Relationship Marketing and Distribution Channels: Exploring Fundamental Issues

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I truly got involved in the task of reviewing the article entitled "Relationship Marketing and Distribution Channels" by Barton A. Weitz and Sandy D. Jap (1995 [this issue]). The effort by these authors to examine the concept of relationship marketing and the channels of distribution literature is to be applauded. The article they produced summarized the published research on managing channel relationships. In addition, the authors highlighted potential areas for future research on channel relationships through the development of specific propositions. This effort should serve both to motivate and guide meaningful research concerning relationship marketing issues within channels of distribution.

This review will focus on what I consider to be a few key fundamentally unresolved issues surrounding the Weitz and Jap article. First, this review will start with a discussion of the meaning of relationship marketing. Second, I will offer some comments on the authors' framework as a way to encourage the development of a more comprehensive framework. I will then discuss two conceptual areas that I believe were inadequately addressed and yet critical to an understanding of relationship marketing in distribution channels. Specifically, the topics involved are the relational contracting model and process aspects of developing relationships between channel members.

THE CONCEPT OF RELATIONSHIP MARKETING

American business is on the verge of one of the most revolutionary changes in this century. The traditional separation of suppliers, sellers, intermediaries, and customers may no longer exist in the 21st century (Berling 1993). Webster (1992, p. 1) considers this change a "fundamental reshaping of the field" whereas others consider it a genuine paradigm shift (Day and Wensley 1983; Kotler 1991). Kotler (1991) believes marketing is shifting away from a focus on exchange, in the narrow sense of transaction, and toward a focus on building value-laden relationships and marketing networks. This fundamental reshaping of the marketing field is manifested in the turn toward relationship marketing, a concept that encompasses relational contracting (Morgan and Hunt 1994).

The term *relationship marketing* has become a popular buzzword in both the academic (Hunt and Morgan 1994; Morgan and Hunt 1994) and business (Levine 1993; McKenna 1991) press. The concept of relationship marketing has been used to reflect a number of differing themes or perspectives. One view assumes a promotional perspective and emphasizes that relationship marketing will redirect the flow of promotional monies toward targeted customers often identified through marketing databases of current and potential purchasers. A second view stresses focusing on individual customers and building a close relationship with individual customers or treating each customer as a segment of one. A third view focuses on keeping or retaining customers by using a variety of customer bonding techniques and staying in touch with the customer after the sale is made. A fourth view takes a more strategic perspective by putting the customer first and shifting the role of marketing from manipulating the customer (telling and selling) to genuine customer involvement (communicating and sharing the knowledge). Although there are a range of perspectives on relationship marketing, it historically has been associated with attempts by firms to develop long-term relationships with certain customers or key accounts.

The concept of relationship marketing has been broadening beyond relationships dealing with one's customers (Hunt and Morgan 1994). Parvatiyar and Sheth (1994), for example, view relationship marketing as an orientation "that seeks to develop close interactions with selected customers, suppliers and competitors for value creation through cooperative and collaborative efforts" (p. 1). According to Juttner and Wehrli (1995), the two main objectives of relationship marketing are (1) the design of long-term relationships with customers to enhance value shares for both parties and (2) the extension of the long-term relationship idea to vertical and horizontal cooperation partners. Academics have come to realize that many of the

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relationships central to the success of any firm may not involve end-use customers at all (Hunt and Morgan 1994).

A recent article by Morgan and Hunt (1994) offers the following broadened definition of relationship marketing:

> Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining, successful relational exchanges. (p. 22)

This definition recognizes the process aspects of relationship development and maintenance. Heide (1994) also identified a set of generic relationship processes, which included relationship initiation, maintenance, and termination processes. This definition also claims that the objective of relationship marketing is to establish, develop, and maintain successful relational exchanges.

The broadened concept of relationship marketing includes attempts by firms to develop long-term relationships with channel members (e.g., wholesalers and retailers). It is important to recognize that it is through distribution that the manufacturer can provide the kinds and levels of service that create superior customer value and lead to very satisfied customers. Developing successful long-term relationships with channel members involves a set of generic relationship developmental processes including relationship initiation, maintenance, and termination. The concept of relationship marketing encompasses relational contracting. Understanding relationship marketing requires distinguishing between the discrete transactions and relational exchange (Morgan and Hunt 1994, p. 21).

A CRITIQUE OF THE AUTHORS' FRAMEWORK

The authors' framework for classifying channel relationship management research focused on two structural dimensions of channels: channel context or structure and mechanisms to control and coordinate the channel activities. The authors' framework could be strengthened if it considered both the structure of channel relationships and the relationship development process. The framework itself largely ignores the process aspects of relationship development that are central to the notion of relationship marketing. The authors do, however, examine process issues at the end of their article.

This emphasis on the structural aspects of long-term buyer-seller interactions, rather than on the process of relationship formation, maintenance, and evolution, has been common within the marketing literature (Dabholkar, Johnston, and Cathay 1994). Some authors have specifically recognized that the problem of organizing a distribution channel is both a question of implementing an efficient governance structure and developing relationships between the exchange partners (Haugland and Reve 1993). There are even some interesting frameworks beginning to combine channel structure and relationship development process dimensions (e.g., Heide 1994).

There are two prominent views of channel structure in the marketing literature: categorical distinctions in the political economy of channels and relationalism (Boyle, Dwyer, Robicheaux, and Simpson 1992). The authors' first structural dimension consists of a dichotomous categorization of channel structure where they divided the population of channel structures into corporate channels (vertical integration) versus independent firms performing channel functions. This distinction is consistent with the institutional economics paradigm that concerns itself with whether exchange crosses organizational boundaries (the "make" or "buy" decision). A richer set of channel structure archetypes would include a distinction between corporate systems (vertically integrated channels), contractual systems (e.g., franchising), administered systems (directed by socioeconomic power centers), and conventional arm's-length associations. The authors' framework would have been more valuable had it included all of the primary channel structure categories.

These channel archetypes represent primary options for channel governance (Boyle et al. 1992). According to Boyle et al. (1992), these archetypes "vary in the inclusiveness of goals, the locus of decision-making, the scope of supervision and control, commitment to the system, and the formality of roles and division of labor" (p. 464). These characteristics are thought to be highest in corporate systems and lowest in market governance, although it is virtually certain that these properties vary within each channel archetype.

The second dimension of the authors' framework focuses on the mechanisms used to control and coordinate the channel activities and the channel context. The authors chose to base the framework on control mechanisms because the method used to control and coordinate channel activities is a fundamental decision variable for managing the distribution channel. These control mechanisms or governance dimensions are strategic variables in their own right that can be made subject to deliberate design (Heide 1994). Heide (1994) argues that it is the nature of these specific control mechanisms, rather than channel types per se (i.e., corporate systems vs. nonintegration), that represents the ability to manage ongoing relationships.

Control is an important aspect of organizational and interorganizational design. Recent organizational approaches to control suggest two underlying control strategies: monitoring and rewarding performance and minimizing the divergence of preferences among organizational members (Ouchi 1979; Eisenhardt 1985). The first strategy, performance evaluation, emphasizes the information aspects of control. The second strategy is more normative or relational in that members chose to cooperate in the achievement of common goals because the members understand and have internalized these goals. The latter strategy emphasizes people and personal relationship policies such as selection, training, and socialization (Eisenhardt 1985).

There is a great deal of promise in studying control and control mechanisms as ways of organizing interfirm relationships. To be effective in designing channels, marketing managers need to understand the alternative mechanisms for controlling the role performance of individual channel members. Specific control mechanisms must be put in place as choices exist between mechanisms with fundamentally different properties (Anderson and Oliver 1987).

The control mechanisms that can be used for governing an integrated corporate system also can be built explicitly into the relationship between channel members. Heide (1994) has suggested that interfirm agreements can be structured in such a way as to make integrated and nonintegrated channels indistinguishable. The key issue is not necessarily ownership or integration per se, but rather the manner in which a particular relationship is organized through control mechanisms.

The authors have proposed a classification using the following three control mechanisms: authoritative, contractual, and normative. This threefold classification is similar to other classifications. Ouchi (1980) proposed markets, bureaucracies, and clans as control mechanisms. Bradach and Eccles (1989) proposed price, authority, and trust. Heide (1994) proposed market, unilateral (hierarchical), and bilateral as alternative forms of governance and then went on to state that "relational exchange appears to capture the spirit of a bilateral power system" (p. 73). These control mechanisms are useful concepts provided one recognizes that they can be combined in a variety of ways. Exchanges are rarely governed solely by markets, hierarchy, and trust, but these mechanisms serve as the key building blocks for the complex exchanges in channels of distribution.

It is important to point out that each of the control mechanisms identified by the authors can be used in each of the channel archetypes. The authors identified both authority and power as authoritative mechanisms of control. They went on to propose that in a corporate-owned channel, managers can govern through authority using rules, policies, and supervision. The ability to govern by means of authority is not limited to intrafirm settings but can also be achieved between firms by means of contractual provisions (Heide 1994). Likewise, the ability to govern by means of power and influence is just as applicable in intrafirm settings as in interfirm exchange settings.

Although authority, contracts, and norms serve as key building blocks for organizing exchanges between channel members, other classifications and control mechanisms have been proposed. Bradach and Eccles (1989) point out that relations between independent exchange partners can be stabilized through formal (written contracts, hostage exchanges) and informal mechanisms (self-control). Gundlach and Achrol (1993) propose multiple overlapping control mechanisms including markets, hierarchy, enforceable long-term contracts, implied legal construction (e.g., good faith, fiduciary responsibility), power and influence, structural dependence (e.g., offering credible commitments or pledges, hostages), personal bonds, social norms, and reputational consequences. All of these available mechanisms can serve as building blocks for controlling and regulating channel member behavior.

The authors' review of relevant research seems to be more closely aligned with the Heide (1994) framework proposing unilateral and bilateral forms of nonmarket governance than with their own classification of authoritative, contractual, and normative control mechanisms. Heide (1994) views governance as a much broader concept than control. He views governance to include elements of establishing and structuring exchange relationships as well as aspects of monitoring and enforcement. The Heide (1994) framework would seem to offer more promise for understanding relationship marketing in that unilateral and bilateral forms of nonmarket governance are distinguished on the basis of the manner in which the relation is established and maintained. The three governance forms identified by Heide (1994) imply radically different approaches to relationship management.

The relationalism view of channel structure is often expressed as a continuum ranging from short-term or discrete exchanges to long-term relational exchanges (Macneil 1980). This view attempts to distinguish short- from long-run orientations based on a series of norms or expected patterns of behavior. The authors indirectly include the concept of relationalism as the "normative" mechanism of control.

The broadened definition of relationship marketing emphasized relational as opposed to discrete exchange. Relational exchange refers to a class of general control mechanisms often assigned the label of "trust," "norms," "relationships," "networks," or a "bilateral power system." An understanding of relational exchange or contracting is central to the successful use of relationship marketing in channels of distribution.

MACNEIL'S RELATIONAL CONTRACTING MODEL[1]

The relational contracting model proposed by Ian Macneil (1974, 1978, 1980, 1981, 1983, 1985) appears to be a rich conceptual framework capable of capturing the "dimensions and dynamics" that underlie the nature of exchange relationships as well as the belief structures and activities that make for successful exchange relationships. Macneil's discussion of relational contracting deserves serious attention by marketing scholars because it offers a model that is sufficiently rich to capture the equally rich nature of modern exchange relationships.

Macneil (1974) proposes a new paradigm for studying the law of contractual behavior, but his emphasis is on contractual exchange behavior, not the law. To Macneil (1980), contracts are about exchange because contracts capture the relations among parties, and these relations project exchange into the future. The relations he speaks of are the societal relations of custom, status, habit, hierarchical structures, and even past exchange relationships, and these relations then become the basis for exchange in the future. Contracts or exchange can be based on either the traditional promise of contract law or other more relation-based, nonpromissory projections into the future.

Macneil's view of promissory- and nonpromissory-based exchange is consistent with the types of exchange relationships present in marketing. In channels of distribution, marketing exchange relationships are often based on contracts that include specific promises, but additional nonpromissory projectors often fill in the gaps. In franchises or dealerships, the parties often undertake joint activities not specified in the contract because they recognize the shared benefit of those activities. Contractual relations, as described by Macneil, appear to be consistent with the nature of exchange relationships found in many marketing exchange settings. His concept of more relational exchange is often the focus of marketing programs and actions intended to build a relationship between buyer and seller.

Macneil (1974, p. 737) proposes 12 "behavioral concepts of contract," which are the foundations of exchange relationships. The 12 concepts proposed by Macneil are sources of contractual solidarity, expectations for relations, personal relations, cooperation, planning, power, division and sharing of benefits and burdens, transferability, timing of the exchange, obligations, number of parties, and measurement and specificity. These 12 concepts or elements of contractual relations are the basis for expanding the concept of exchange beyond the discrete transaction assumed in contract law as well as in marketing. These contractual elements illustrate the complex nature of exchange relationships and were first introduced to the marketing literature in Dwyer, Schurr, and Oh (1987). Macneil (1974) depicts each of the contractual elements as a bipolar axis with a transactional pole and an opposite relational pole.

Each contractual element axis has a relational pole or endpoint that represents purely relational exchange or modern contractual relation (Macneil 1980, 1981, 1983). In more relational exchange, obligations are derived from and supported by the relationship as well as by external customs, habits, and laws. Relational exchange agreements often lack specifics in remedy or adjustment for breach or unforeseen contingencies, but dissatisfied parties tend to negotiate, not litigate, in more relational exchange (Macauley 1963). As long as the expectation of benefits in the future exists, internal attempts at adjustments will precede external third party intervention.

The relationship may have a past history, but more importantly it has an anticipated future. A newly signed franchisee may have no experience with the franchiser but the relationship could still be highly relational because of future expectations. The relationship also may include the bank officer that financed the franchisee, local politicians that control licensing, and other suppliers or resellers of inputs as well as the franchiser. This complex network of relations makes the valuation of each member's contribution difficult but the parties invest resources based on the expected future value of the exchange relationship. As all of these people have confidence in the franchisee personally, they may not permit transfer of ownership of the franchise because the relationship involves the individual franchisee, not the franchised business.

A contract to exchange is relational to the extent that the parties are incapable of reducing important terms of the arrangement to well-defined duties (Goetz and Scott 1981). As the contract projects the relationship into the future, there are unforeseen circumstances that will affect the exchange relationship. Cooperation between the parties in performance and joint planning are needed and expected in more relational exchange settings. The exchange parties communicate freely, share benefits and burdens, and exercise power judiciously with the intent to reap the future benefits of the exchange relationship because the relationship is expected to continue on for some time. (For additional discussion of the contractual elements in discrete vs. relational exchange relationships, see Dwyer et al. [1987].)

All contractual exchange relationships, from discrete to relational, are affected by the norms or behavior patterns of the parties to the contract involved in contractual relations. Macneil's (1980) norms describe normative behavior: principles of right action binding upon the members of a group and serving to guide, control, and regulate proper and acceptable behavior. These norms are closer to the law or generally accepted practices under which society functions. Just as most people are guided in everyday activities by societal norms, the contract norms are the parameters for the exchange activities and behaviors of contractual relations.

Macneil (1980) develops three classes of contract norms: common, discrete, and relational. The first class, common contract norms, are common to all contractual relations whether discrete or relational. The 10 common contract norms identified by Macneil (1980, 1983) include role integrity, mutuality, implementation of planning, effectuation of consent, flexibility, contractual solidarity, creation and restraint of power, linking norms, harmonization with the social matrix, and propriety of means. Each of the common contract norms must exist for exchange to occur.

Although the common norms are common to all exchange relationships, other norms, which are derived from these common norms, play a larger role in making an exchange relationship successful. When the nature of an exchange relationship is more discrete or more relational, an intensifying of some of the norms for contractual behavior occurs as well as the relative muting of others (Macneil 1980). Subsets of the 10 common contract norms become important determinants of success for an exchange relationship. Kaufmann (1987), Kaufmann and Stern (1988), and Kaufmann and Dant (1992) have extended Macneil's work by developing discrete and relational manifestations for a few, selected common contract norms.

In more relational exchange, certain behaviors are critical to the vitality and duration of the exchange relationship. Relational exchange reflects an intensification of four particular common norms identified as relational norms (Macneil 1980). Relational norms serve to limit opportunism. Role integrity takes on greater importance in more relational exchange. Although the exchange partners remain committed to fulfilling their own goals, the rules or means for achieving those goals differ from more discrete exchanges. Formal rules of law become less important, giving way to a more complex but sometimes ambiguous set of standards. Relationships are governed not only by contract language but also by common industry practices or rules, always with an eye on the future. The roles of the exchange parties grow, both in duration and range of obligations, building the interdependencies necessary for satisfactory performance (Macneil 1980). Only if the integrity of the individual roles is maintained can highly relational contract exchange be successful.

The next relational norm, preservation of the relation, is an intensification and expansion of the common contract norm of contractual solidarity (Macneil 1980). In its common form, it is "no more than the norm of holding exchanges together," but in more relational exchange, it becomes "a common belief in effective future interdependence" (Macneil 1980, p. 90). Relational exchange is long term and based on preserving or continuing to exchange with the same individuals or firms. When the parties are committed to maintaining the relationship, they work at making it work, which leads to successful, mutually beneficial exchange.

The third common norm expected to grow in importance in relational exchange is the harmonization of the social matrix norm (Macneil 1980). The intensified relational form of the norm, harmonization of relational conflicts, reflects the exchange party's shared basis for resolving conflicts that threaten the stability of the exchange relationship. (The previous norm, preservation of the relation, is the desire to resolve conflict.) Two alternative methods for dealing with conflict in a relationship are to seek relief through formal procedural rules or to reach a joint agreement to resolve the conflict. The former, relief according to rules, is uncharacteristic of relational exchange systems because resorting to formal rules indicates the level of contractual solidarity has declined to a level where parties to the exchange no longer perceive the value of future exchange to outweigh the cost of the current conflict. Reaching an agreement to resolve the conflict is unlikely unless the value of future exchange justifies the cost of resolving the current conflict.

Macneil (1983) added propriety of means to his previous (1980) list of common contract norms and also to the intensified relational contract norms list. The propriety of means norm recognizes there are often multiple means or paths to achieve the same end, but Macneil believes that societal constraints determine which means are appropriate in a given setting. As the exchange becomes more relational, the relationship becomes more complex and the principles and practices of behavior with the relationship also become more complex. Habits, rules of thumb, and standard operating procedures develop within the more relational exchange setting and are added to (or even replace) external societal behaviors. The result is a more intricate web of relations between the exchange parties, and that web of relations is an important facet of more relational exchange relationships.

The last relational contract norm (which is not included among the common contract norms) is what Macneil (1980, p. 70) calls supracontract norms, which he states to be "not particularly contractual." As contractual relations develop, the relations become more like small societies, requiring such broad norms as "distributive justice, liberty, human dignity, social equality and inequality, and procedural justice" (Macneil 1980, p. 70).

Macneil's relational contracting model provides the most comprehensive conceptual treatment of relational exchange. This brief summary of Macneil's work provides a conceptual context for understanding relational exchange and hence relationship marketing. Analyzing Macneil's elements and norms from a marketing perspective may prove difficult, but its richness should make the effort worthwhile.

DEVELOPING RELATIONSHIPS BETWEEN CHANNEL MEMBERS

Organizing a distribution channel involves both implementing an efficient governance structure and developing relationships between channel members (Haugland and Reve 1993). The importance of developing relationships between actors is emphasized in relational contracting theory. Little scholarly attention has been devoted to studying developmental processes between channel members (see Dwyer et al. 1987 and Heide 1994 for exceptions).

Organizational sociologists have examined the contingency factors or reasons why organizations form cooperative interorganizational relationships with other organizations. In an integrative summary of the organizational literature, Oliver (1990) identified six generalizable determinants of relationship formation: necessity, asymmetry, reciprocity, efficiency, stability, and legitimacy. Each of these reasons may be a separate and sufficient cause of relation formation. The decision to initiate a relation with another organization, however, is commonly based on multiple reasons. Although each of these reasons can play a significant role in channel relationship formation, the reciprocity determinant is of particular importance to relational exchange.

A considerable portion of the interorganizational literature assumes implicitly or explicitly that relationship formation is based on reciprocity. Motivations for reciprocity emphasize cooperation, collaboration, and coordination among organizations, rather than domination, power, and control as in the asymmetrical approach. The reciprocity model is theoretically rooted in exchange theory. The process of relationship formation typically will be characterized by balance, harmony, equity, and mutual support, rather than by coercion, conflict, and domination (Oliver 1990).

The reciprocity model for relationship formation fits well with the concepts of relational exchange and relationship marketing. Firms attempting to initiate a relational exchange with channel members will need to emphasize balance, harmony, equity, and mutual support, and avoid coercive sources of power and dysfunctional conflict in their interactions with prospective channel members.

The successful development of relational exchanges among channel members requires certain conditions. First, successful relational exchanges require considerable mutual dependence among channel members. Skinner, Gassenheimer, and Kelley (1992) claim that "dependence and bases of power represent the foundation for the relationship" (p. 176). Interdependence is the underlying root of solidarity and mutuality, two of Macneil's norms. The successful use of cooperative strategies are limited to situations in which each party has some minimal degree of power vis-à-vis the other parties (Benson 1975). According to Anderson and Narus (1990), experience suggests that collaborative relations prosper as long as the supplier firm and its exchange partner have significant and roughly the same dependence on the relationship. The underlying logic is that a channel member dependent on the role performance of the other is more likely to exert greater effort to maintain the relationship.

Researchers have identified certain indicators or antecedents of dependence (Anderson and Narus 1991; Ganesan 1994). The three most commonly identified antecedents are transaction-specific investments (switching costs), time horizon, and uncertainty or rate of marketplace change.

Firms can create dependence and lock in exchange partners by getting them to invest in transaction-specific assets (Ganesan 1994). Typically transaction-specific assets create high switching costs and serve as a barrier-to-exit from an exchange relationship, and this motivates one party to collaborate with the other. Investments specific to a relationship, deployed by either or both parties, increases the likelihood of relational contracts (Palay 1984). Gundlach, Achrol, and Mentzer (1995) concurred when they stated that "credible commitments of specialized resources provide the impetus for the development of relational social norms" (p. 81).

Channel members whose purchase decisions have long-term consequences are more likely to collaborate with supplier firms. Studies of long-term orientation in channel studies have concentrated on the importance of creating dependence through transaction-specific investments. Dependence levels are generally higher between exchange partners under conditions of uncertainty or high rates of marketplace change.

A second critically important condition for the development of relational exchanges is trust. Trust is a type of expectation that alleviates the fear that one's exchange partner will behave opportunistically (Bradach and Eccles 1989). Although trust is similar to the relational manifestation of the solidarity norm, it does not imply the full range of dimensions conceived under the relational exchange framework (Kaufmann and Dant 1992). Trust is one of the factors that guides the conduct of exchange between two parties who desire more relational interaction or anticipate establishing an enduring relationship (Gundlach and Murphy 1993). According to Pruitt (1981), trust is a prerequisite for coordination and collaboration leading to relational exchange.

Trust can be produced in different ways (see Bradach and Eccles 1989 for a complete discussion). In practice, the most common way trust emerged among channel members in deal-focused cultures such as the United States is from recurrent transactions. In practice, most cooperative interorganizational relationships among strangers emerge incrementally and begin with small, informal deals that initially require little reliance on trust because they involve little risk. An accumulation of prior exchange interactions increases trust between the parties.

Trust can also arise out of the social context of transactions (Bradach and Eccles 1989). There are widely diffused social norms of obligation and cooperation that affect exchange relationships. There are also personal relationships that overlap with economic exchange that provide the basis for trust. In relationship-oriented cultures like Japan, trust is engendered by the social norm that insists that business relations are personal relations (Bradach and Eccles 1989). Obviously, relationship development strategies should differ considerably between deal-focused and relationship-focused cultures.

As relationships develop over time they can become "institutionalized." According to Ring and Van de Ven (1994), the institutionalization of a relationship is evident in three basic interactions that evolve over time between formal and informal processes of negotiation, commitment, and execution. First, personal relationships increasingly supplement formal role relationships. Second, psychological contracts increasingly supplement formal role relationships. Third, as the temporal duration of relationships extends beyond the tenure of initial contracting agents, formal agreements (rules, policies, and contracts) increasingly mirror informal understandings and commitments. An examination of the negotiation process as it evolves over a series of exchange transactions is critical to developing an understanding of how businesses build and/or maintain exchange relationships (Oliver 1990).

SOME CONCLUDING OBSERVATIONS

The marketing literature seems to be overwhelmingly in favor of initiating relationship marketing or relational exchange. Houston and Gassenheimer (1987) stated that "good marketing management emphasizes the building of long-term relationships" (p. 10). Kotler (1991) echoed a similar philosophy by stating that "smart marketers try to build up long-term, trusting, win-win relationships with customers, distributors, dealers, and suppliers" (p. 8). Although there is overwhelming support for this position, there may well be channel contexts in which it is inappropriate to initiate relationship-building strategies between channel members. It is possible that in some instances initiating relational exchanges may be undesirable when the costs of building relations outweighs the benefits. It is also possible that in some instances developing relational exchanges may not provide results compatible with the mission and strategies of an organization.

The authors (Weitz and Jap) perceptively raise the possibility that the ultimate impact of relationship marketing in a channel context may differ from its impact in supplier-manufacturer, manufacturer-customer, or strategic alliance contexts. They go on to point out that these nonchannel exchange contexts often involve exclusive relations, whereas channel intermediaries often deal with multiple competitive suppliers in a product category to satisfy the assortment needs of their customers. They raise the interesting question as to whether the need to provide assortment might limit the degree to which trusting and committed relationships can develop and strategic advantage can be achieved through relationships in conventional channels.

On the other hand, supplying firms using intensive and selective distribution systems have chosen to provide coverage to a territory through multiple channel members thereby limiting their dependency on any one member. Supplying firms are likely to find it difficult to generate the substantial interdependency needed to support successful relational exchanges.

Some authors see a new focus on strategic relationships that began when the reality of global competition in a number of industries placed power in the hands of the customer (Berling 1993). They speculate that the traditional separation of suppliers, sellers, and customers may no longer exist in the 21st century. This revolutionary change will require an unprecedented integration of key processes. Berling (1993) believes this integration will require trust for companies to work together for a long period of time.

It is undeniable that the working relationships between channel members are changing. There is definitely a need for a comprehensive conceptual framework or frameworks to guide research and practice with respect to relationship management in distribution channels. Weitz and Jap have proffered a framework to begin the quest. Some of the dimensions that may be included in an ideal framework are a rich set of channel structure archetypes, alternative control mechanisms, and the stages of relationship development. The latter two are probably the most important. There may well be other dimensions that other researchers will want to see included.

At the outset of writing this review, I had two intentions in mind. First, I wanted to augment the comprehensive review by Weitz and Jap by addressing some critical yet fundamentally underexplored issues. Second, I wanted to encourage other researchers to take an interest in developing both conceptual and empirical work concerning relationship marketing in distribution channels. Hopefully, this collection of articles on relationship marketing and channels will serve to stimulate academic interest.

NOTE

1. I would like to acknowledge the contribution of Mark T. Spriggs to the discussion concerning the relational contracting model. This section was motivated by my joint work with Mark over the past few years.

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