

ABSTRACT

CHANNELS MANAGEMENT AND THE CHANNELS MANAGER

Bruce J. Walker, Arizona State University
Janet E. Keith, Arizona State University
Donald W. Jackson, Jr., Arizona State University

Distribution channels are one of the most important elements of a firm's marketing strategy. Thus, several authors have supported the need for effective coordination of channel activities (Alderson 1959, Little 1970, Wilkinson 1974).

A distinct and separate position called the channels manager was advocated by Jackson and Walker (1980). The channels manager would be responsible for planning, coordinating, and evaluating and controlling activities related to the firm's distribution channels. Yet, despite the importance of distribution channels and the advantages that can accrue to the firm that coordinates channels activities, available evidence suggests distribution channels are not managed (Cox and Schutte 1969, Lambert 1978). Few firms have integrated the management of marketing channels under one channels manager (Moore and Eckrich 1976).

The purpose of this study was to examine the adoption and viability of the channels manager concept. The study involved a mail survey of top marketing executives in large manufacturing companies. A systematic random sample of 1000 companies (or subsidiaries) with annual sales of \$50 million or more was selected for study from Standard and Poor's Register of Corporations (1981).

Of the 1000 questionnaires mailed, 14 were deleted because they were nondeliverable or unusable. Of the remaining 986 questionnaires, 123 usable questionnaires were returned. Respondents represented a good cross-section of manufacturers. A telephone survey of nonrespondents revealed no differences between respondents and nonrespondents.

Results of the study indicated that the planning, coordinating, and evaluating and controlling activities related to distribution channels were diffused throughout several positions within the organization, including the marketing vice president, marketing manager, sales manager, and others. Furthermore, only 14 percent of the respondents had a channels manager position within their marketing organizational structures. Thus, the position had not reached the scope as advocated by Jackson and Walker (1980).

In all firms with a channels manager, the channels manager held primary responsibility for only 13 of the 20 planning, coordinating, and evaluating and controlling activities included in the survey. Also, for each of these activities, the channels manager had primary responsibility in no more than 25 percent of the firms with a channels manager. However, respondents in firms with a channels manager position strongly supported the existence of the position within their own company and within large, multiproduct, multimarket, multichannel companies.

Among all respondents, there were more executives who did not perceive a need for a channels manager position within their own organization than there were executives who saw a real need for the position. Thus, most respondents estimated that the likelihood of implementation of the channels manager position within their own company was low.

On the other hand, there was some recognition of the need for the channels manager position in large, multiproduct, multimarket, multichannel companies. However, about four-fifths of the respondents estimated the likelihood of implementation of the channels manager position in large firms in the next five years was less than 50 per-

cent. The major impediment to implementation seemed to be concern about proliferation of organizational positions and cost of implementation.

The present study indicated that the channels manager position was still more concept than reality. However, favorable views expressed by those respondents representing firms with a channels manager position suggest that the concept does have potential value, at least in certain types of companies. Hence, other companies should evaluate the benefits that can accrue to their organizations through effective management of channels activities and should seriously consider implementing the channels manager position.

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