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Impact of Restrictive Trade Policies, Channel Conflict and Uncertain Business Environment on Marketing Channel Satisfaction in FMCG Sector

Deepak Joy MAMPILLY¹, Sreedhara RAMAN², Kumar Chandar S³, Elangovan N⁴

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Abstract

Purpose: This study examines the influence of restrictive trade policies, channel conflict, and uncertain business environments on marketing channel satisfaction in the Fast-Moving Consumer Goods (FMCG) sector. It explores how external policy interventions and environmental volatility shape channel dynamics and satisfaction levels. **Design/Methodology:** A structured questionnaire was administered to channel members in the FMCG sector in Kerala. Data were analyzed using correlation and regression techniques to assess the direct effects of restrictive trade policies and channel conflicts. Data from 189 wholesalers and 262 retailers in Kerala in the FMCG Sector, was analyzed using Structural Equation Modeling (SEM). **Results:** The results indicate that restrictive trade policies and channel conflicts significantly and negatively impact channel satisfaction. Additionally, the uncertain business environment exacerbates these negative effects. **Practical Implications:** The findings provide actionable guidance for both policy-makers and marketing channel managers in the FMCG sector. **Conclusions:** This study contributes to marketing channel literature by integrating policy, conflict, and environmental perspectives into a single framework. It underscores the importance of understanding how macro-level restrictions and uncertainties interact with micro-level channel dynamics in shaping satisfaction, particularly in emerging market contexts. This study is very relevant in the field of distribution science.

Keywords: Restrictive Trade Policies, Channel Conflict, Business Environment, Marketing Channel Satisfaction, Distribution Management.

JEL Classification Code: F13, M31, L81

1. Introduction

Marketing channels serve as the backbone of distribution systems, ensuring the effective flow of products and services from producers to end consumers. In today's competitive environment, channel satisfaction is increasingly recognized as a critical determinant of

cooperation, trust, and long-term relational success (Geyskens, Steenkamp, & Kumar, 1999). Within the Fast-Moving Consumer Goods (FMCG) sector, where efficiency, speed, and trust are restrictive trade policies, channel conflict, and uncertain business environments stand out as significant challenges that impact overall channel satisfaction.

1 First Author, Research Scholar, School of Business and Management, CHRIST University, India.
 Email: deepak.mampilly@res.christuniversity.in

2 Second Author, Associate Professor, School of Business and Management, CHRIST University, India.
 Email: raman.sreedhara@christuniversity.in

3 Third Author, Professor, School of Business and Management, CHRIST University, India.
 Email: kumar.chandar@christuniversity.in

4 Fourth Author, Professor, School of Business and Management, CHRIST University, India. Email: elangovan.n@christuniversity.in

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Restrictive trade policies, including tariffs, regulatory barriers, and distribution restrictions, are often implemented to protect domestic industries or stabilize markets. However, such interventions can unintentionally disrupt supply chains, increase operational costs, and create dissatisfaction among channel partners (Bhattacharya & Michael, 2008; Zhang & Li, 2020). In FMCG markets, which are highly sensitive to price and availability, restrictive policies may reduce efficiency and erode trust between manufacturers and distributors.

Channel conflict is another long-standing issue in distribution systems. Conflicts arise when channel members perceive goal incompatibilities, unfair practices, or overlapping responsibilities (Rosenbloom, 2018). While some level of conflict may stimulate negotiation and adaptation, persistent or unmanaged conflict negatively affects satisfaction and cooperation (Katsikeas & Skarmas, 2003). In emerging markets like India, conflicts are often intensified by price competition, overlapping territories, and policy-induced constraints, which further destabilize channel relationships.

Compounding these challenges is the uncertain business environment. Uncertainty stems from economic volatility, regulatory unpredictability, and shifting consumer preferences. It increases perceived risks, complicates decision-making, and magnifies the adverse effects of restrictive policies and conflicts (Achrol & Stern, 1988; Kumar & Seth, 2019). For example, sudden regulatory changes or macroeconomic shocks may disrupt channel planning and create disputes over cost and responsibility sharing. As a result, business uncertainty often acts as a moderator, amplifying the negative relationship between structural challenges and channel satisfaction.

Despite the importance of these issues, empirical studies integrating restrictive trade policies, channel conflict, and business uncertainty into a single framework remain limited. Prior research has primarily examined bilateral relationships—for instance, the effect of conflict on satisfaction (Geyskens et al., 1999) or the role of environmental uncertainty in shaping trust and performance (Heide & John, 1990). However, in the wake of global trade disruptions, protectionist policies, and heightened market volatility, understanding how these factors interact has become increasingly relevant.

Kerala's FMCG sector provides an appropriate context to examine these dynamics. The state's retail market is highly fragmented, comprising small retailers and large distributors, and is characterized by frequent regulatory interventions and strong consumer expectations. These conditions make Kerala a suitable case to investigate how restrictive trade policies, conflict, and uncertainty collectively affect channel satisfaction.

This study aims to address the research gap by (i) examining the direct effects of restrictive trade policies and channel conflict on channel satisfaction, and (ii) assessing the moderating role of business uncertainty in this relationship. By integrating macro-level (policy, environmental) and micro-level (relational, conflict) factors, the study contributes to a holistic understanding of channel dynamics in emerging markets.

The study is significant in two respects. First, it offers practical insights for managers and policymakers. By identifying the adverse effects of restrictive policies and unmanaged conflicts, it highlights the need for adaptive strategies that sustain satisfaction under uncertain conditions. Second, it contributes theoretically by broadening the scope of channel management literature to include policy-level drivers of satisfaction, a perspective often underexplored in existing research.

The remainder of the paper is structured as follows. Section 2 reviews the relevant literature and develops the conceptual framework. Section 3 outlines the research methodology. Section 4 presents the findings and analysis, followed by a discussion of implications in Section 5. The paper concludes with contributions, limitations, and directions for future research.

2. Review of Literature

2.1. Restrictive Trade Policies and Marketing Channel Satisfaction

Restrictive trade policies such as tariffs, quotas, licensing requirements, and regulatory barriers are often introduced by governments to regulate markets or protect domestic industries. While these measures may serve macroeconomic or political purposes, they can disrupt supply chains and increase operational inefficiencies within marketing channels. Prior research highlights that such policies raise transaction costs, reduce flexibility, and create friction between channel members (Bhattacharya & Michael, 2008; Zhang & Li, 2020). For instance, distribution restrictions imposed in emerging markets have been shown to weaken distributor–manufacturer cooperation by constraining their ability to respond effectively to market needs (Cavusgil et al., 2017).

From a relational perspective, restrictive policies negatively influence satisfaction by altering the balance of power between channel members. When policies restrict pricing freedom or limit product flows, distributors perceive unfairness and reduced autonomy, leading to dissatisfaction (Anderson & Weitz, 1992). In FMCG markets, which are highly price-sensitive and volume-driven, even small disruptions can reduce trust and strain long-term

relationships (Gupta & Sahu, 2021). However, the extent of this impact may vary depending on the adaptability of firms and the resilience of their supply networks.

2.2. Channel Conflict and Satisfaction

Channel conflict is a well-documented factor influencing relationship quality in marketing systems. It occurs when channel members perceive goal incompatibility, inequity in resource allocation, or encroachment of responsibilities (Rosenbloom, 2018). Conflict is typically categorized as vertical (between manufacturers and intermediaries) or horizontal (among intermediaries), each having distinct implications for satisfaction (Gaski, 1984).

While some studies argue that functional conflict may encourage innovation and problem-solving (Menon, Bharadwaj, & Howell, 1996), the prevailing consensus is that unresolved or persistent conflict undermines cooperation and satisfaction. Geyskens, Steenkamp, and Kumar (1999) found that conflict reduces perceived fairness and damages trust, two important antecedents of satisfaction. Moreover, in markets with tight margins such as FMCG, conflicts related to pricing, territory, and promotional responsibilities are common, and they intensify dissatisfaction when left unmanaged (Katsikeas & Skarmeas, 2003).

Emerging market contexts introduce additional complexities. Limited infrastructure, fragmented distribution systems, and frequent policy interventions create conditions where conflict is not only more frequent but also more damaging (Lu, 2016). Thus, managing conflict constructively becomes critical for sustaining satisfaction and long-term channel effectiveness.

2.3. Uncertain Business Environment

Environmental uncertainty refers to unpredictability in market, regulatory, technological, and competitive conditions. Achrol and Stern (1988) emphasize that uncertainty heightens perceived risks and complicates channel decision-making. Firms facing uncertain environments experience greater difficulty in forecasting demand, managing inventories, and negotiating contracts, which can destabilize channel relationships. In FMCG markets, frequent changes in consumer preferences, regulatory unpredictability, and competitive volatility make uncertainty a persistent challenge (Dawar & Chattopadhyay, 2002).

For channel members, high levels of uncertainty often translate into increased operational costs, greater bargaining tensions, and heightened vulnerability to opportunism. These factors collectively reduce satisfaction unless

mitigated by adaptive strategies such as flexible contracts, collaborative planning, and information sharing (Jap & Ganesan, 2000).

2.4. Marketing Channel Satisfaction

Marketing channel satisfaction is broadly defined as the positive affective state of channel members resulting from their evaluation of relationships and outcomes (Anderson & Narus, 1990). Satisfaction is critical because it underpins trust, commitment, and long-term cooperation, which are essential for sustaining competitive advantage in distribution systems (Palmatier et al., 2006).

Extant literature identifies several antecedents of satisfaction, including relational norms, power-dependence structures, conflict management mechanisms, and environmental conditions (Geyskens et al., 1999; Hoppner et al., 2015). While much of the research has focused on micro-level factors such as trust and communication, scholars increasingly acknowledge the importance of macro-level influences such as trade policies and market volatility (Zhang & Li, 2020).

In emerging economies, satisfaction is particularly fragile due to institutional voids, regulatory unpredictability, and infrastructural challenges (Khanna & Palepu, 2010). For FMCG channels in India, where distributors and retailers operate with thin margins, the interplay of restrictive policies, conflict, and uncertainty can significantly alter satisfaction levels.

2.5. FMCG Distribution Systems

The Fast-Moving Consumer Goods (FMCG) sector is characterized by products with high turnover, low unit value, and frequent repurchase, which collectively demand an efficient and extensive distribution network (Stern & Sturdivant, 1999). The distribution systems in FMCG markets are inherently complex, involving multiple intermediaries such as wholesalers, distributors, and retailers who ensure product availability across fragmented markets (Czinkota et al., 2021). The primary challenge lies in managing this multi-tiered channel efficiently while maintaining cost-effectiveness and customer satisfaction.

According to Ailawadi and Farris (2017), FMCG firms rely heavily on channel intensity and reach to ensure product penetration and accessibility. The choice of distribution strategy—whether intensive, selective, or exclusive—depends on the brand's positioning and target market coverage. In emerging economies such as India, distribution structures are hybrid, combining traditional trade networks with modern organized retail formats (Saha et al., 2015). This dual-channel model requires coordination to prevent channel conflict, overlapping territories, and inconsistent inventory levels (Shen et al., 2019).

The efficiency of FMCG distribution is closely linked to logistics and supply chain integration. Maslarić, Groznik, and Brnjac (2018) emphasize that reengineering distribution networks through digitalization and information systems enhances responsiveness to fluctuating consumer demand. Moreover, technology adoption—particularly route optimization and real-time tracking—has transformed FMCG distribution into a strategic differentiator rather than a mere operational function (Andrejić et al., 2023).

Luo, Zhong, and Nie (2022) highlight that FMCG distribution systems exhibit unique characteristics such as high product velocity, dependence on small retailers, and low tolerance for stockouts. The perishability of certain product categories further necessitates time-sensitive logistics and cold chain management (Saha et al., 2015). Channel members often operate under unbalanced dependence, where manufacturers exert greater control due to brand ownership and resource dominance, potentially leading to conflicts and goal divergence (Watson et al., 2015).

Recent scholarship has noted a shift toward omni-channel distribution, wherein online and offline platforms are integrated to enhance consumer convenience and coverage (Ailawadi & Farris, 2017; Watson et al., 2015). However, this transformation introduces challenges in pricing parity, inventory coordination, and last-mile delivery efficiency. Overall, the literature indicates that the unique characteristics of FMCG distribution—such as perishability, fragmented retail networks, and technology-driven coordination—necessitate adaptive and relationship-oriented management practices to sustain competitiveness in dynamic markets.

2.6. Distribution Challenges in Indian Markets

Distribution in Indian markets presents a complex set of challenges due to the country's vast geography, fragmented retail structure, and heterogeneous consumer base. The dominance of small, unorganized retail outlets—commonly known as kirana stores—creates logistical inefficiencies and limits the scalability of distribution networks (Saha et al., 2015). Manufacturers often face high distribution costs stemming from inadequate transportation infrastructure, fluctuating fuel prices, and limited cold chain facilities, particularly for perishable FMCG goods (Maslarić et al., 2018).

The coexistence of traditional and modern trade channels adds further complexity. While organized retail and e-commerce platforms are expanding rapidly, the majority of consumer purchases in semi-urban and rural areas continue to flow through traditional intermediaries

(Ailawadi & Farris, 2017). This hybrid trade environment often leads to issues such as inventory mismanagement, uneven product availability, and price inconsistencies across regions. Additionally, regulatory diversity across Indian states, coupled with the Goods and Services Tax (GST) implementation challenges, increases compliance burdens for distributors (Luo et al., 2022).

Overall, the distribution landscape in India demands innovative logistics models, technology-driven tracking systems, and adaptive partnerships between manufacturers and channel intermediaries to overcome infrastructural, organizational, and policy-related bottlenecks.

2.7. Research Gap

Although prior research has extensively examined the relationship between conflict and satisfaction (Geyskens et al., 1999) and between uncertainty and relational outcomes (Heide & John, 1990), limited attention has been paid to integrating restrictive trade policies into this framework. The combined effect of policy-induced restrictions, interpersonal or inter-organizational conflict, and environmental uncertainty on channel satisfaction remains underexplored. Moreover, empirical evidence from emerging markets, particularly the Indian FMCG sector, is scarce.

This study addresses these gaps by examining how restrictive trade policies and channel conflict influence marketing channel satisfaction. By focusing on the FMCG sector in Kerala, the research offers context-specific insights that extend the theoretical understanding of channel satisfaction while providing practical implications for policymakers and managers.

3. Research Methodology:

The approach consists of theory building by reviewing the literature and examining the gaps and limitations. The researcher conducted a survey using a structured questionnaire. The participants for the survey were selected based on simple random sampling. Respondents were selected from the 7 major districts of Kerala. As far as statistical analysis technique is concerned, basically Structural Equation Model (SEM) approach was considered. However, this model has been customised to the need of the present research study.

3.1. Conceptual Framework:

The framework shown in Figure 1 (next page) is conceptualized from the literature reviews.

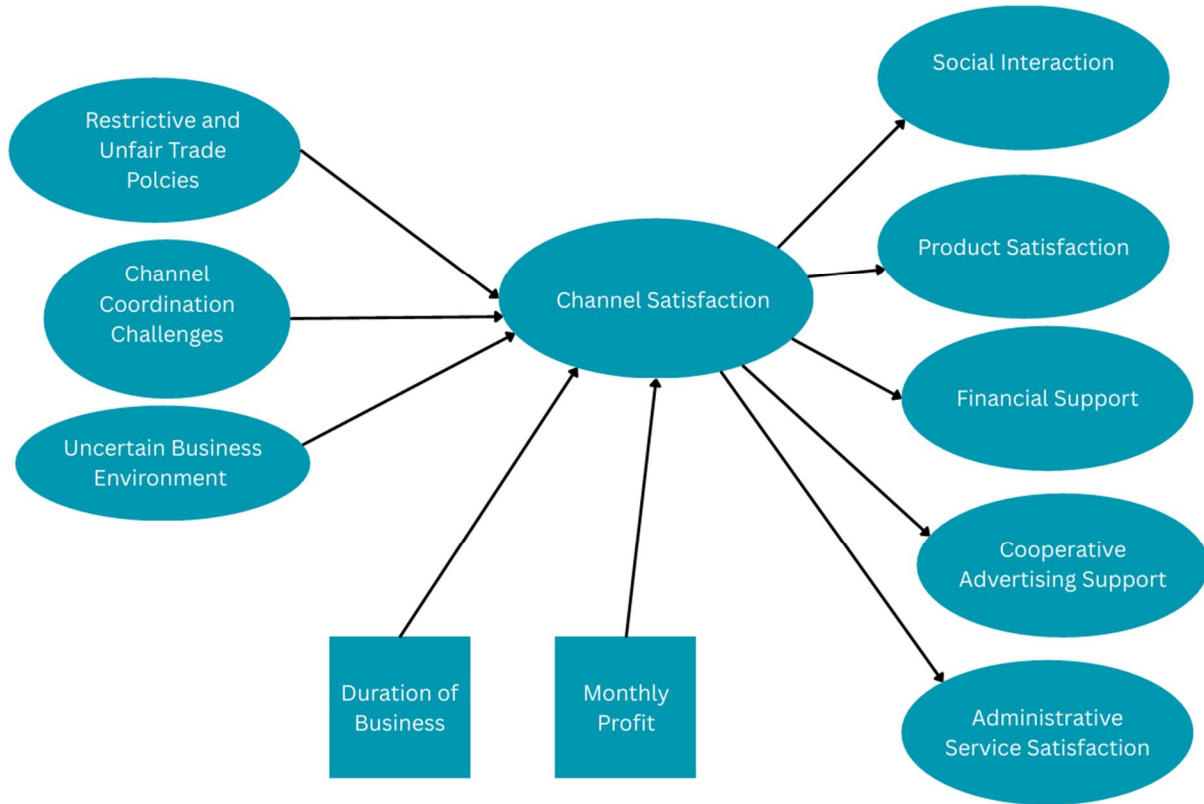


Figure 1: Conceptual Framework of the Research Study

Based on the above conceptual framework, the following hypotheses are defined:

- H1:** A higher degree of adoption of restrictive and unfair trade practices will result in a lower value of channel satisfaction in the Fast-Moving Consumer Goods sector.
- H2:** A higher value of Channel Conflict will result in a lower value of channel satisfaction in the Fast-Moving Consumer Goods sector.
- H3:** A higher value of Uncertainty in the Business Environment will result in a lower value of channel satisfaction in the Fast-Moving Consumer Goods sector.

3.2. Theoretical Justification for the 3 Hypotheses

The conceptual foundation for the present study is grounded in Channel Relationship Theory, Conflict Theory, and the Transaction Cost Economics (TCE) framework, which collectively explain how relational, structural, and environmental forces shape satisfaction levels in marketing channels.

H1: A higher degree of adoption of restrictive and unfair trade practices will result in a lower value of channel

satisfaction in the Fast-Moving Consumer Goods sector.

Restrictive and unfair trade practices — such as price manipulation, exclusive dealing, delayed payments, or unequal distribution margins — disrupt the principles of equity and fairness in channel exchanges. According to Social Exchange Theory (Blau, 1964), satisfaction in inter-firm relationships arises when the exchange is perceived as fair, reciprocal, and mutually beneficial. When manufacturers or distributors engage in restrictive policies, downstream partners experience distributive injustice and power asymmetry, reducing their trust and satisfaction levels. Furthermore, Transaction Cost Economics (Williamson, 1979) posits that such opportunistic behaviour increases transaction costs and reduces relational efficiency, thereby diminishing satisfaction within the channel structure. Thus, greater adoption of restrictive trade practices is theoretically expected to lower the level of channel satisfaction.

H2: A higher value of Channel Conflict will result in a lower value of channel satisfaction in the Fast-Moving Consumer Goods sector.

Channel Conflict Theory (Stern & El-Ansary, 1992) suggests that conflicts arise due to goal incompatibility, resource dependence, and miscommunication among channel partners. Conflict, when poorly managed, leads to relationship strain, reduced trust, and lower cooperation, ultimately diminishing satisfaction. Relational Exchange Theory (Dwyer, Schurr, & Oh, 1987) supports this view, highlighting that satisfaction is contingent on harmonious working relationships and open communication. In high-conflict environments, coordination costs increase, and partners perceive the relationship as less rewarding. Empirical research in marketing channels (e.g., Geyskens et al., 1999; Hoppner et al., 2015) consistently confirms a negative relationship between conflict intensity and satisfaction. Therefore, greater channel conflict is expected to result in lower channel satisfaction in the FMCG sector.

H3: A higher value of Uncertainty in the Business Environment will result in a lower value of channel satisfaction in the Fast-Moving Consumer Goods sector.

Environmental uncertainty — characterized by unpredictability in market demand, policy changes, or supply disruptions — creates information asymmetry and strategic ambiguity among channel members. According to Contingency Theory (Lawrence & Lorsch, 1967) and Transaction Cost Economics, uncertainty increases the perceived risk and cost of maintaining inter-firm relationships, thereby eroding satisfaction. Under uncertain conditions, partners tend to behave defensively, reducing openness and collaboration, which weakens relational quality (Heide & John, 1990). In the FMCG context, where operations depend on stable supply chains and predictable consumer demand, heightened uncertainty leads to disruptions, dissatisfaction, and declining confidence in the channel system. Hence, a higher level of environmental uncertainty is theoretically associated with lower channel satisfaction.

The research survey questionnaire for the present research was designed based on literature reviews. In the present study, a total of 35 Likert based questions were designed asking the respondents to rank their importance of agreement on a scale of 1 to 5 with ‘1 as Strongly Disagree’ and ‘5 as Strongly Agree’. A simple random sampling technique was adopted for collecting the data. The primary sample respondents are wholesalers and retailers in the FMCG sector in Kerala selected from the 7 districts of Kerala (Trivandrum, Kollam, Alappuzha, Ernakulam, Trichur, Kannur and Calicut) with a total sample size is 451 respondents. The Questionnaire was validated through 4 academia-experts (faculty in prominent B-schools in the area of Marketing and Management), 4 industry-experts and 2 language-experts (one English language expert and one

Malayalam language expert). The data was collected from November 2024 to March 2025. Only the respondents who responded to the survey questionnaire fully, were included in the data analysis. The first 14 statements/items of the questionnaire were adopted from the PhD Thesis by Swati Bhatnagar (Delhi Technological University). The remaining 21 statements/items of the questionnaire were adopted from the article by Ruekert and Churchill (1984), which in turn was mentioned in the Handbook of Marketing Scales (3rd edition, by authors William O Bearden, Richard Netemeyer and Kelly L Haws). Pilot testing of the data was done from the first 100 samples.

3.3. Sampling Frame

The sampling frame refers to the *complete list or population* from which the sample respondents are drawn. For the study, the sampling frame comprised of marketing channel members operating within the Fast-Moving Consumer Goods (FMCG) sector in Kerala, including:

- FMCG wholesalers,
- Retailers (both organized and unorganized).

These participants represent the key decision-makers and intermediaries engaged in product movement, inventory management, and customer service within the channel.

Thus, the sampling frame in this research includes *all active FMCG channel intermediaries functioning within selected districts of Kerala* who participate in wholesale and retailing activities.

3.4. Selection Criteria of Samples

The selection criteria define which respondents are eligible to participate in the study. The criteria can be stated as follows:

1. Respondents must be engaged in FMCG product distribution or retailing for at least two years within Kerala.
2. They must represent independent business entities (wholesalers or retailers) involved in at least one major FMCG category (such as food, personal care, or household products).
3. Participants should be directly responsible for or knowledgeable about channel operations, sales coordination, or manufacturer relationships.
4. Only one respondent per firm is included to avoid duplication of responses.
5. Respondents should be willing to participate voluntarily and complete the structured questionnaire designed for this research.

3.5. Descriptive Statistics: Sample Characteristics

Table 1: Sample Demographics

Demographic	Category	Frequency	Percent
Category of Respondent	Wholesaler	189	41.9%
	Retailer	262	58.1%
Business Revenue of Shop per Month	Less than 50,000 rupees	148	32.8%
	50,000 to 1 lakh rupees	94	20.8%
	1 lakh to 5 lakhs rupees	141	31.3%
	Greater than 5 lakhs rupees	68	15.1%
Business Profit of Shop per Month	Less than 50,000 rupees	231	51.2%
	50,000 to 1 lakh rupees	157	34.8%
	1 lakh to 5 lakhs rupees	52	11.5%
	Greater than 5 lakhs rupees	11	2.4%
Location of Operations	Trivandrum district	79	17.51%
	Kollam district	66	14.63%
	Alappuzha district	58	12.86%
	Ernakulam district	77	17.07%
	Trichur district	62	13.75%

Demographic	Category	Frequency	Percent
	Kannur district	59	13.08%
	Calicut district	50	11.09%
Duration in the FMCG Products' Business	Less than 1 year	89	19.7%
	1 year to 5 years	256	56.8%
	Greater than 5 years	106	23.5%

In depicting the sample respondent’s characteristics, 41.9 % (Table 1) of respondents are wholesalers and 58.1 % of them are retailers with 56.8 % of them having a monthly business turnover of Rs 1 lakh to Rs 5 lakhs and 19.7 % of them having turnover less than Rs one lakh. On the earnings of monthly profit, it emerges that 51.2 % of them has profit below Rs 50,000 while about 35% of them earning profits between Rs 50,000 to Rs 1 lakh. On the duration of running the FMCG product business, about 57 % of them are doing business from past five years and 24 % of them running the business for more than five years. One-fifth of them have completed one year into their business.

Table 2: Percentage, Mean Scores and Standard Deviations (descriptive statistics) Item-wise of Dimensions of Drivers of Channel Conflicts and Dimensions of Channel Satisfaction - Retailers and Wholesalers

		Percentage (in %) of Respondents						Mean	SD
Variable		SD	D	N	A	SA	Total		
Restricted and Unfair Trade Policies	RUTP_1	2.3	14.2	23.3	45.2	15.1	100.0	3.56	0.98
	RUTP_2	4.3	10.2	25.9	40.1	19.6	100.0	3.60	1.05
	RUTP_3	5.4	16.8	12.2	47.4	18.2	100.0	3.56	1.13
	RUTP_4	2.0	15.3	25.6	41.2	15.9	100.0	3.54	1.00
	RUTP_5	4.3	18.2	21.6	34.7	21.3	100.0	3.51	1.14
		Percentage (in %) of Respondents						Mean	SD
Variable		SD	D	N	A	SA	Total		
Channel Coordination challenges	CC_1	4.0	11.1	20.2	45.2	19.6	100.0	3.65	1.04
	CC_2	2.8	13.1	17.6	44.9	21.6	100.0	3.69	1.04
	CC_3	4.3	8.8	14.2	40.6	32.1	100.0	3.87	1.09
	CC_4	3.7	10.2	23.0	42.9	20.2	100.0	3.65	1.03
		Percentage (in %) of Respondents						Mean	SD
Variable		SD	D	N	A	SA	Total		
Uncertain Business Environment	BEIK_1	10.5	15.6	22.7	27.8	23.3	100.0	3.38	1.28
	BEIK_2	5.7	15.9	27.8	31.3	19.3	100.0	3.43	1.14
	BEIK_3	6.3	13.1	28.7	28.4	23.6	100.0	3.50	1.17
	BEIK_4	4.8	11.9	23.6	44.9	14.8	100.0	3.53	1.04
	BEIK_5	5.1	12.2	19.3	44.3	19.0	100.0	3.60	1.08
CHANNEL SATISFACTION									
		Percentage (in %) of Respondents						Mean	SD
Variable		SD	D	N	A	SA	Total		
Social Interaction	SI_1	14.5	38.9	29.5	11.9	5.1	100.0	3.46	1.04
	SI_2	24.7	26.1	27.0	18.5	3.7	100.0	3.50	1.16
	SI_3	7.1	10.8	23.6	38.4	20.2	100.0	3.54	1.14
	SI_4	1.7	17.3	23.3	42.0	15.6	100.0	3.53	1.01
	SI_5	4.0	12.5	28.1	39.5	15.9	100.0	3.51	1.03

	Variable	Percentage (in %) of Respondents						Mean	SD
		SD	D	N	A	SA	Total		
Product Satisfaction	Prod_1	4.0	6.3	18.8	45.2	25.9	100.0	3.83	1.01
	Prod_2	3.4	10.2	26.4	41.8	18.2	100.0	3.62	1.01
	Prod_3	22.4	41.2	25.9	6.3	4.3	100.0	3.71	1.02
	Prod_4	2.0	9.9	23.0	44.0	21.0	100.0	3.72	0.97
	Prod_5	3.1	10.5	23.3	40.1	23.0	100.0	3.69	1.04
	Prod_6	3.1	12.5	23.9	39.5	21.0	100.0	3.63	1.05
		Percentage (in %) of Respondents						Mean	SD
	Variable	SD	D	N	A	SA	Total		
Financial Support	Fina_1	14.2	38.4	27.8	13.6	6.0	100.0	3.43	1.08
	Fina_2	11.4	11.4	32.7	27.8	16.8	100.0	3.28	1.20
	Fina_3	19.3	31.8	26.4	13.9	8.5	100.0	3.39	1.19
	Fina_4	18.2	38.4	20.7	14.2	8.5	100.0	3.43	1.19
	Fina_5	6.0	13.6	23.3	31.3	25.9	100.0	3.58	1.18
		Percentage (in %) of Respondents						Mean	SD
	Variable	SD	D	N	A	SA	Total		
Cooperative Advertising Support	CAS_1	15.6	30.4	23.9	16.2	13.9	100.0	3.12	1.27
	CAS_1	14.2	31.0	26.7	22.2	6.0	100.0	3.25	1.13
		Percentage (in %) of Respondents						Mean	SD
	Variable	SD	D	N	A	SA	Total		
Administrative Service Satisfaction	ADSS_1	6.0	12.8	25.3	39.5	16.5	100.0	3.48	1.09
	ADSS_2	3.7	15.3	24.7	41.2	15.1	100.0	3.49	1.04
	ADSS_3	9.1	8.0	34.4	34.1	14.5	100.0	3.37	1.11

4. Data Analysis and Results

Table 3 presented the relevant items, their standardized loading (correlation coefficients), and the composite reliability and Cronbach Alpha results through *Confirmatory Factor Analysis* (CFA) technique that was adopted to validate the hypothesized measurement model

consisting of three dimensions namely *restricted and unfair trade policies, channel conflict and Uncertain Business Environment Issues of Kerala*, as shown in Figure 1. The present research examined the empirical data using the AMOS 23.0 (SPSS) tool, “a covariance-based SEM approach” as advocated by Hair et al. (2014).

Table 3: Reliability and Item Loadings of *Restrictive Trade Policies, Channel Conflict and Uncertain Business Environment, Social Interaction, Product Satisfaction, Financial Support, Cooperative Advertising Support and Administrative Service Satisfaction on Marketing dimensions*

Factor	Item/Indicators	Loading	CR	CA	AVE
Restricted and Unfair Trade Policies (RUTP)	Distributors and wholesalers are adjusting in terms of goods damaged in transit and accommodate our concerns (RUTP_1)	0.694	0.817	0.818	0.473
	Distributors and wholesalers are adjusting in terms of goods nearing shelf life (RUTP_2)	0.750			
	The distributors and wholesalers try to dump their stock in our store (RUTP_3)	0.636			
	The company’s policies for expired products are fair (RUTP_4)	0.702			
	Companies’ claim-settlement cycle is very long (RUTP_5)	0.651			
Channel Conflict (CC)	My relationship with the distributors and wholesalers has not provided me with a dominant and profitable market position (CC_1)	0.749	0.823	0.824	0.539
	My relationship with the distributors and wholesalers is not attractive with respect to profit margins (CC_2)	0.807			
	Distributors and wholesalers provide me with good marketing and selling support (CC_3)	0.750			
	Distributors and wholesalers regularly share their expertise in terms of fine-tuning the operations of my store (CC_4)	0.619			

Factor	Item/Indicators	Loading	CR	CA	AVE
Uncertain Business Environment (BEIK)	Lack of access to financing affect small businesses (BEIK_1)	0.721	0.836	0.837	0.506
	Government instability affects business environment and performance (BEIK_2)	0.733			
	Economic recession creates unfavourable business environment (BEIK_3)	0.730			
	Shortages of skilled labour affect small business performance (BEIK_4).	0.693			
	Rising cost of materials affect business performance (BEIK_5)	0.677			
Social Interaction (SI)	My manufacturer's sales representative isn't well organized (SI_1)	0.853	0.876	0.877	0.588
	My manufacturer's sales representative does not know his products very well (SI_2)	0.713			
	Manufacturer's sales people are helpful (SI_3)	0.794			
	Manufacturer's sales representatives have my best interests in mind when they make a suggestion (SI_4)	0.703			
	My manufacturer's sales representative is always willing to help if I get into a tight spot (SI_5)	0.760			
Product Satisfaction (PS)	Manufacturer's products are asked for by our customers (PS_1)	0.569	0.821	0.823	0.436
	Manufacturer's products are a good growth opportunity for my firm (PS_2)	0.724			
	Manufacturer's products are not well known by my customers (PS_3)	0.670			
	My customers are willing to pay more for manufacturer's products (PS_4)	0.704			
	I would have a difficult time replacing manufacturer's products with similar products (PS_5)	0.711			
	Manufacturer's products perform much better than their competition (PS_6)	0.562			
Financial Support (FS)	Manufacturer's everyday margins are lower than industry margins (FS_1)	0.773	0.840	0.840	0.512
	Manufacturer provides very competitive margins on their products (FS_2)	0.717			
	There is poor return for the amount of space I devote to manufacturer's products (FS_3)	0.679			
	Some of the manufacturer's products aren't worth carrying because their margins are too small (FS_4)	0.753			
	I am very happy with the margins I receive on manufacturer's products (FS_5)	0.650			
Cooperative Advertising Support (CAS)	Manufacturer should have better cooperative advertising programme (CAS_1)	0.600	0.746	0.754	0.605
	Manufacturer should provide better cooperative advertising allowances (CAS_2)	0.922			
Administrative Service Satisfaction (ADSS)	Manufacturer conducts excellent consumer promotions (ADSS_1)	0.652	0.837	0.840	0.636
	Manufacturer provides adequate promotional support for their products (ADSS_2)	0.780			
	Manufacturer provides excellent point-of-purchase displays (ADSS_3)	0.935			

Note: CR - Composite Reliability, CA - Cronbach Alpha, AVE – Average Variance Explained

Table 4: Discriminant Validity Result of Dimensions Influencing Channel Satisfaction

	RUTP	CC	BEIK
RUTP	0.688*		
CC	<i>0.300</i>	0.734*	
BEIK	<i>0.144</i>	<i>0.180</i>	0.711*

Note: * indicates the Square Root of AVE values shown in Table 3 and figures given in italics are the inter-construct correlations

Table 5: Discriminant Validity Result for Sub Dimensions of Channel Satisfaction

	SI	PS	FS	CAS	ADSS
SI	0.767*				
PS	<i>0.433</i>	0.660*			
FS	<i>0.213</i>	<i>0.567</i>	0.716*		
CAS	<i>0.124</i>	<i>0.309</i>	<i>0.319</i>	0.778*	
ADSS	<i>0.289</i>	<i>0.116</i>	<i>0.405</i>	<i>0.342</i>	0.797*

Note: * indicates the Square Root of AVE values shown in Table 3 and figures given in italics are the inter-construct correlations

Table 6: Multicollinearity Analysis Result

	Tolerance	VIF	Multicollinearity Concern
RUTP	0.600	1.021	Low/Weak
CC		1.010	Low/Weak
BEIK		1.056	Low/Weak

Dependent Variable – Channel Satisfaction

First, the Cronbach's alpha reliability coefficient was calculated in order to assess the psychometric properties of the questionnaire. Cronbach's alpha value ranges from 0 to 1, with value closer to 1 indicating greater stability and consistency, however for basic research the cut-off value is 0.60 (Nunnally, 1978) [Kalthom Abdullah & Others, 2012]. The results of Cronbach's alpha are depicted in Table 3 indicating an acceptable consistency and stability of the instrument. Secondly, with respect to composite reliability it is observed from Table 3, it is observed that majority of the items demonstrated a loading greater than 0.50 clearly validating the convergence. Also, the Cronbach alpha

values of each dimension are above 0.60, more than the accepted value. Similarly, Discriminant Validity result is depicted in Tables 4 and 5 establish the discriminant validity among the latent variables in that they do not statistically overlap each other [since the inter-item correlation values are less than the square root of AVE value] and are free from the problem of multicollinearity.

Furthermore, the Variance Inflation Factor (VIF) and the tolerance results shown in Table 6 clearly indicate there is no multicollinearity among the independent dimensions influencing channel Satisfaction and the predictor is not correlated with other predictors, so it doesn't inflate the standard error or affect the regression model's stability.

Table 7: Correlation (Covariance) result of sub dimensions of Channel Satisfaction

	SI	PS	FS	CAS	ADSS
SI	-	0.521	0.216	0.054	0.232
PS	-	-	0.404	0.047	0.200
FS	-	-	-	0.146	0.281
CAS	-	-	-	-	0.143

5. SEM analysis result

After running the CFA to check the reliability and validation of the items (questions), the defined research hypotheses shown in conceptual frame work (Fig 1) is tested for SEM analysis and the results are shown in Figure 2.

Table 8: Goodness-of-fit & Incremental Indices of Measurement model for Restrictive Trade Policies, Channel Conflict and Uncertain Business Environment on Marketing dimensions

	(χ^2/df)	GFI	RMSEA	AGFI	NFI	CFI	IFI	RFI	PCFI	PNFI
Accepted Value	< 5	> 0.90	< 0.10	> 0.80	> 0.90				> 0.50	
Model Value	1.891	0.898	0.050	0.828	0.902	0.906	0.906	0.897	0.846	0.766

The Goodness-of-fit & Incremental Indices for Restrictive Trade Policies, Channel Conflict and Uncertain Business Environment on Marketing

dimensions depicted in Table 8 indicates an overall acceptable fit.

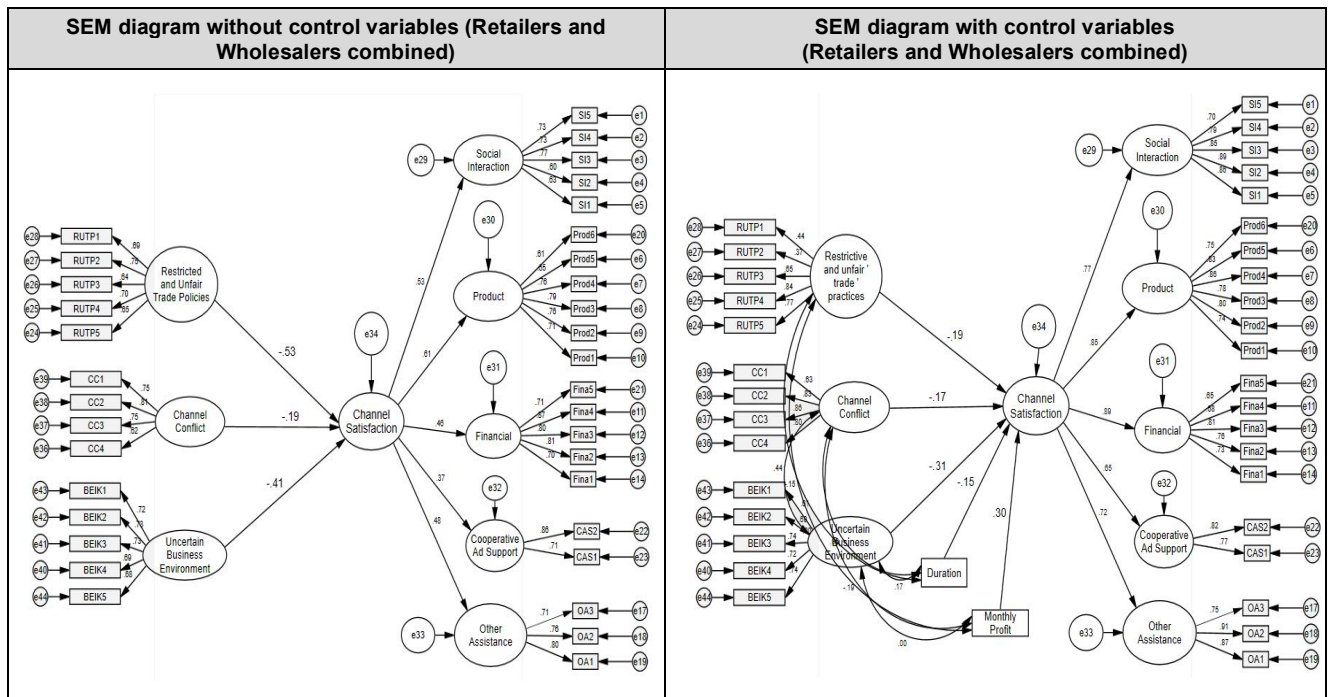


Figure 2: SEM result of Restrictive Trade Policies, Channel Conflict and Uncertain Business Environment on Marketing dimensions (Retailers and Wholesalers combined)

Group Comparisons with confounding variables:

Table 9: Group Comparison of Standardized Regression Weights with and without Confounding Variables for Retailers

Retailers			Without Control			With control		
			Standard Estimate	C.R.	P	Standard Estimate	C.R.	P
CS	<---	RUTP	-0.192	-2.362	0.018*	-0.186	-2.347	0.019*
CS	<---	CC	-0.189	-2.395	0.017*	-0.171	-1.984	0.047*
CS	<---	BEIK	-0.291	-3.485	0.000*	-0.312	-3.306	0.000*
<i>Control Variables</i>								
CS	<---	<i>Duration</i>				-0.153	-2.099	0.036*
CS	<---	<i>Monthly Profit</i>				0.301	4.109	0.000*

Table 10: Group Comparison of Standardized Regression Weights with and without Confounding Variables for Wholesalers

Wholesalers			Without Control			With control		
			Standard Estimate	C.R.	P	Standard Estimate	C.R.	P
CS	<---	RUTP	-0.451	-5.324	0.000*	-0.449	-5.329	0.000*
CS	<---	CC	-0.156	-1.977	0.048*	-0.151	-1.982	0.043*
CS	<---	BEIK	-0.454	-5.603	0.000*	-0.448	-5.493	0.000*
<i>Control Variables</i>								
CS	<---	<i>Duration</i>				0.014	0.050	0.960
CS	<---	<i>Monthly Profit</i>				-0.052	-0.738	0.461

CS – Channel Satisfaction; RUTP – Restricted and Unfair Trade Policies; CC – Channel Conflict; BEIK- Uncertain Business Environment; VIF- Variance Inflation Factor
 * Significant at 5% level.

5.1. Justification for the Control Variables

In Tables 9 and 10, the study introduces two control (confounding) variables — Duration of Business and Monthly Profit — in the SEM models for both Retailers and Wholesalers. Their inclusion is theoretically and empirically justified as follows:

a. Duration of Business (Experience in FMCG Sector)

• Justification:

Duration captures the business experience of the channel member, which can significantly influence perceptions of satisfaction, conflict, and adaptability to policies. Experienced retailers or wholesalers may have developed stronger negotiation skills, deeper trust with suppliers, and higher tolerance for external policy changes.

• Interpretation in this study:

For retailers, Duration shows a significant negative effect ($\beta = -0.153, p = 0.036$), suggesting that longer-tenured retailers may experience declining satisfaction, possibly due to exposure to recurring policy and conflict challenges.

For wholesalers, the relationship is statistically insignificant, implying that experience does not materially alter satisfaction levels in their group.

b. Monthly Profit (Economic Performance)

• Justification:

Profit represents the economic success of the channel member and directly affects satisfaction. Higher profits may reduce perceived conflict and policy-related stress, while lower profits can heighten dissatisfaction. Hence, it is a crucial control variable to isolate the *true effect* of trade policies, conflict, and uncertainty from financial performance.

• Empirical support:

Studies in channel management (e.g., Palmatier et al., 2006; Hoppner et al., 2015) demonstrate that financial outcomes strongly correlate with satisfaction. Profit acts as an indicator of relational success and can mediate or confound the relationship between policy/conflict and satisfaction.

• Interpretation in this study:

For retailers, Monthly Profit shows a strong positive and significant relationship ($\beta = 0.301, p = 0.000$), indicating that higher profit enhances satisfaction. For wholesalers, the variable is not significant ($p = 0.461$), implying that satisfaction levels among wholesalers are less influenced by immediate profit variations.

Overall Justification:

The inclusion of these two controls ensures that the observed relationships between Restrictive Trade Policies,

Channel Conflict, and Uncertain Business Environment and Channel Satisfaction are not spuriously driven by economic or experiential differences across respondents. Thus, controlling for these contextual variables enhances the internal validity of the SEM results.

5.2. Common Method Bias: Harman's Single Factor Test

Because the study collected data using a single self-report questionnaire, it is necessary to test for potential common method bias (CMB).

Procedure (Harman's Single-Factor Test):

1. All measurement items (35 statements) from the constructs — Restrictive Trade Policies, Channel Conflict, Uncertain Business Environment, and Channel Satisfaction — were entered into an unrotated exploratory factor analysis (EFA) using Principal Component Analysis (PCA).
2. The total variance explained by the first unrotated factor was examined.

Result:

- The analysis revealed that the first factor accounted for 28.46% of the total variance, which is below the critical threshold of 50% (Podsakoff et al., 2003).
- Therefore, common method bias is not a serious concern in this dataset.

Interpretation:

This result suggests that the correlations and regression coefficients reported in the SEM are unlikely to be inflated due to same-source bias, and the constructs measured (policy restrictions, conflict, uncertainty, satisfaction) maintain discriminant validity and independence.

To take into consideration the structural differences between two sets of sample respondents in channel satisfaction dynamics, an effort is made to present the regression results of wholesalers and retailers independently along with confounding variables. On retailers' front, *Restrictive Trade Policies* has a significant negative influence on channel satisfaction. It is emerged there is no much of difference in regression estimates before and after intervention of control variables. Similarly, *Channel Conflicts* has a weak and significant negative influence on Channel Satisfaction with no significant difference in estimates before and after intervention of time duration and monthly profit. Finally, Uncertain Business Environment has a significant (statistically) negative influence on channel satisfaction and again no significant difference in estimates before and after inclusion of confounding variables with respect to retailers. However, we can infer that confounding effect of monthly profit and duration of business is present

with respect wholesalers because of statistical significance ($p=0.000$, $CR=-2.099$, $P<0.05$) and ($p = 0.036$, $CR = 4.109$, $P<0.05$) respectively. Now, with respect to Wholesalers, there has been no significant change in estimates upon introducing the control variables. However, we can infer that no confounding effect of monthly profit and duration of business is present with respect wholesalers because of statistical insignificance ($p=0.960$, $CR = 0.050$, $P>0.05$) and ($p=0.461$, $CR = -0.738$, $P>0.05$). Overall, looking at the regression models (with and without confounding variables), it could be concluded that there have been no significant changes in the estimates upon introducing the control variables and we infer that confounding effects are not present with respect to wholesalers. On the contrary, a significant confounding effect of Monthly Profit on channel satisfaction is observed in case of retailers indicating that relationship between Restricted and Unfair Trade Policies, Channel Conflicts and Uncertain Business Environment on channel satisfaction.

6. Findings

The analysis was conducted using data collected from channel members operating in the FMCG sector in Kerala. Correlation analysis indicated significant negative associations between restrictive trade policies, channel conflict, and channel satisfaction. Regression results further confirmed the hypothesized relationships, demonstrating that both restrictive trade policies and channel conflict exert strong negative effects on satisfaction levels among channel members. These findings suggest that when distributors and retailers perceive excessive policy restrictions or experience persistent conflict, their overall satisfaction with the channel relationship declines markedly.

Specifically, restrictive trade policies were found to increase transaction costs, reduce flexibility in pricing, and limit product availability. Respondents reported that frequent regulatory interventions, including price controls and distribution restrictions, created uncertainty in operations and reduced their autonomy in decision-making. This outcome aligns with prior research highlighting the detrimental effect of regulatory constraints on cooperation and trust within marketing channels.

Channel conflict emerged as another significant predictor of reduced satisfaction. Vertical conflicts, particularly between manufacturers and distributors over pricing, margins, and promotional responsibilities, were most commonly reported. Horizontal conflicts, though less frequent, were observed in cases of territorial overlap and price competition among retailers. These conflicts weakened trust and discouraged collaborative efforts, thereby reducing satisfaction.

The moderating role of uncertain business environments was also evident. Statistical tests revealed that uncertainty significantly amplified the negative effects of both restrictive trade policies and channel conflict on satisfaction. In environments characterized by regulatory unpredictability, fluctuating consumer demand, and competitive volatility, the adverse impact of policies and conflict became more pronounced. For example, under conditions of high uncertainty, distributors perceived policy restrictions as more burdensome, and conflicts as more difficult to resolve, leading to sharper declines in satisfaction.

Overall, the findings underscore the multifaceted nature of channel satisfaction in emerging markets. While restrictive policies and conflict directly reduce satisfaction, the presence of environmental uncertainty exacerbates these challenges, creating a more fragile relational environment. These results provide empirical support for the integrated framework developed in this study and highlight the importance of considering macro-level (policy and environment) as well as micro-level (conflict) factors in explaining channel satisfaction.

7. Discussion and Conclusion

7.1. Discussion

The findings of this study highlight the significant influence of restrictive trade policies, channel conflict, and uncertain business environments on marketing channel satisfaction within the FMCG sector. The results provide evidence that restrictive trade policies negatively affect channel satisfaction by increasing transaction costs, limiting flexibility, and constraining collaborative opportunities among channel members. This aligns with prior studies that emphasize the role of government policies in shaping inter-firm relationships and market dynamics (e.g., Achrol & Stern, 1988; Anderson & Narus, 1990).

Channel conflict was also found to exert a substantial adverse effect on satisfaction. In line with existing literature, frequent disputes over pricing, territory, and resource allocation reduce trust, damage long-term relationships, and ultimately undermine cooperative behaviour within distribution networks. The findings strengthen the argument that effective conflict management mechanisms are crucial to sustaining marketing channel harmony and ensuring equitable outcomes.

Additionally, the study highlights that an uncertain business environment—characterized by volatile consumer demand, rapid technological changes, and regulatory unpredictability—further erodes satisfaction among channel members. Consistent with contingency theory, the

results suggest that uncertainty compels firms to adapt their channel strategies continuously, often leading to misalignments in expectations and performance, thereby reducing overall satisfaction.

Interestingly, the combined effect of restrictive trade policies, channel conflict, and uncertainty was more pronounced than their individual effects, indicating the possibility of interaction effects. This suggests that when restrictive trade policies and uncertainty coexist with unresolved channel conflicts, the level of dissatisfaction may intensify disproportionately. This insight contributes to the growing body of research on the interdependence of environmental and relational factors in distribution science.

7.2. Conclusion

This study contributes to the literature on distribution science and marketing channel management by demonstrating that restrictive trade policies, channel conflict, and uncertain business environments are critical determinants of channel satisfaction. The research emphasizes that satisfaction is not solely dependent on the operational efficiency of marketing channels but is also deeply influenced by external policies and contextual uncertainties.

From a managerial perspective, the results underline the importance of proactive policy monitoring, conflict resolution mechanisms, and strategic flexibility in enhancing channel satisfaction. Managers must strengthen communication systems, build adaptive capabilities, and foster trust-based partnerships to mitigate the negative consequences of policy restrictions and uncertainty.

For policymakers, the findings indicate that restrictive trade measures may unintentionally disrupt marketing channel relationships, leading to inefficiencies in distribution systems. A balanced approach that safeguards national interests while promoting healthy trade practices is essential for sustaining channel satisfaction and performance.

Finally, the study opens avenues for future research by suggesting a deeper examination of moderating factors such as trust, power-dependence, and digital integration in marketing channels. Cross-industry and cross-country comparative studies may also enrich understanding by identifying how varying policy regimes and institutional arrangements affect channel satisfaction.

In conclusion, maintaining marketing channel satisfaction in today's dynamic environment requires a nuanced balance between internal relational management and external environmental adaptation. The results underscore the necessity for both practitioners and policymakers to recognize the interconnectedness of trade policies, conflict management, and business uncertainty in shaping the effectiveness of distribution systems.

8. Practical Implications:

The findings of this study provide several important implications for managers, distributors, retailers, and policymakers engaged in the FMCG sector. First, the negative effect of restrictive trade policies on channel satisfaction highlights the need for policymakers to carefully assess the unintended consequences of regulatory interventions. While trade restrictions and price controls are often designed to protect consumer interests or stabilize markets, they can disrupt supply flows, erode trust, and reduce cooperation among channel members. Regulators should therefore strive to design policies that balance consumer protection with the operational flexibility of channel partners. Mechanisms such as stakeholder consultations, phased policy implementation, and greater transparency in regulatory decision-making can mitigate dissatisfaction and foster compliance.

Second, the results underscore the importance of proactive conflict management. Manufacturers and distributors must recognize that unresolved vertical conflicts related to margins, pricing, and promotional responsibilities are particularly detrimental to satisfaction. Firms can adopt conflict resolution mechanisms such as joint problem-solving, negotiation platforms, and collaborative planning sessions to address disputes before they escalate. Training programs for channel managers in conflict resolution and relationship management can also enhance trust and reduce the negative consequences of disagreements.

Third, the moderating role of business uncertainty suggests that adaptive strategies are essential in volatile environments. Managers should develop flexible contracts, diversify supply sources, and invest in market intelligence systems to reduce vulnerability to sudden disruptions. Collaborative forecasting, real-time data sharing, and risk-sharing agreements between manufacturers and distributors can enhance resilience under uncertainty.

Finally, the study highlights the importance of relationship-building practices. Beyond addressing immediate policy and conflict challenges, firms should invest in strengthening trust, communication, and long-term commitment with their channel partners. Satisfaction in uncertain environments is sustained when relationships are based on fairness, reciprocity, and mutual dependence.

In sum, the practical contribution of this study lies in encouraging policymakers to design more flexible regulations, urging firms to adopt systematic conflict resolution practices, and promoting adaptive strategies to manage uncertainty. By addressing these areas, manufacturers and distributors can enhance satisfaction, sustain cooperation, and improve overall channel performance in emerging market contexts.

9. Limitations and Directions for Future Research

Although the present study provides valuable insights into the influence of restrictive trade policies, channel conflict, and uncertain business environment on channel satisfaction in the FMCG sector of Kerala, certain limitations must be acknowledged. Firstly, the study is geographically confined to a single state, which may limit the generalizability of the findings to other regions or national contexts. Future research could expand the scope to multiple states or conduct comparative studies across different regions to enhance external validity.

Secondly, the research design is cross-sectional, relying on data collected at one point in time. As such, it cannot capture dynamic changes in channel relationships or causal directions among the variables. Longitudinal or mixed-method approaches in future studies could provide a more comprehensive understanding of the temporal evolution of channel satisfaction.

Thirdly, the study is based on perceptual data collected through structured questionnaires from retailers and wholesalers, which may be subject to response bias. Employing triangulation with secondary data or observational methods in subsequent research could reduce such limitations. Lastly, future studies may include additional control variables such as firm size, ownership structure, or category specialization to further strengthen model robustness and account for contextual heterogeneity.

Overall, these extensions would help validate and enrich the findings, offering deeper insights into how marketing channels in emerging economies adapt to policy changes, conflicts, and environmental uncertainties.

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Appendix**PhD Questionnaire for “Wholesalers and Retailers” (35 Statements)**

SI No.	Statements of the Questionnaire (Please ✓ your choice)	SD* 1	D* 2	N* 3	A* 4	SA* 5
Restricted and Unfair Trade Policies – RUTP (5)						
1_RUTP1	Distributor is adjusting in terms of goods damaged in transit and accommodates our concerns.					
2_RUTP2	Distributor is adjusting in terms of goods nearing shelf life.					
3_RUTP3	The distributor tries to dump their stock in our store.					
4_RUTP4	The company's policies for expired products are fair.					
5_RUTP5	Companies' claim-settlement cycle is very long.					
Channel Coordination Challenges – CCC (4)						
6_CCC1	My relationship with the distributor has not provided me with a dominant and profitable market position.					
7_CCC2	My relationship with the distributor is not attractive with respect to profit margins.					
8_CCC3	The distributor provides me with good marketing and selling support.					
9_CCC4	Distributor regularly shares his expertise in terms of fine-tuning the operations of my store.					
Business Environment Issues of Kerala – BEIK (5)						
10_BEIK1	Lack of access to financing affect small businesses.					
11_BEIK2	Government instability affects business environment and performance.					
12_BEIK3	Economic recession creates unfavourable business environment.					
13_BEIK4	Shortages of skilled labour affect small business performance.					
14_BEIK5	Rising cost of materials affect business performance.					
Social Interaction – SI (5)						
15_SI1	My manufacturer's sales representative isn't well organized.					
16_SI2	My manufacturer's sales representative doesn't know his products very well.					
17_SI3	Manufacturer's salespeople are helpful.					
18_SI4	Manufacturer's sales representatives have my best interests in mind when they make a suggestion.					
19_SI5	My manufacturer's sales representative is always willing to help me if I get into a tight spot.					
Product Satisfaction– PS (6)						
20_PS1	Manufacturer's products are asked for by our customers.					
21_PS2	Manufacturer's products are a good growth opportunity for my firm.					
22_PS3	Manufacturer's products are not well known by my customers.					
23_PS4	My customers are willing to pay more for manufacturer's products.					
24_PS5	I would have a difficult time replacing manufacturer's products with similar products.					
25_PS6	Manufacturer's products perform much better than their competition.					
Financial Support– FS (5)						
26_FS1	Manufacturer's everyday margins are lower than industry margins.					
27_FS2	Manufacturer provides very competitive margins on their products.					
28_FS3	There is poor return for the amount of space I devote to manufacturer's products.					
29_FS4	Some of the manufacturer's products aren't worth carrying because their margins are too small.					
30_FS5	I am very happy with the margins I receive on manufacturer's products.					
Cooperative Advertising Support – CAS (2)						
31_CAS1	Manufacturer should have better cooperative advertising program.					
32_CAS2	Manufacturer should provide better cooperative advertising allowances.					
Administrative Service Satisfaction – ADSS (3)						
33_ADSS1	Manufacturer conducts excellent consumer promotions.					
34_ADSS2	Manufacturer provides adequate promotional support for their products.					
35_ADSS3	Manufacturer provides excellent point-of-purchase displays.					