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Satisfying Customer Expectations: The Effect on Conflict and Repurchase Intentions in Industrial Marketing Channels

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The article investigates how the marketer's fulfillment of middleman expectations impacts upon conflict and repurchase intentions in industrial channels. The nature and key determinants of expectations in industrial buyer behavior are examined. Discrepancy theory is used to assess the (dis)confirmation of expectations process. A series of hypotheses are developed and tested in a large manufacturing and distribution network engaged in the marketing of fluid power products. Results suggest a direct causal effect of (dis)confirmed expectations on repurchase intentions and on conflict, and that the effect of expectations on repurchase intentions is not modified by the creation of conflict. Managerial implications are drawn.

INTRODUCTION

Those who make buying decisions within industrial distribution channels tend to develop expectations in a number of areas regarding the performance of vendors (Anderson and Chambers 1985; Doyle, Woodside, and Michell 1979; Moriarty 1983; Sheth 1973; Sibley and Teas 1979; Vyas and Woodside 1984). This is the case both for end-users and industrial middlemen. These expectations are based on a number of influences, including the promotional efforts of industrial marketers. At the same time, vendors do not always meet these expectations, in part due to their own limitations, conflicts in the expectations of different customers or intermediaries, and/or the marketer’s perception that these expectations are unrealistic.

What is unclear is how the failure to satisfy expectations affects the behavior of those who make buying decisions at different levels in the industrial channel. For example, middlemen may simply adjust their expectations to be more consistent with the vendor's performance. Alternatively, vendors may find themselves losing distributors and sales (Frazier 1983). The result is that the industrial marketer has little guidance regarding the relative importance of distributor expectations, how much effort to expend in monitoring how well these expectations are being fulfilled, or the degree to which they should attempt to influence (raise or lower) the channel member's expectation levels.

The purpose of this study is to investigate how the ability of the marketer to fulfill the expectations of middlemen affects the level of conflict within the industrial channel, and the (re)purchase intention of those middlemen. The role of expectations in organizational buying decisions are examined, including the key determinants of expectations and some of the major areas in which expectations are typically developed. Discrepancy theory is used to examine the confirmation/disconfirmation of expectations process within an industrial channel context. Findings regarding the role of conflict within these channels are briefly summarized. Hypotheses are developed and LISREL is then used to test a model of the relationships between the disconfirmation of expectations, conflict, and (re)purchase intentions.

LITERATURE REVIEW

The Role of Expectations in Organizational Buying

Expectations can be defined as the "perceived potential of alternative suppliers and brands to satisfy a number of explicit and implicit objectives in any particular buying decision" (Sheth 1973). That is, expectations represent a perceptual
construct. They refer to what the individual buyer believes to be the case regarding alternative vendors based on his/her processing of the available information sources (Anderson and Chambers 1985). In industrial buying, the formation of expectations is thought to be affected not only by information processing, but also by a person's background (e.g., specialized education, job-related roles, lifestyle) and their satisfaction with past purchase decision outcomes (Luffman 1974; Sheth 1973; Vyas and Woodside 1984).

Expectations can be conceptualized on a number of levels. For example, a distinction can be made between a buyer's ideal expectation level ("wished for") level, desired level (the level which is commensurate with the costs and investments involved), minimum tolerable level (least acceptable) and anticipated level (based on past average performance) (Anderson 1973). Others (Swan 1977; Swan and Trawick 1981) distinguish between desired expectations (what should be) and predictive expectations (the actual level anticipated). Members of the industrial distribution channel are making product and vendor choice decisions which are analogous to those made by an end-user. Similarly, then, they develop a set of expectations regarding product and vendor performance. The key marketing performance variables may differ somewhat, as a reflection of the role of the channel member within the channel. In addition to product quality, delivery lead-time, and price, middlemen can also develop expectations regarding credit terms, rate of new product development, completeness of product line, and return policies, among others (Narus, Reddy, and Pinchak 1984).

The extent to which expectations are met define what has been called the perceived (dis)confirmation process (Oliver 1977). If the perceived performance of a vendor is above the buyer's expectations, confirmation is considered positive. If the performance equals expectations, zero confirmation results. When perceived performance falls short of expectations, negative confirmation (disconfirmation) is said to occur.

Expectations and Industrial Purchase Intentions

The effects of expectations have been extensively studied (Anderson 1973; Cardozo 1965; Oliver 1977, 1980, 1981; Spector 1956; Swan 1957; Swan and Trawick 1981), primarily in connection with the post-exposure evaluation of products by individuals in consumer markets. This research generally assumes that consumers acquire cognitive expectations relative to a product's probable level of performance, and their future behaviors are then influenced by the good's ability to meet these expectations (Oliver 1977).

A number of these studies support the link between the confirmation of a consumer's expectations and their future purchase intentions. Spector (1956) found, for example, that individuals who experienced negative disconfirmation tended to react by resisting an initial sale, by failing to make a repeat purchase, or by engaging in unfavorable word-of-mouth publicity. More recently, Oliver (1977, 1980, 1981) has used a series of comprehensive and controlled investigations to demonstrate the effect of the expectation confirmation process on consumer satisfaction. He found that satisfaction increases as the performance/expectation ratio increases. Oliver (1980) argues, further, that satisfaction experiences influence both purchase intentions and post-purchase attitudes. Frazier (1983) has made similar suggestions in his work on interorganizational exchange behavior.

Relatively little research has been conducted that examines these relationships in an organizational buying context or within the industrial channel. Anderson and Chambers (1985) have proposed that industrial buying decision outcomes result from a matching process. Individual members of the buying center develop vendor advocacy positions after each has matched their own objectives with their own set of expectations. In a study of purchasing agents, Trawick and Swan (1981) found that confirmation of expectations regarding the vendor's performance in handling complaints is a major determinant of subsequent satisfaction. They also found a very strong relationship between satisfaction with the supplier's handling of a complaint and reorders, but not with intention to reorder.

While the tendency for the purchase intentions of the organizational buyer or channel member to follow from positive confirmation of expectations would seem logical, are there reasons this might not be the case? One possibility is that disconfirmation leads to a readjustment of expectations with no behavioral response. Alternatively, expectations may be less of a factor in explaining behavior in industrial markets, because behavioral change often carries greater risk and requires more effort in these markets (Moriarty 1983). Also, because more than one individual is typically involved in organizational buying decisions, confirmation is likely to vary among the different decision participants (Anderson and Chambers 1985; Sheth and Talarzyk 1971).

On the other hand, the fact that purchases by organizations frequently have a direct impact upon their internal operations, market performance, and financial viability would suggest disconfirmation of expectations to be even more critical in these markets than in consumer markets. In fact, positive confirmation might not produce a positive behavioral response (e.g., buy more, be more loyal), while negative confirmation could produce a strong negative response (e.g., switch suppliers, lessen dependency on a given source).

In addition, the expectations of the industrial buyer or channel member are likely to reflect greater information search effort, a more in-depth understanding of supplier costs and capabilities and more experience in dealing with suppliers (Moriarty 1983; Sheth 1973). Correspondingly, they may be less apt to accept disconfirmation without taking some corrective action. The longer-term relationships between organizations should also create a stronger perception in the buyer's mind that their expectations are realistic, and should be met. Further, the industrial buyer or middleman typically performs a more formal and detailed evaluation of products and vendors after the purchase (Vyas and Woodside 1984). This evaluation is likely to be based on pre-purchase expectations, and heightens the awareness of the degree to which those expectations were met. Finally, the large number of different product and service decisions that the organizational buyer and intermediary must make would suggest that a change in suppliers or reduction in orders are most likely when a significant disparity exists between expectations and actual vendor performance.
Expectations and Conflict in Industrial Channels

To the extent that disconfirmation and future buying behavior are related, it is also possible that the strength of the relationship may be modified by the degree of conflict resulting from the disconfirmation (Frazier 1983). Channel conflict refers to the situation where a member of the channel perceives that other member(s) are pursuing activities which prevent or impede his/her organization from achieving its own goals (Stern and El-Ansary 1982). The channel member is frustrated because the ability to perform his/her role within the channel has been restricted. Examples include the handling of major accounts within a distributor's territory by the manufacturer, pressure on the distributor to solicit new accounts or maintain higher inventory levels, or prohibitions on carrying competitors' lines.

The link between expectations and channel conflict was proposed by Etgar (1979). In an analysis of attitudinal and structural causes of conflict, he found differences between expected and perceived performance to be one of the most important causal influences on conflict in consumer goods channels. Specifically, negatively confirmed expectations regarding role fulfillment by manufacturers lead to an increase in channel conflict. Also, a divergence in the expectations of manufacturers compared to those of intermediaries results in conflict.

Even if conflict develops from disconfirmed expectations, the result is not necessarily unhealthy (Boulding 1965; Dommernmuth 1976). In the absence of some conflict, channel members can become passive, misdirected, and noninnovative. To the extent that this is true, there is a need to identify the level of conflict above which conflict begins to produce harmful or dysfunctional results. There does not appear to be much evidence regarding the levels of conflict which enhance or impede channel member performance (Lusch 1976; Pearson 1973).

Where the results of conflict have been examined, the focus is generally on channel system performance. Performance is approached as the effectiveness or efficiency with which marketing functions are accomplished within channel systems. This includes the amount of functional cooperation, duplication of effort, wasted resources, and system realignment (Lusch 1976; Pearson 1973; Stern and El-Ansary 1982).

Channel conflict resulting from disconfirmed expectations may also be expected to affect the sales and profit performance of the manufacturer. Sibley and Teas (1979), in an examination of manufacturer's agents, suggest that the perceptions of the agent regarding the effectiveness of working relationships with vendors will affect the agent's allocation of selling resources to vendors, overall satisfaction, and propensity to continue representing the vendor. What is not known is the actual extent to which conflict is an intermediate variable between disconfirmed expectations and the market performance of the industrial goods manufacturer.

MODEL AND HYPOTHESES

From this literature, three specific hypotheses were developed. These are:

H1: The ability of an industrial firm to confirm the expectations of its customers will have a direct effect on the firm's performance,

H2: The ability of an industrial firm to confirm the expectations of its customers will have an inverse effect on the level of conflict exhibited within the channel, and

H3: The failure of an industrial firm to confirm the expectations of its customers will have an inverse effect on the firm's performance through its direct effect on channel conflict.

The research model conceptualizing these hypotheses is presented in Figure 1. The model first suggests that the confirmation of a customer's expectations will positively impact the industrial marketer's sales performance. Profit may also be positively affected, depending on whether the incremental contribution margin exceeds the costs of better meeting expectations. As indicated in Figure 1, the confirmation of customers' expectations is also hypothesized to have an inverse effect on the level of conflict in the channel: the ability to meet or exceed expectations is hypothesized to reduce conflict, while unmet expectations will increase conflict. This suggests that as the firm's efforts approach the level expected by customers, the level of conflict within the channel will decrease.

The model also hypothesizes that the conflict brought about by the unmet expectations of customers will have an inverse effect on channel performance. Conceptually, channel performance includes effectiveness in satisfying market demand, efficiency in resource utilization, and profitability of channel members individually and collectively (Stern and El-Ansary 1982).

FIGURE 1
A Process Model of the Effects of Confirming Customers Expectations

![Diagram of the process model]

Confirmation of Expectations

(Re)Purchase Intentions

Channel Conflict

+ -
El-Ansary 1982). The more typical focus is on operating performance of the channel members, usually in financial terms such as profit, revenue, or market share. In the model, performance is represented by (re)purchase intentions, although actual performance would be the extent to which these intentions reflect themselves in the firm’s market share with each distributor. Past studies have concluded that channel conflict can both enhance and detract from channel performance (Assael 1969; Lusch 1976). However, the actual conflict measured in this study is related to the failure of the industrial marketer to meet the expectations of their customers, a conflict condition highly unlikely to have a positive impact on performance. The indirect effect of the third hypotheses is reflected in the combination of the proposed direct effect of the expectations on conflict and the resultant direct effect of conflict on the level of performance.

METHODOLOGY

The Research Setting

In order to investigate these relationships, a study of a large manufacturing and distribution network engaged in the marketing of fluid power products was undertaken. The channel consisted of a major manufacturer of fluid power products, which are used in a variety of industrial applications, and a large number of independently owned distributors. Each distributor had multiple sources for the products provided by this manufacturer and tended to vary the volume of their purchases over time. The products provided were large dollar value items, typically accounting for a large percentage of the dealer’s total volume. The manufacturer accounted for at least 10% of each distributor’s total sales, based on the information provided by the distributors. This would seem to qualify the manufacturer’s products as fairly high involvement goods.

This channel was considered an appropriate setting for the research because the distribution network consisted of a broad range of distributors who had varying levels of expectations concerning the products and services provided by the manufacturer. The manufacturer’s sales force and direct promotions to the distributors influenced their expectation levels, and were based on the sales and profit potential of the individual distributors.

Sample

The data were collected through a mail survey. Questionnaires were mailed to 247 distributors following a prenotification letter which encouraged participation. After four weeks, 117 usable questionnaires were received. This 47% response rate is comparable to those reported in similar studies undertaken in industrial marketing channels (Frazier 1983).

Nonresponse bias was assessed by comparing the responses received for each of the four weeks. Armstrong and Overton (1977) suggest comparing late responses to those received earlier because late respondents are similar to nonrespondents. This analysis revealed no significant difference (p > .05) between the responses across time using the chi square statistic.

The distributors ranged in size from less than $50,000 in total volume (3.7%) to more than $10 million (8.3%). The majority of dealers (66.7%) reported annual sales of between $1 million and $7.5 million. Distributor volume with the specific manufacturer examined ranged from less than $10,000 (9.4%) to more than $250,000 (11.3%), with the majority doing in excess of $75,000 in annual volume. The distributors generally classified themselves as serving general industries (59.8%), and most (66.1%) carried products in direct competition with those the manufacturer investigated. The respondents reported that 21.4% had carried the manufacturer’s products for less than five years, 41.4% for between 5 and 15 years, and 37.6% for more than 15 years. Only a small number (19.7%) had a franchise agreement with the manufacturers.

Prestudy focus group interviews indicated that the dealer/manager, usually an owner/operator, was best suited for answering the questionnaire because other individuals were generally not involved in the issues of interest in this research. For this reason, all respondents were dealers/managers.

Research Variables

Measures for three constructs (confirmation of expectations, conflict, and (re)purchase) were developed. The measurement of the confirmation process was based upon the manufacturer’s performance relative to their distributors’ expectations for a set of 20 role performance elements. These 20 elements (Table 1) were identified in prestudy focus group interviews as the relevant criteria for judging the performance of suppliers within the industry.

Three approaches have been used to measure the confirmation of expectations. Early studies measured the objective discrepancy between expectations and performance to arrive at a difference score (Foa 1957; Ilgen 1971; Morris, Crull, and Winter 1976; Specter 1956; Weaver and Buckman 1974). A second approach uses the difference between pre-exposure and post-exposure ratings (Madden, Little and Dolich 1979; Oliver 1977; Swan 1977). The final approach attempts to identify respondents’ summary judgments of overall confirmation on a “better than expected—worse than expected” scale (Aiello, Czepiel, and Rosenberg 1977; Linda and Oliver 1979; Oliver 1977, 1980; Trawick and Swan 1981; Westbrook 1980). Assessments of the three approaches suggest that the results from the third approach have paralleled or exceeded those from the other two approaches (Miller 1977), so it was employed.

Each dealer/manager was asked to rate the manufacturer’s performance on the 20 role elements on a Likert-type scale. Responses ranged from (1) much worse than expected to (5) much better than expected. These items were summed to form a confirmation of expectations index. The reliability of the index was measured (Cronbach’s alpha) and found to be .84, which exceeds the .5 considered necessary for this type of research (Nunnally 1978). In addition, two overall measures of performance were included; the first asked the dealer/manager to rate the payoff from using the source on a scale
ranging from (1) the worst to (10) the best, and the second asked the dealer/manager to rate how well the manufacturer had performed overall relative to their original expectations on a five-point scale ranging from (1) much worse than expected to (5) much better than expected.

The second construct measured was channel conflict. Three types of conflict have been identified: cognitive (perceived), affective (felt), and manifest (behavioral) [Brown and Day 1981]. Because this research focuses on how an industrial channel member "behaves" in response to conflict (relative to purchase intentions), the manifest state of conflict was examined.

Historically, conflict has been measured either by the intensity of the conflict [Assael 1968; Etgar 1979; Hunger and Stern 1976; Pearson 1973; Pruden 1969; Rosenberg and Stern 1970; Stern, Sternthal, and Craig 1973], the frequency of conflict [Etgar 1979; Foster and Shuptrine 1974; Kelly and Peters 1977; Lusch 1976; Lusch 1976]; intensity and frequency (Hunger and Stern 1976); or frequency and intensity of conflict (Brown and Day, 1981). All three (frequency, intensity and importance) were employed in the present study.

The intensity of conflict was measured by asking respondents to rate the intensity of conflict experience with the manufacturer on the 20 role performance items on a scale ranging from (1) not intense at all to (4) very intense. These items were summed to form an index of conflict intensity; the reliability was .92.

An index of frequency of conflict was derived by asking respondents how often they experienced conflicts with the manufacturer on the same 20 items using a scale ranging from (1) almost never to (5) almost always. The reliability of this index was .91. Finally, the importance of the conflict was measured similarly to form a third index. Responses for the importance of the conflict felt for each of the 20 role elements ranged from (1) no importance to (5) great importance. The reliability of the importance index was calculated to be .89.

The final construct measured was the (re)purchase intentions of the distributors. Because each dealer did have multi-

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**TABLE 1**

|--------------------------|-------------------|---------------------|--------------------------|-----------|-------------------------------|----------------------------------|--------------------------|------------------|-----------------------|---------------------------------|------------------|------------------|-----------------------------|--------------------------|---------------------------|--------------------------|--------------------|------------------|--------------------------|

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**FIGURE 2**

A Causal Model of the Hypothesized Effects

\[
\begin{align*}
X_1 & \rightarrow \lambda_{X11} \\
X_2 & \rightarrow \lambda_{X21} \\
X_3 & \rightarrow \lambda_{X31} \\
Y_3 & \rightarrow \lambda_{Y32} \\
Y_4 & \rightarrow \lambda_{Y42} \\
Y_5 & \rightarrow \lambda_{Y52} \\
\end{align*}
\]

\[
\begin{align*}
\varepsilon_1 & \text{ Confirmation of Expectations} \\
\eta_1 & \text{(Re)Purchase Intentions} \\
\eta_2 & \text{Channel Conflict} \\
X_1 & \text{Overall Measure of Performance} \\
X_2 & \text{Confirmation of Expectations Index} \\
X_3 & \text{Overall Measure of Performance Relative to Expectations} \\
\end{align*}
\]

\[
\begin{align*}
\gamma_1 & \\
\gamma_2 & \\
\beta_1 & \\
\beta_2 & \\
\lambda_{Y11} & \text{Overall Measure of (Re)Purchase Intentions} \\
\lambda_{Y21} & \text{Overall Measure of Recommendation to Successor to Purchase} \\
\lambda_{Y31} & \text{Importance of Issues Index} \\
\lambda_{Y41} & \text{Frequency of Conflict Index} \\
\lambda_{Y51} & \text{Intensity of Conflict Index} \\
\end{align*}
\]
plle sources available for the products and services offered by the manufacturer in question, future purchase intentions was deemed an appropriate outcome measure for the performance of the manufacturer. Sales volume was considered by the producer to be the ultimate measure of their performance within the channel, so the future purchasing patterns were of great concern. Since all of the distributors sampled were currently customers of the manufacturer whose distribution channel was surveyed, the actual measure was of repurchase intentions.

Two (re)purchase intention measures were collected. The first simply asked the dealer/manager's intention to purchase products from the manufacturer in the future on a five-point Likert-type scale from (1) definitely not to (5) definitely will. The second measure asked the dealer/manager to indicate if they would recommend that their successor continue using the manufacturer's products using a scale ranging from (1) definitely not to (5) definitely would. The two questions were physically separated on the questionnaire.

RESULTS

A causal model of the relationships investigated by the research is shown in Figure 2. As was earlier detailed, repurchase intentions were measured by two variables; an overall measure of repurchase intentions (Y1) and an overall measure of recommendation (Y2). Channel conflict was measured by three indices: the importance of conflict (Y3), the frequency of conflict (Y4), and the intensity of conflict (Y5). Three measures were used to reflect how well the expectations of the dealer/manager were met: a confirmation of expectations index (X1), a single overall measure of performance (X2), and an overall measure of performance relative to expectations (X3). The correlations among these variables are shown in Table 2. The matrix suggests that the only variables highly correlated are the respective measures of a given latent construct, which is evidence of discriminant validity.

Parameters of the model were established using LISREL (Joreskog and Sorbom 1981). The test statistics for the model indicate an acceptable fit; the chi square goodness-of-fit measure was 24.27 (d.f. = 17, p = .112) and the goodness-of-fit index was .952 suggesting an acceptable fit. However, the modification indices indicated that the fit of the model could be improved by removing the importance of conflict measure (Y3) from the model. The chi square goodness-of-fit index was .974. Thus, both models appear to fit the data, although the fit for the revised model was better, and the research results therefore are interpretable.

It should also be noted that the model was run with the three measures of conflict (importance, intensity, and frequency) individually, the multiplicative combination of the three, and two-way multiplicative forms including the intensity times, frequency times importance, measure suggested by Brown and Day (1981). The various multiplicative forms do not appear appropriate based on the results. Rather, the model proposed in Figure 2, and revised, would seem the most applicable.

The parameter estimates, standard errors, and t-values for the trimmed model (with the importance of conflict measure removed) are presented in Table 3. About 53% of the variance in the data is explained by the structural equations represented in the model. Two of the three structural parameters are significant in the hypothesized direction. The confirmation of customers' expectations was found to have an inverse effect on channel conflict (t = -4.14) and a positive effect on repurchase intentions (t = 5.48). The ability of an industrial marketer to meet or to exceed the expectations of their customers is therefore found to reduce channel conflict and enhance customers intentions to repurchase from that source.

Channel conflict, however, was not found to have a significant impact on repurchase intentions (t = -60) even though the relationship was in the hypothesized (inverse) direction. Thus, support is provided for two of the three hypotheses posited by the research model: (1) that the ability of an industrial marketing firm to satisfy its customers expectations has a direct effect on channel conflict and, (2) on customer repurchase intentions. However, the proposed indirect effect of confirmed expectations through the effect on channel conflict is not supported.
MANAGERIAL IMPLICATIONS

The results of this research indicate that the ability of an industrial marketer to confirm the expectations of channel members does have a causal impact on repurchase intentions and channel conflict. However, the effect of (dis)confirmed expectations on re-purchase intentions is direct, and not modified by the creation of conflict.

A number of key managerial implications can be drawn from these findings. Positively confirmed expectations (i.e., situations where the firm’s performance exceeds customer expectations) cause an increase in repurchase intentions, while performance that does not meet expectations is likely to cost the marketer sales revenues. This suggests that customer expectations are a significant buyer variable, and that marketers would be well-served to identify the expectation levels of their middlemen.

In addition, industrial marketers should not endeavor to build customers’ expectations above a level at which they can reasonably expect to perform. This means that the sales promotion, advertising, and other communication activities of industrial marketers should be carefully managed so as not to foster expectations which cannot be met. The activities of sales and marketing personnel should be monitored and controlled insofar as they create expectations.

Industrial marketers also influence expectations with the other elements of the marketing mix. For example, a product warranty or liberal return policy may affect customer expectations regarding product quality. A temporary price discount or a customer training program can influence ongoing expectations regarding what constitutes a fair price or a sufficient level of manufacturer support. This suggests that the entire marketing strategy of the firm explicitly be built around creating and satisfying a given expectation level among customer groups. A major responsibility area for marketers should be the ongoing management of customer expectations.

Further, knowledge of expectations may be helpful in identifying areas where industrial marketers should designate strategies to adjust expectations. In cases where the marketer cannot hope to meet the expectation level, or finds it either unprofitable to do so or inconsistent with his/her overall strategy, reducing the expectation to a level that can be met or exceeded becomes a desirable alternative.

By being aware of expectations, the marketer is also in a better position to select and evaluate target customers and middlemen. Interorganizational exchange depends upon the mutual satisfaction of both parties’ objectives. It may be that some accounts or middlemen should be avoided or under-emphasized as a result of their expectation levels.

Implications can also be drawn from the finding that disconfirmed expectations can lead to an increased level of conflict within industrial channels. Both the frequency and intensity of conflict are affected. At the very least, any increase in conflict requires managerial attention and may direct valuable time away from other areas. In their review of strategies used to manage conflict within distribution channels, Stern and El-Ansary (1982) discuss diplomacy, joint association memberships, exchange of personnel, cooperation, mediation, arbitration and the adoption of superordinate goals. However, to the extent that disconfirmation of objectives is a major cause of conflict, the effective management of conflict is directly related to the management of expectations. The marketer should strive to identify the degree to which he/she can fall short of middlemen expectations before conflict becomes dysfunctional.

There are also some important limitations to this research. It is possible that the set of 20 role performance items may not have been the items that were most critical to either conflict, expectations, or intentions. While these criteria for judging supplier performance were to be related to each of the three variables, the possibility exists that items chosen for one variable (e.g., conflict) would not necessarily be most critical for the other two.

In addition, the questionnaire had respondents rate the manufacturer’s performance over the recent past, rather than for a specific reaction. Expectations are typically researched in the context of a single transaction, and some of the role performance items could be transaction specific. However, it was felt that the single transaction concept was not very appropriate for conflict, and that expectations were examined within the context of a series of events.

APPENDIX A

Synopsis of Questions and Response Scales

1. Below is a list of supplier characteristics which might be important to your operations. Please indicate how well WABCO has performed relative to the original level you expected WABCO to perform at for each item listed. (Circle the number that most accurately reflects your belief.)

<table>
<thead>
<tr>
<th>Product Quality</th>
<th>Delivery</th>
<th>Quality of Advertising</th>
<th>Pricing</th>
<th>Completeness of Product Line</th>
<th>Technical Support by Engineering</th>
<th>Amount of Advertising</th>
<th>Quantity Discount</th>
<th>Order Processing Speed</th>
<th>Rate of New Product Development</th>
<th>Returns Policy</th>
<th>Credit Terms</th>
<th>Response to Emergency Orders</th>
<th>Clarity of Catalogs/Price Lists</th>
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<td>Much Worse Than Expected</td>
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The Effect on Conflict| And Repurchase Intentions in Industrial Marketing Channels

Cronin and Morris

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