contractual vertical marketing channels -Use a contract to govern the working relationship between channel members and include wholesaler-sponsored voluntary groups, retailer-owned cooperatives, and franchised retail programs.
Stock-Keeping Units (SKU) - Are the lowest level of identification of merchandise.

retailer-owned cooperatives Are wholesale institutions, organized and owned by member retailers, that offer scale economies and services to member retailers, which allows them to compete with larger chain buying organizations.

franchise Is a form of licensing by which the owner of a product, service, or business method (the franchisor) obtains distribution through affiliated dealers (franchisees).

MANAGING RETAILER-SUPPLIER RELATIONS

- Inter-organizational Management that a retailer needs to understand: Dependency, Power and Conflict
- Each party is dependent on each other (interdependent)
- Power - s the ability of one channel member to influence the decisions of the other channel members. (Reward, Expertise, Referent, Coercive, Legislative,Informational)

There are six types of power:
reward power -Is based on B's perception that A has the ability to provide rewards for B.
coercive power Is based on B's belief that A has the capability to punish or harm B if B doesn't do what A wants.
expertise power Is based on B's perception that A has some special knowledge.
referent power Is based on the identification of B with A.

- Conflict (perceptual incongruity- different economic perceptions, goal incompatibility- dual distribution, domain disagreement)

legitimate power Is based on A's right to influence B, or B's belief that B should accept A's influence.
informational power Is based on A's ability to provide B with factual data.

There are three major sources of conflict between retailers and their suppliers: perceptual incongruity, goal incompatibility, and domain disagreement
perceptual incongruity

- Occurs when the retailer and supplier have different perceptions of reality.

goal incompatibility

- Occurs when achieving the goals of either the supplier or the retailer would hamper the performance of the other.

dual distribution

- Occurs when a manufacturer sells to independent retailers and also through its own retail outlets.

domain disagreements

- Occur when there is disagreement about which member of the marketing channel should make decisions.