two industries. As usage of non-coercive influence is complementary to coercive influence, it can be understandable that less or no use of coercion is equal to high employment of non-coercive influence of the same. Thus, it can also be observed that among the four industries - FMCG and pharmaceutical industries can be clustered for their higher usage of non-coercion in comparison with the other two industries. However, all these observations don't provide a guarantee for statistical significance of the third set of hypotheses, and for this purpose, we have executed chi square distribution for hypotheses testing.

We observe that the chi-square value is 9.614 with 3 degrees of freedom, and this result signifies very low chance (probability value is equal to 0.022) of accepting the null hypothesis. Therefore, we reject the null hypothesis and accept the alternative hypothesis. Hence, it is fairly understandable that there is an association between 'industry type' and 'degree of coercion'. Almost the same result (p - value = 0.012) has been found in case of measurement by 'likelihood ratio' (see Table 10). However, 'strength of association' between 'industry type' and 'degree of coercion' is significant, but is low to moderate for all three measures (Phi coefficient, Cramer's V, and contingency coefficient). For the first two measures, it is 0.208, and for the third one, it is 0.204 (see Table 10). Therefore, again, we can claim for significant but low to moderate industry variation in case of employment of coercion.

$$\text{Observed Contingency Coefficient} = C_{obs} = \sqrt{\frac{\chi^2}{(\chi^2 + n)}} = \mathbf{0.204}$$

$$C_{standard} = \frac{C_{obs}}{C_{max}}$$

$$Cmax = [(r - 1/r)(c - 1/c)]^{1/4} = [(4 - 1/4)(2 - 1/2)]^{1/4} = \mathbf{0.7825}$$

$$\text{Therefore, } C_{standard} = \frac{C_{obs}}{C_{max}} = \frac{0.204}{0.7825} = \mathbf{0.2607}$$

Concluding Notes

This research work presents variation across the industry and country in relation to influence facets used by marketers to control their channel partners. Overall, three interesting outcomes are observed from this research work.

Firstly, results show some contrasts of the Indian channel management. Since, while analyzing, we have considered the most influencing facet only for each channel participant and calculated accordingly, we found that almost 90% (201 out of 222 responses) of the sample perceived that any one of the non-coercive influence facets was employed over them by the marketers as a most influencer. Thus, only the remaining 10% of the sample respondents believed that coercion was the means to control them by their respective marketers. It shows a highly competitive market, where bargaining power (Porter, 1980) is not in the side of the marketer ; rather, it is in the hand of the channel partners. However, on the contrary to this, 'request' is found to be less effective than 'recommendation' and 'information exchange'. Following, Kale (1986), it can be argued that marketers who are powerful use threats and those who are less powerful employ 'recommendation' and 'information exchange'. In case of a dyadic relation, as it is between a marketer and any channel participant, power of bargaining signifies the degree of power held by the marketer. Logically, it is not difficult to understand that these two influence strategies ('recommendation' and 'information exchange') are used when bargaining power is evenly poised between channel participants and marketers. It can also be explained that evenly balanced power of bargaining is synonymous with the situation when neither the marketer nor channel participants are powerful. This phenomenon is part and parcel of the Indian channel management, which makes the business environment, in particular, the channel partner related environment, unique as compared to the global market situation.

Secondly, influence strategy typology segregates the same into two parts, that is, direct and indirect (Frazier & Summers, 1986). In fact, this classification includes recommendation and information exchange as indirect and rests all four influence strategies as direct strategies. Furthermore, Bandyopadhyay (2004) found that Indian marketers deployed more indirect influence strategies as compared to direct influence strategies. Kazemi (2010), in the context of a comparison between India and Iran, also identified similar occurrence for both the countries. Now, it can be seen that our empirical finding is identical with both of these outcomes. This seems to be indicating the validity of our research outcome. At the same time, our observation is also found to be different with the same of Bandyopadhyay (2004) and Kazemi (2010). Bandyopadhyay (2004) and Kazemi (2010) worked on channel participants of technical products (electric lamps and other lighting equipments and trucks, respectively) and the result that 'recommendation' is preferred over 'information exchange' is not identical with our overall results. On the contrary, this result is found to be exactly the same with some parts of our overall results. In our results, same preference has been observed for opinions of the channel participants of technical products like water purifier and pharmaceuticals. Furthermore, in our case, the same preference has not been observed in the views of channel participants of FMCG and cement industries, since for both the cases, the role of information sharing is considered to be a strategic act of the respective marketers.

Thirdly, it is also very much interesting to observe that coexistence between 'request' and 'threat' as both are identified as low usage strategy in our and the other two above - mentioned studies. It signifies that the Indian

distribution policy avoids both extremes (say 'request' and 'threat') because both are considered as low usage strategies and follows the middle path in strategic choices, since strategies with 'win-win' character are found to be used heavily here.

Other than these three, it is also observed that there are industry wise variations of the usage of strategies. Even it is true for high and low usage strategies separately. Thus, all these summed together call for special attention of the Indian channel of distribution.

Managerial Implications

It is found that Indian channel principals mostly rely on non-coercive influence strategies for controlling channel participants under them. It matches exactly with the Indian society, where affiliation motive among individuals is considered as quality (Shah, 2000). This paper also reveals the less priority of the coercive influence strategy in influencing the channel principal dyadic relationship. It is concomitant to the Indian democratic society, where any form of coercion is rejected socio-politically. Hence, this research helps us to learn that channel control mechanism is well affected by culture and values of a society where it has been employed. Also, in relation to influence facets employed by marketers to control their channel partners, it is found that there is a variation across a country and within a country across the industry.

So, what can a business of an advanced nation can learn from this research? Simple straight forward extension of business strategies into an emerging nation wouldn't fetch success in their favour. Rather, careful understanding of an emerging market environment coupled with judicious mixes of influence weapons may help them to conquer the said emerging market.

Limitations of the Study and Scope for Future Research

The present research is not free from limitations. Two limitations are identified. First of all, time frame of the present research is different from the referral work (Boyle et al.,1992) with which cross country comparisons have been made. Moreover, this comparison is limited to countries, namely India and USA. The other limitation is related to the geographic scope of the present research. This work could have been better if it carried out an analysis of the distribution channel participants across the four regions of India. The present research considers only those channel participants who deal directly with a marketer. But there are other channel participants who carry out business with other channel participants. They have not been considered for the present research. Hence, this can also be considered as one limitation of the present work.

Thus, in the future, for the purpose of cross country comparison, fresh research can be carried out with the help of primary data generated within the same time frame from any two countries. Moreover, within a country, the research coverage can be extended. A new research may be executed encompassing channel partners from all four regions of India. Furthermore, a comparative study can be carried out between the opinion of marketers and channel participants on the various aspects of channel governance, and potential area of conflict between them can be identified. Future research can be carried out in different levels of distribution channel, and opinions of these various types of channel participants can also be taken for comparative analysis and model validation.

References

Bandyopadhyay, S. (2004). Interfirm influence strategies within distribution channels in the emerging Indian market. *ACR, 12* (1), 1-9.

Bhoyar, P. K., & Nagendra, A. (2012). Effectiveness of FMCG distribution channels with respect to satisfaction of consumers in rural markets. *Indian Journal of Marketing, 42*(1), 17-22.

Blaikie, N. (2003). *Analyzing quantitative data.* Sage: London.

Boyle, B., Dwyer, F. R., Robicheaux, R. A., & Simpson, J. T. (1992). Influence strategies in marketing channel: Measures & use in different relationship structures. *Journal of Marketing Research, 29* (4), 462- 473. DOI: 10.2307/3172712

Brown, J. R., & Grzeskowiak, S., & Dev, C. S. (2009). Using influence strategies to reduce marketing channel opportunism: The moderating effect of relational norms. *Marketing Letters, 20* (2), 139 - 154. DOI : 10.1007/s11002-008-9053-2

Chang, H. - C., & Lin, C. - H. (2008). Interfirm influence strategies and their impact on developing buyer-supplier relationships. *International Journal of Commerce and Management, 18*(1), 10-30. DOI : http://dx.doi.org/10.1108/10569210810871461

Chinomona, R. (2013). Dealer's legitimate power and relationship quality in Gaunxi distribution channel : A social rule system theory perspective. *International Journal of Marketing Studies, 5* (1), 42-58. DOI: http://dx.doi.org/10.5539/ijms.v5n1p42

Dwyer, R. F., & Walker, O. C. (1981). Bargaining in an asymmetrical power structure. *Journal of Marketing, 45* (Winter), 104- 115.

Field, A. (2009). *Discovering statistics using SPSS* (3rd ed., pp. 687 - 705). New Delhi : Sage Publications.

Fraizer, G. L., & Sheth, J. N. (1985). An attitude - behavior framework for distribution channel management. *Journal of Marketing, 49* (3), 38-48. DOI: 10.2307/1251614

Fraizer, J. G, & Kale, S. (1989). Dealer dependence levels and reciprocal actions in a channel of distribution in a developing country. *Journal of Marketing, 53* (1),50-69.

Frazier, G. L., & Rody, R.C. (1991). The use of influence strategies in interfirm relationship in industrial product channels. *Journal of Marketing, 55* (Jan), 52-69.

Frazier, G. L., & Summers, J. O. (1984). Interfirm influence strategies and their application within distribution channel. *Journal of Marketing, 48* (Summer), 43-55.

Frazier, G. L., & Summers, J. O. (1986). Perceptions of interfirm power and its use within a franchise channel of distribution. *Journal of Marketing Research, 23* (2), 169-176.

Kale, S. H. (1986). Dealer perceptions of manufacturer power and influence strategies in a developing country. *Journal of Marketing Research, 23* (Nov), 387- 393.

Kang, B. (2014). The antecedents of communication in buyer-seller relationships. *Indian Journal of Marketing, 44* (3), 5-13. DOI: 10.17010/ijom/2014/v44/i3/80424

Kazemi, F. (2010). A comparative study of interfirm influence strategies of truck manufacturers in Iran and India. *International Journal of Business and Management, 5*(3),165-170. DOI: http://dx.doi.org/10.5539/ijbm.v5n3p165

Keith, J.E., Jackson, D.W. Jr., & Crosby, L. A. (1990). Effects of alternative types of influence strategies under different channel dependence structures. *Journal of Marketing, 54* (3), 30-41. DOI: 10.2307/1251814

Kim, K. (2000). On interfirm power, channel climate, and solidarity in industrial distributor-supplier dyads. *Journal of the Academy of Marketing Science, 28* (3), 388-405. DOI : 10.1177/0092070300283007

Kumra, R., Agndal, H., & Nilsson, U. (2012). Open book practices in buyer-supplier relationship in India. *Journal of Business & Industrial Marketing, 27(3), 196-210.* DOI : http://dx.doi.org/10.1108/08858621211207225

Malhotra, N. K. (2008). *Marketing research- An applied orientation* (5thEd., pp. 504 - 505). New Delhi : Pearson Education.

Mandal, K., & Roy, K. (2012). Impact of marketer's influence strategies on distribution channel partners : A comparison among distribution channel partners. *South Asian Journal of Management, 19* (1), 82-97.

McFarland, R. G., Challagalla, G. N., & Shervani, T. A. (2006). Influence tactics for effective adaptive selling. *Journal of Marketing, 70* (4), 103-117. doi: http://dx.doi.org/10.1509/jmkg.70.4.103

Molla, A., & Sanchez, M. (1997). Interfirm influence strategies in marketing channels. *The International Review of Retail, Distribution and Consumer Research, 7* (3), 249-262. DOI:10.1080/095939697343012

Paul, R. (2014). A study of channel member satisfaction and ensuing commitment in international and domestic pharmaceutical distribution channels. *Indian Journal of Marketing, 44* (1), 44 - 55. DOI: 10.17010/ijom/2014/v44/i1/80473

Payan, J. M., & McFarland, R. G. (2005). Decomposing influence strategies: Argument structure and dependence as determinants of the effectiveness of influence strategies in gaining channel member compliance. *Journal of Marketing, 69* (3),66-79. doi: http://dx.doi.org/10.1509/jmkg.69.3.66.66368

Porter, M.E. (1980). *Competitive strategy.* New York, NY : Free Press.

Radaev, V. (2013). Market power and relational conflicts in Russian retailing. *Journal of Business & Industrial Marketing, 28* (3), 167-177. DOI : http://dx.doi.org/10.1108/08858621311302822

Scheer, L. K., & Stern, L. W. (1992). The effect of influence type and performance outcomes on attitude toward the influencer. *Journal of Marketing Research, 29* (1), 128-142.

Sengupta, P. (2009). Linguistic diversity and economic disparity: An issue for multiculturalism in India. *The International Journal of Diversity in Organizations, Communities and Nations, 9*(1), 147-164.

Shah, H. (2000). Performance assessment of Indian women entrepreneurs. In B.S. Bhatia, & G. S. Batra (Eds.), *Entrepreneurship and small business management* (Chapter 17). New Delhi : Deep and Deep Publication.

Shah, R., & Basu, D. (2010). Coercion in psychiatric care: Global and Indian perspective. *Indian Journal of Psychiatry, 52*(3), 203-206.

Shamdasani, P., Keh, H. T., & Chan, K. T. - S. (2001). The efficacy of power and influence strategies in a conventional channel: A Singapore perspective. *Journal of Business & Industrial Marketing, 16* (1), 21-38. DOI : http://dx.doi.org/10.1108/08858620110364864

Su, C., Yang, Z., Zhuang, G., Zhou, N., & Dou, W. (2009). Interpersonal influence as an alternative channel communication behavior in emerging markets: The case of China. *Journal of International Business Studies, 40,* 668 - 689. doi:10.1057/jibs.2008.84

Teller, C., Kotzab, H., Grant, D. B., & Holweg, C. (2016). The importance of key supplier relationship management in supply chains. *International Journal of Retail & Distribution Management, 44* (2), 109-123. DOI http://dx.doi.org/10.1108/IJRDM-05-2015-0072.

Venkatesh, R., Kohli, A. K., & Zaltman, G. (1995). Influence strategies in buying centres. *Journal of Marketing, 59* (4) 71-82.

Weck, M., & Ivanova, M. (2013). The importance of cultural adaption for trust development. *Journal of Business & Industrial Marketing, 28* (3), 210-219.