ABSTRACT

This thesis explores the channel relationship strategies of manufacturers of steel and allied products in South India and their effectiveness. The perspective adopted was that of the dealers and distributors. An extensive survey of existing literature was carried out and variables impacting channel relationships identified for further exploration and testing. An instrument for measurement was designed by suitably adapting the items from previous studies of a similar nature. A field study, descriptive in nature, was undertaken during the period March to May, 2013 to empirically test some of the existing theories in the chosen geographical area.

The dealers selected for the study had been in business for minimum five years, spread over all the four states in South India. A total of 180 dealers were contacted and 133 usable responses collected. Relevance of the measuring instrument was vetted by a panel of experts and a pilot study was also conducted before going ahead with the full pledged study.

The constructs used in the study were validated and their reliability established by using prescribed methods. Confirmatory Factor Analysis was carried out to validate the factor structure and test the measurement model. A causal model, suitably adapted from similar studies undertaken in US and Europe was tested using Structural Equations Modeling(SEM). The software chosen was AMOS 16. Alternate models also were tested and after a thorough scrutiny of the model fit indices the causal model was retained for further analysis and discussions.

Three new constructs viz. Supplier Critical Support ;Supplier Versatility and Relationship Strength were successfully conceived and operationalized, an original contribution of this study to the existing body of literature.

Based on the testing of causal paths, which were nine in number, it was established that Relationship Strength mediated the effect of Supplier Versatility, Industry Norms and Competence of Sales Personnel on the two outcome variables viz. Seller Objective Performance and Relationship Continuity. Supplier Critical Support was found to have a direct effect on the outcome variables. The study could not establish the direct effect of Communication on the outcome variables.
Managerial implications of the findings of the study were discussed at length and specific actions suggested for manufacturers to further refine their channel relationship strategies to make them more effective.

This study is a pioneering effort in steel industry in the Indian context. The objectives set out for the study have been achieved, albeit with some limitations. Structural Equations Modeling, still in the early stages of adaption by Indian researchers, was successfully employed in this study and model fit indices indicate a good model fit. Findings of the study would be of practical relevance to manufacturers of steel and allied products and help them focus on those elements of channel relationship strategies that are more effective.

The study had certain limitations, discussed in detail in the thesis. Areas for further research have also been suggested.