

## **BATTLE OF NARRATIVES IN A CHANGING FMCG DISTRIBUTION CHANNEL**

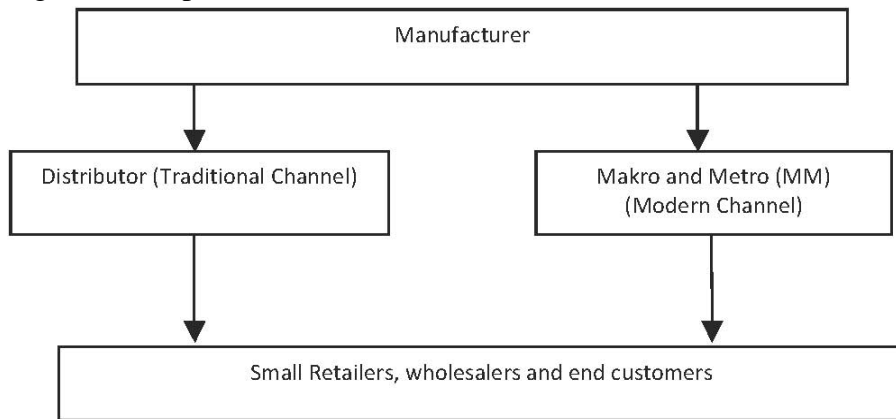
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This paper presents analysis of power relationships between different groups in Pakistan's FMCG distribution channels through narrative inquiry approach. Different groups in a channel deploy group narratives on which battle for power is waged. A focus on narrative is valuable for academics as well as practitioners, as it provides an alternative and insightful method for analysis of power relationships between different groups and organizations in a channel.

### **Setting the Scene**

The term 'channel' is extensively used in sales and marketing literature in which it generally represents networks of distribution and wholesaling businesses on the demand side of a supply chain. In most Asian countries, in the absence of large superstore style retailing formats, these businesses typically engage in sales and distribution of products of manufacturers to a large number of small independent retailers. Pakistan's Fast Moving Consumer Goods (FMCG) distribution channel consists of three dominant organizations. These are manufacturers (brand owners), the distributors and international wholesalers Makro and Metro, here onwards called 'MM'. The distributors represent the traditional side of the channel, whereas MM represents the modern side. See Figure 1. Traditionally the manufacturers who are also the brand owners used to sell and distribute their products through local distributors. These distributor businesses distribute these products to around half a million small convenience style retail outlets in the country. The distributors have salesmen who deliver the products to the retailers at their doorsteps. Entry of MM in 2008 has provided an alternative channel in the country, in which the manufacturers sell their products directly to MM without the involvement of distributors. Retailers and some affluent end customers come to MM's premises to buy the products (Aman & Hopkinson, 2010). Thus the role of traditional distributors is eliminated in this modern alternative. Thus MM and local distributors are now in direct competition.

Figure 1: Simple Flow of FMCG Products



The entry of MM in Pakistani market in 2008 provided an interesting situation as it was perceived as a major change in the existing structure. Various channel roles were being redefined, power being exercised and resistance being posed by channel organizations. To collect primary data in this interesting scenario, the first author made two extensive trips to Pakistan to interview people working in these organizations in the channel. He interviewed 39 participants in the manufacturer's business, the distributors' businesses and in MM. The interviews were recorded and notes were taken. After a careful content analysis of the data that emerged out of the interviews, we came up with the 'group narratives' told by people in five different groups in the channel. Two of these groups are managers of MM and the owners of distribution businesses, here onwards called the 'distributors'. In this paper we will focus on only these two groups and their group narratives.

We use Andrew Brown's strategy of writing narratives of different groups in an organization where the author takes up the position of the spokesperson for the groups and writes the narrative on the behalf of the groups. 'The illusion that these groups speak for themselves is just that, an illusion. It is an authorial strategy that makes the researcher/author the spokesperson for others, which requires him/her to explicitly acknowledge his/her 'own participation in the construction of social reality', and which dictates the need to be reflexive about the representations s/he has produced (Knights, 1992, p. 515)' (Brown, 1998). It is worth mentioning here that construction of these narratives, as Brown argues, 'is not just a 'writing up', but an artful process involving the manipulation of research material to produce a plausible account. (Atkinson, 1990; Watson 1995)' (Brown, 1998). It is also worth noting that this whole paper could be recognized as a narrative which is 'designed not just to inform but to persuade' and that in this paper like in any other research, 'it is the author's voice, not the research participants, that is most privileged'. (Brown, 1998). In this research paper, we aim to discuss the power relationships between the different groups in a channel through the narratives these groups construct. Complex questions like which group's narrative is more powerful? Which narratives sit comfortably with each other in the channel and which narratives engage in resistance based relationships, are explored. We argue that power relationships between different channel groups can be studied by studying power relationships between collective identities constructed in their group narratives and that by doing so we can deepen our understanding of power, hegemony and resistance exercised by different groups in a channel. To set the scene for the upcoming battle of group narratives, we will briefly discuss the concept of power and its application in channels research. After that we

will discuss the inseparable relationships between power and narrative and narrative and collective identity and the scarcity of such research in channels literature. Then, we will present the three group narratives, namely, MM's narrative of Confidence, Distributors' narrative of Endurance and Distributors narrative of Despair. Discussion on power and politics of these narratives and relationships between these group narratives will be followed by conclusions. The concept of power remains at the centre stage of organization theory research. The concept has come a long way from Robert A. Dahl's (1957) notion of power in which he defined power as 'a quantitative capacity where A has power over B if A can get B to do something that B wouldn't otherwise do'. Following intense scholarship which rejects Dahl's fixed notions of power (e.g. Foucault, 1979), organization theorists in the past decade or so have engaged in the discursive aspects of power. This research on organizational power is closely associated with power embedded in organizational narratives. For some researchers, creation of a narrative by an individual of a group is an act of power (e.g. Vaara 2002). For Brown (1998), 'power is not a thing and nor it should be thought as an unexercised capacity. Power is, in part at least, expressed in and through narratives which groups deploy to legitimate interpretations that they believe favour their interests'. Authors of narratives while constructing a narrative also construct identities of different actors, including their own. 'Construction of narratives and identities is an intertwined process. Inevitably narratives construct subject position and attach identities to actors' (Vaara, 2002). In 2006 Andrew Brown highlighted the construction of collective identities in group narratives and their possible hegemonic implications. Power as a concept has dominated the channels literature throughout 1970s. The first attempt to define and measure power in channels literature was made by El Ansary and Stern in 1972. Their definition, although modified, revolves around Dahl's understanding of power. This definition has been used extensively in the channels literature ever since. Power in marketing channels research has rarely been studied in its discursive aspect. Exceptions include Gillian Hopkinson's work (2001, 2003). Thus, there exists a considerable gap in this area. In this paper, by using social constructionist lens, we employ narrative methods to study power relationships between different channel groups and strive to contribute to the thin literature available on discursive power in channels. Before we present the three narratives, we feel compelled to share our understanding of a narrative. We subscribe to the view of Ricoeur (1984): 'A story (narratives) describes a sequence of actions and experiences done or undergone by a certain number of people, whether real or imaginary. These people are presented either in situations that change or as reacting to such change. In turn, these changes reveal hidden aspects of the situation and the people involved, and engender anew predicament which calls for thought, action or both. This response to the new situation leads the story towards its conclusion' (as in Brown & Humphries, 2008). In the interviews, management of MM had only one group narrative to tell i.e. narrative of Confidence, whereas distributors told two distinct narratives. These are narrative of Endurance and narrative of Despair. We now present these three dominant group narratives present in the channel just after the entry of MM in Pakistan.

## **Narrative 1: Makro and Metro's (MM's) Narrative of Confidence**

### **Section 1.1: 'Old days were 'Bad''**

Before the entry of MM in the Pakistani market, the market situation was really bad. Pakistani customers had to suffer because of inefficiencies in the system. Thus the customers not only

ended up paying more for their goods but also received inferior service. 'Take example of a restaurant owner, everyday he or his employee had to go to vegetables market, where he would find a middleman, then to meat market, there again he would find a middleman, and then to grocery wholesale market where he again would find a middleman, and at the end of the day the middlemen would take all the profits' (Manager Makro). Other than this, 'retailing and wholesaling in this country was totally undocumented before we came. Nobody in the retailing business used to pay any tax to the government. Thus, the people of Pakistan were losing out due to this type of distribution structure. Moreover, due to lack of foreign investment in the country, unemployment in the country was rampant. There were so many young graduates who were unable to find decent jobs' (Manager Metro).

### **Section 1.2: 'Then we (MM) came in'**

Given the fragmented retail and the increasing buying power of Pakistani customers, we evaluated the market and we thought that there was huge opportunity awaiting us. So we entered the market.

### **Section 1.3: 'We (MM) are Benefactors'**

'Because of the unorganized retail sector in Pakistan, there is a large number of middlemen (distributors) and due to their presence the retailers of the end customers cannot get good price. We want to provide best service to retailers or to the end customers at the best possible price. We want to pass on the price benefit to our end buyer' (Manager Makro). Thus, we are now giving an alternative channel, an alternative to the middlemen. 'The local businessmen like the shop owners and restaurant owners can now focus on their business better. They do not have to run around and go to different places to get better deals. They can get everything at lower prices from us, right under one roof' (Manager Makro). We are definitely helping the local businesses and the local economy. We are not here to hurt anyone or to harm anyone's business, not even the distributors or the middlemen. We are here to provide alternative channel, which is going to increase the size of the overall market, thus creating opportunity for existing and new businesses. 'We are here for the benefit of everyone. To protect the distributors, we have this policy of discouraging sales to end customers, and restricting our sales only to retailers, who would normally buy from traditional wholesalers, however, if end customers start coming to us, we cannot stop them from doing this. We are here to do business and to provide lower prices to everyone' (Manager Makro). 'Since we are multinational investments, we abide by all the rules of the land. We regularly pay taxes to the Pakistani government. This has started a new era of revenue generation for the government in the retail sector. It is unprecedented in the history of the country. This obviously is going to benefit the government and in turn, the people of Pakistan' (Manager Metro). On top of other benefits we provide to the country and to the people of Pakistan, we also help in creating more jobs for local people. 'Our stores employ hundreds of people, and thus create hundreds of job opportunities in Pakistan.' (Manager, Metro)

### **Section 1.4: 'Manufacturer is Powerless and Business Savvy'**

'Multinational manufacturers do not have an option but to cooperate with us. We have international agreements with these multinational manufacturer and they have to abide by these

agreements. Our relationship with a multinational manufacturer here can affect our relationship with the manufacturer elsewhere in the world. Thus, the manufacturers cannot afford to turn away from us' (Manager Metro). Other than the international agreements we have, it is also in the business interest of the manufacturers to cooperate with us. 'They recognise this. We are giving them huge volumes of business as single buyers. This has huge advantages. They do not have to worry about so many distributors and then so many small shops. They can reduce their sales workforce. They just have to sell the products to us and we do the rest of sales and distribution for them. Manufacturers are not stupid, they are not cooperating with us just because of international pressure, but because of the real economic gains they can get from us' (Manager Makro).

### **Section 1.5: 'Pakistani Customers are Rich and Pro Modern Channel'**

We believe that both Pakistani retailers and end customers are changing their shopping habits. 'The disposable income in the country has risen which has led to changes in the shopper behaviour. Opening up of international food chains is an example. People of this country want to get international experience in everything, be it entertainment, food, clothing or grocery shopping' (Manager Metro). In the past decade or so everything in this country has changed. 'A couple of decades ago a family having dinner in a restaurant was frowned upon, as it was thought that the lady of the house (*Khatoon e Khana*) could not make a proper meal at home. But now have a look at KFC anywhere in the country at night. It is difficult to find a seat there on Saturdays. So the point we want to make is that there is huge market of our stores in the country, not only for the urban retailers but also for end customers' (Manager Makro).

### **Section 1.6: 'Distributors are Less Significant'**

The monopoly of distributors is now challenged as we have introduced this parallel channel in the market. With the growth of the modern formats, the significance of distributors in the distribution structure is diminishing. 'Manufacturers are realizing that distributors are a burden on them as they have to have a large army of sales force to manage their relationships with these distributors. Moreover, with the change in the shopping behaviour of Pakistani customers means more business for modern formats. Thus the distributors are losing their importance in the channel' (Manager Makro).

### **Section 1.7: 'Our future is Promising'**

'We are not going to run away from this country, we are here to stay' (Manager Metro). Given our international expertise and knowledge and the growing need for modern formats in the country, our success in Pakistan is inevitable. 'Thailand was also very similar to Pakistan, lots of retailers, no organization but things have changed there. We are now a big business there and this is what we are going to be doing here.' (Metro, Manager). We are the future. We have started off from the bigger cities of the country, and we have medium and long term plans of expansion into level 2 and level 3 cities' (Manager Makro). We look forward to working with other channel members in the long term.

## **Narrative 2: Distributors' Narrative of Endurance**

### **Section 2.1: 'The Good Old Days'**

We remember the days before MM entered into Pakistan market, when everyone was happy. We were happy, the manufacturers were happy and the retailers and wholesalers were happy. We, the distributors, used to enjoy privileged position in Pakistan's FMCG channel structure. 'There were times when we were considered the elites of the cities we used to work in. We were 'sort of *chaurdhries* (meaning similar to local kings), and had connections with the higher ups in the right positions' (Lodhi). 'There were instances when the products used to get out of stock in the market, people used to queue outside our offices for products, and we could choose our customers. There were times when there was no need of sending salesmen to shops as people used stand in queue outside our offices' (Seth). 'The Area Managers of companies (manufacturers) used to speak to us with a lot of respect. In fact, the promotion of these Area managers used to depend on how good they were in maintaining close ties with us' (Sheikh). We were so powerful that some of the Area Managers of the companies would get hired by us after they retired from the manufacturer. The companies used to listen to us as we were the only channel. Money was also very good. The Return on Investment (ROI) was much better in those days. 'There was joy in doing business. We used to be the *badshah's* (kings), we set the targets for our ROI, not the manufacturer' (Lodhi) and the manufacturer did not used to have problems with that. The manufacturer needed sales and we used to give it to them. Our salesmen were happy and used to get good commission. The retailers were also happy as they used to get served promptly. If they could not find the product in the market they could always visit our distribution shop and get the products. Even when the things were in our control, 'our salesmen went to every nook and corner of the city to deliver our products. Thus, the service provided by us was extraordinary. Even the far flung retailers got their deliveries on their doorstep, thrice a week' (Gillani). In short, life was good as we were in charge of ourselves. There was no direct competition as such, and we and our employees had a lot of respect in the channel as well as in the local social circles.

### **Section 2.2: 'Then came MM'**

We had started hearing about MM coming to Pakistan a long time ago. In fact we had visited some of their stores as manufacturers took us abroad so that we could see these formats. 'These stores were massive, nothing of the sort you could see in Pakistan in those days' (Sheikh).

### **Section 2.3: 'Manufacturer is Powerless'**

We were excited to see these stores there and thought that it would mean more business for us. But to our surprise 'we were told by the manufacturers that these stores would be serviced directly from the manufacturer's warehouses and not through us. This caused a stir in our circles and a lot of anger and frustration started developing amongst ourselves' (Sheikh). Some of us went to see the manufacturers to convince them so that they do business with MM through us. But they said that this is beyond their control. 'They (manufacturers) say that this cannot happen. They are helpless' (Gillani). They said that 'since they have relationships with MM internationally, and they sell the goods directly to them abroad, they must follow the same format here' (Lodhi). We even offered to reduce our margin significantly for sales to MM, but

they could not do it for us here in Pakistan. And this is true, 'nowhere in the world the manufacturer sells to these stores through the distributors' (Sheikh). We believe that 'manufacturers were under tremendous international pressure, otherwise why would they want to act against us, as we used to take care of 100% of their business' (Lodhi).

#### **Section 2.4: 'as well as a Business Savvy (the manufacturer)'**

But we also think that the manufacturer is shrewd. The manufacturer has realized that it makes sense to cooperate with MM and to develop them here in this country. We know that the manufacturer does not care about us. We have understood that 'there is no such thing as loyalty....we are all prostitutes' (Sheikh). All we care about is money; we go wherever we get it. If we put ourselves in the manufacturer's shoes, we would have done the same, 'see for yourself, the manufacturer has to keep a TSO (Territory Sales Officer) for every distributor. You tell me how much does that cost per month? At least PKR 100,000, right? Now look at MM, they just have one KAM and two Assistant KAMs in Karachi and Lahore and they are running the show. Plus, have a look at the margins, when the manufacturer deals with MM, they have more margins to play with. This is business, 'survival of the fittest'' (Sheikh). 'They (manufacturer) call us (the distributors) 'Valued Business Partners' but that is just the name. There are many distributors in Lahore and Karachi who are crying because of MM. What we believe now is that, agreed, there is some regard for distributors by the manufacturer as long as there is hope that the relationship is going to be profitable in the long term but there is nothing more than that' (Raja).

#### **Section 2.5: 'MM is Bloodsucker / Robber'**

We initially thought that MM were not going to harm us as Pakistan is a different country where people are not used to of going to such stores. Plus 'we believed that since MM were coming in wholesale format they would not really affect us that badly, as all we would lose were a couple of local wholesalers and some rural retailers. Plus, we also thought that with this format they would not be able to survive in Pakistan' (Sheikh). 'We had seen the fate of Metro in India' (Lodhi). But this belief of ours was only short lived as both MMs have changed their strategy dramatically. Within no time they have done away with multi packs and lifted customer restrictions. 'Their official story that they are 'professional wholesalers' is just bullshit' (Seth). MM is 'not sticking with their original story (that they are going to sell to professional customers and retailers). This is not happening.... this is just a drama (a lie). They sell to everyone.... and they encourage it. Minimum purchase requirement of PKR. 2,000 is also senseless as these days everyone buys in excess of this amount' (Sheikh). This has started to hurt us really bad as this strategy of MM is taking away our direct urban end consumers who are our bread and butter. MM keep on telling us directly and as well as through the manufacturer that they are not going to harm us and that they are going to increase the overall pie of the business. 'This is just crap, they are competing directly with us and want to destroy us' (Sheikh). Every single sale they make through their stores in our territories is our lost sale. We think that MM are really after us and that 'they will do anything to get our business' (Raja). They even want to deliver products to our customers through salesmen. 'They want to take up our advantage of doorstep delivery' (Seth). We have caught salesmen of MM in the local wholesale market a couple of times which proves our point. Moreover, 'MM and shops of this sort are foreign investments. These (foreign investments) are bad. Agreed they bring money from abroad, invest it in this country but at the end of the day they rob the money of the poor consumers and send their profits abroad. The traditional or local retailers may have many drawbacks, but at least they keep the money within

the country. They are not going to suck the blood of the poor people' (Gillani).

### **Section 2.6a: 'We (Distributors) are Indispensable' and 'Pakistani Customers are Poor and Pro Traditional Channel'**

MM is trying to invade our business but we are the backbone of the distribution system of any of the manufacturers in the country. We contribute 97-98% of sales of any manufacturer in Pakistan. A manufacturer cannot run its business without us. 'How many people have cars in this country? How many people are actually going to go to these stores to shop? We believe that these are shops only for the gentry and not for common people, and most of our business comes from common people and from small shops' (Lodhi). They (MM) cannot just come and take over our business. We are fully grounded in the fabric of Pakistani society. We will not be hurt by MM. There could be a short term fad, as 'we are a crazy nation and accept everything that comes from abroad' (Butt), but this will remain only for a short while and after people realize that they end up paying more at MM due to extensive displays and self service, they will come back to local shops which are serviced by us.

The retailers also don't really like MM, because 'one, the prices are not that good, two, the retailer has to allocate one full day to shop at MM, and has to pay for transportation. We provide service and goods at doorstep. Why would a retailer go there? Most of the retailers are going there just to see how the store looks like, so that they can say that they have been there' (Raja). Other than our firm commercial grounding in the structure of the channel we are also a part of the channel (traditional channel) which takes care of not only the grocery related needs of ordinary Pakistanis but also of the welfare of the citizens of this country. For example, 'You go to a village, or even to a small locality in Lahore, over there you will see many small retailers people know these retailers and the retailers know their customers by name and it is sort of a 'hang out' place for the people. They sit on the '*thara*' (meaning steps outside a shop) and discuss things so it is sort of a social place for the locality you can't do it at MM' (Gillani), as they are too modern for this. Plus 'we are a poor country and a huge chunk of our employment comes from retailing (small retail outlets). It is about 15-20%. It is livelihood of so many Pakistanis. If you go to villages, you will see so many women running grocery shops. It is very common that you will see a village house, where they have converted their drawing room into an outlet. So it (traditional trade) is an integral part of our society, and it gives us (Pakistanis) the opportunity that modern formats can never provide' (Gillani).

### **Section 2.7a: 'Thus, our future is Promising'**

Thus, due to importance of traditional channel in Pakistan's retail industry, 'we feel that these international formats will not be successful in Pakistan. We have seen the case of Metro in India. It has been years that they are still trying to expand outside Bangalore, and have not been successful' (Lodhi). We also believe that big manufacturers might have cooperated with MM in the short run, but this cooperation is not sustainable in the long term since most of manufacturer's sales come through us. 'They (manufacturers) would not cut their feet with their own axe' (Butt). We understand that MM is posing a threat to us and manufacturer is not helping us currently but we feel that we will overcome these difficulties and will remain successful businesses.

### **Narrative 3: Distributors' Narrative of Despair**

For this narrative please read Sections 2.1-2.5 followed with Sections 2.6b and 2.7b

#### **Section 2.6b: 'We (Distributors) are Less Significant' and 'Pakistani Customers are Rich and Pro Modern Channel'**

Times have changed now. 'We do not have that type of *Badshahat* (kingship) anymore. The joy of doing business has been lost' (Seth). 'Sometimes we are out of stock on a product and it is available at MM' (Seth). This is very disrespectful. The manufacturer has also started spending a lot of money on in-store advertising in these stores, and as a result we get very thin budget for this type of advertising in our territories. It is the first time that we have seen cuts in in-store advertising budgets in our territories. This really hurts our relationship with local retailers. Due to limited resources available now, manufacturer personnel have started taking more and more control of our business. 'We are questioned on everything we spend and how we do business' (Sheikh). Area Managers who used to act as our subordinates a few years ago now act like our bosses. We cannot function properly due to these issues. We are scared here. Some of us say that they will threaten the manufacture or quit the business, but the business situation is such that we cannot go anywhere. 'Many of us say that they will raise their voice in front of the manufacturer but when the time comes they all chicken out and listen to what the manufacturer is saying' (Sheikh). Pakistani customers also favour MM. 'Retail internationalization is taking place everywhere in the world and customers are increasingly shopping monthly and weekly with the rise in income levels. Thus, the modern formats are becoming more popular'. In terms of purchasing power of the customers 'who says we are a poor nation. No, we are not. We drink mineral water. We want to do whatever the westerners do and we worship whatever comes from the west. I don't think that we have lack of money. Have you been to City and 7<sup>th</sup> Avenue (names of local superstores)? Have you seen how many servants are there shopping for the '*Begmaat*' (meaning wives of the rich) there? There is abundance of money' (Sheikh).

#### **Section 2.7b: 'The Gloom the future holds for us'**

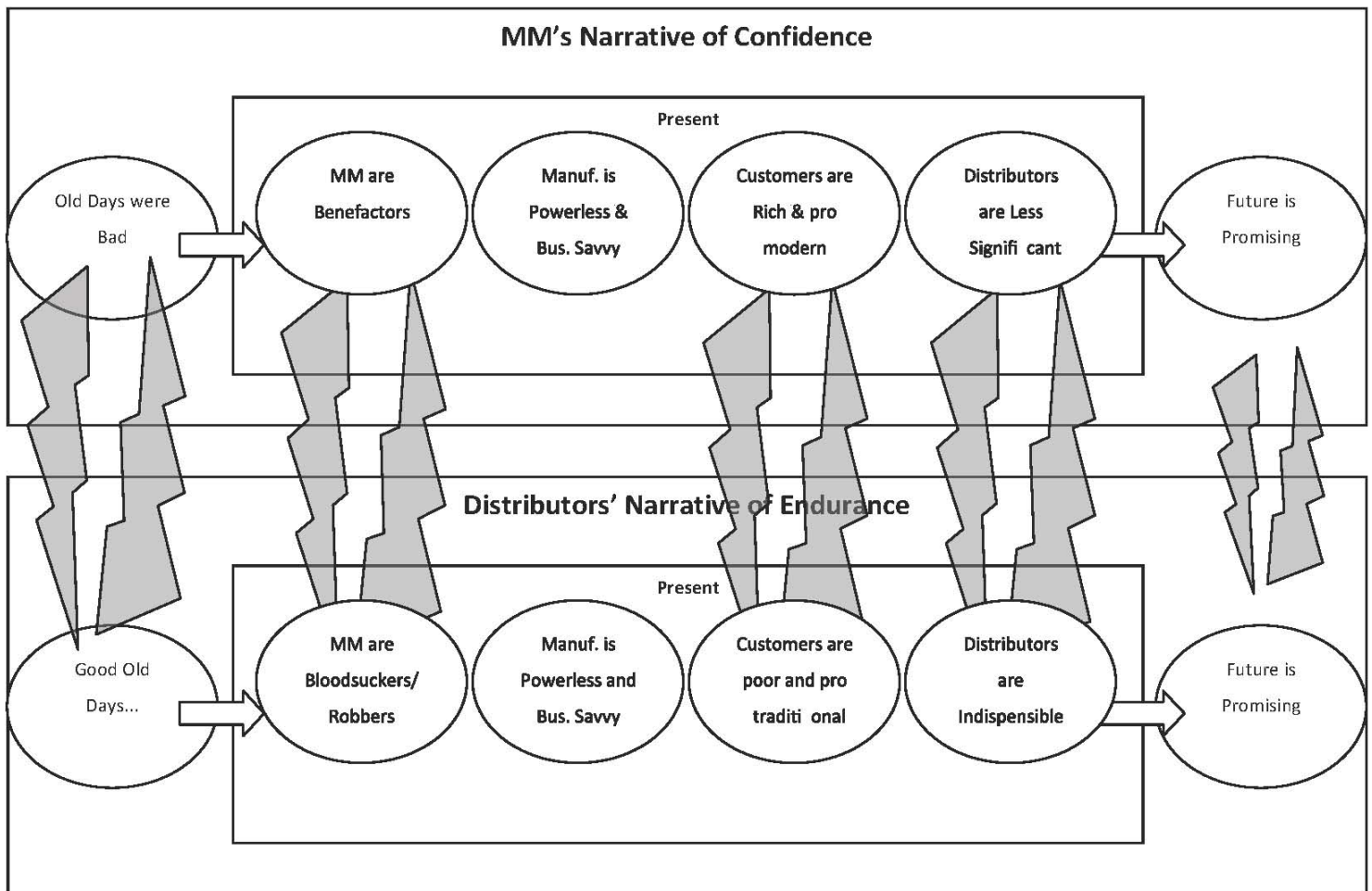
We feel that 'there isn't any potential left for the distributors in this country now' (Seth). With every passing day and month our share in the market is decreasing and there is nothing we can do about it. We are trying to carry on with the business till the end, but we feel that we must now look for some other business opportunities. We acknowledge that 'overall, business in the country is becoming tough' (Sheikh), but it can't be tougher than the circumstances we are facing in this business. Over here, 'our sales are going down and we have immense amount of credit stuck in the market' (Seth). We are pretty sure that we will not be able to carry on for long without a level playing field.

### **The Battle: MM's Narrative of Confidence and Distributors' Narrative of Endurance**

Competing groups construct their own realities by telling stories and thus engage in battles over these competing realities. The narratives constructed are hegemonic in nature and try to mobilize

and reproduce active consent of other groups (Clegg, 1989). Thus, we see here that the two groups author narratives which negate the realities claimed by each other's narratives. We will here discuss the hegemonic nature of the narratives and will highlight the power struggle these narratives engage in. MM's narrative of Confidence constructs a reality in which MM is in a superior position in the channel. The narrative suggests that the overall channel was in a bad state before MM came in. Most of the channel members were suffering because of the inefficiencies. Then MM came in and tried to resolve all the issues. Thus, MM is constructed as a Benefactor. Construction of Manufacturer as Powerless and Business Savvy can be seen as an attempt to consolidate MM's position in the channel as a superior member which has international experience and which is highly valued by the manufacturer due to economic reasons. The narrative also constructs the distributors as insignificant but relieves MM of any accusation of causing any harm to the distributors. The narrative projects distributors as outdated but suggests that the distributors can still continue with their businesses successfully. The narrative then constructs the Pakistani customers on their side who are rich, modern and love shopping at modern formats, thus the future of MM in Pakistan is very bright. The narrative clearly constructs realities which project dominance of MM in the channel. These realities or construction of identities can surely be seen as an attempt by MM to consolidate a powerful position in the channel.

**Figure 2: Power Relationship between MM's Narrative of Confidence and Distributors' Narrative of Endurance**



The distributors author a counter narrative (Bamberg & Andrews, 2004) here called the narrative of Endurance, in which most of the realities and identities constructed by MM are challenged and alternative realities and identities are constructed (See Figure 2). As opposed to MM's construction of old days as 'bad', the distributors portray old days as 'good', thus rejecting the foundations of MM's narrative of Confidence as it undermines the necessity of MM's presence in the country. The narrative then poses strong resistance to the construction of MM as Benefactor. The alternative construction of MM's identity is quite the opposite, which is Bloodsucker or Robber. Interestingly both narratives construct similar identities of manufacturer.

MM's narrative constructs manufacturer as Powerless to create a superior and internationally influential position of MM, whereas the distributors' narrative of Endurance constructs this identity to suggest that distributors are facing current challenges alone and that there is no one to help them. Distributors' narrative also does not challenge the construction of manufacturer as Business Savvy. This is an interesting phenomenon, because in such a construction of manufacturer, the distributors in their narrative are accepting the value of the business proposition MM holds for the manufacturer. This acceptance of manufacturer identity can be seen as a sign of weakness of the distributors' narrative as it threatens the construction of distributors' identity of Indispensability, as we will discuss later. The distributors' narrative of Endurance strongly resists the construction of Pakistani customers as Rich and pro modern channel. The narrative constructs an alternative identity in which Pakistani customers are Poor and pro traditional channel, thus, strengthening the position of the distributors in the channel. Similarly, the narrative also rejects the Less Significant identity of distributors and constructs the distributors as Indispensible. Both the narratives then construct the future of their respective groups as promising. Since the narrative of the distributors, in many places, suggests that the prosperity of either of the groups is mutually exclusive, this construction of future of distributors as promising resists the construction of future of MM as bright as given in MM's narrative of Confidence. On the other hand, since MM's narrative portrays MM as benign benefactors, the narrative does not seem to have any problem with the bright future of the distributors. Since the resistance regarding the future of the channel members is posed only by the distributors' narrative, and is not both ways, we have denoted this resistance with small shaky arrows (see Figure 2). Reflexivity in narratives and collective identities as per Andrew Brown (2006) 'refers to 'that which turns back upon, or takes account of the self' (Holland, 1999, p.464)'. In other words it points towards how a group narrative constructs or positions the narrators in the overall narrative. We believe that a group narrative which constructs a coherent and consistent position of the narrating group is a strong narrative, whereas the one which constructs a dichotomous or paradoxical position of the narrating group is a weak narrative. MM's narrative of Confidence seems relatively stronger than the distributors' narrative of Endurance as it never compromised on the powerful position of MM, and maintained a coherent position of MM. The distributors' narrative of Endurance seems slightly weaker as it accepted manufacturer's Business Savvy identity. This acceptance of manufacturer's Business Savvy identity suggests acceptance or accommodation of economic value of MM for the manufacturer. This weakens the position of the distributors, and creates a paradox in which on one hand the narrative accepts the economic value MM has for the manufacturer and on the other hand the narrative constructs the distributors as economically Indispensible for the manufacturer. Thus, the distributors' narrative of Endurance, being low in reflexivity, does not establish a clear position for the distributors. It is important to mention here that the battle can be analysed the other way round as well, meaning the distributors' narrative of Endurance could be discussed first followed by discussion on the resistance posed by MM's narrative of Confidence. We believe that the results from such a

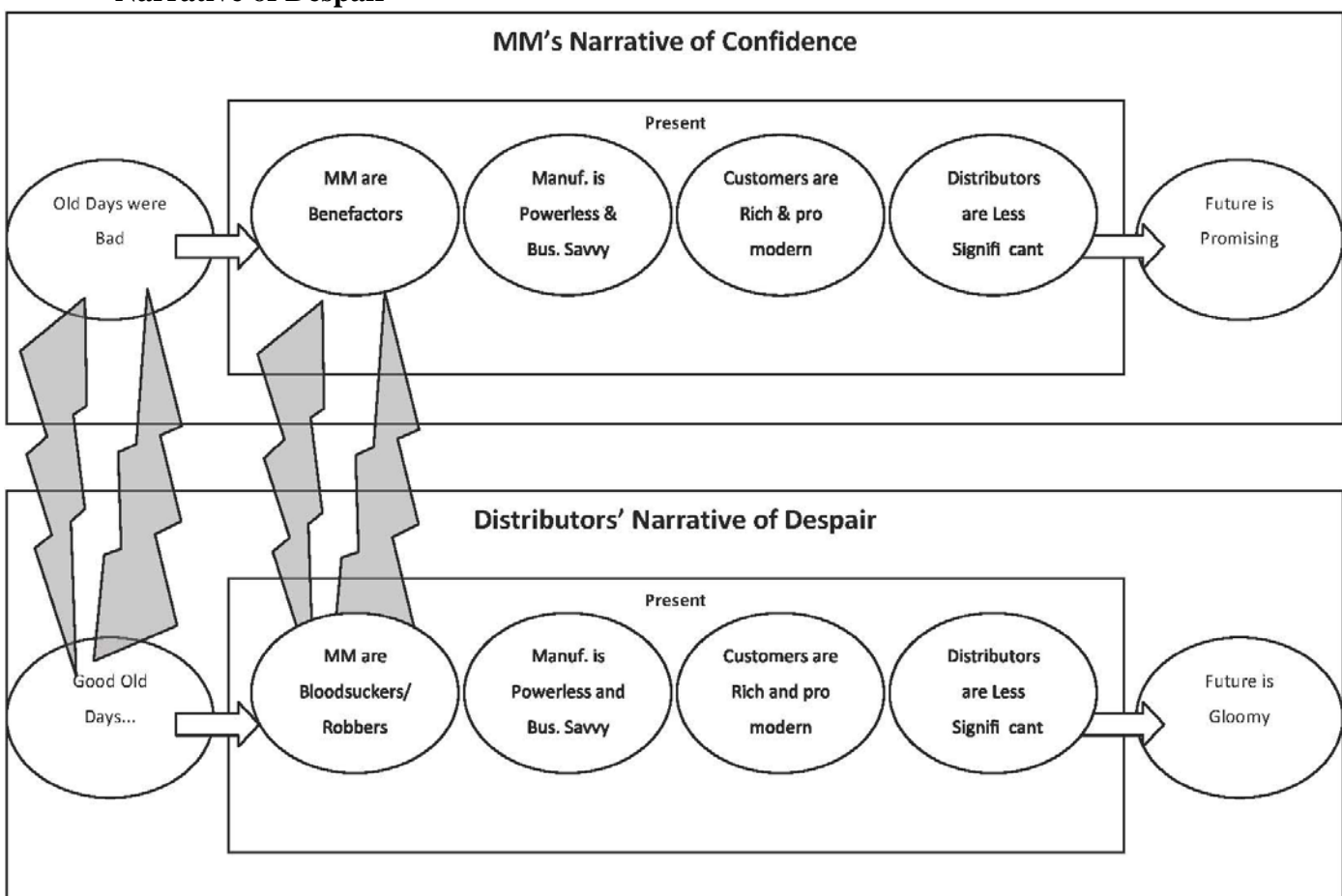
discussion would also point towards similar phenomena. We will now discuss the relationship between MM's narrative and the distributors' other less narrated but distinct narrative, the narrative of Despair.

**Compliance : MM's Narrative of Confidence and Distributors' Narrative of Despair**

We argue that in the battle of narratives discussed above MM's strong narrative of Confidence has fractured distributors' relatively weaker narrative of Endurance and created space for distributors' narrative of Despair which is complying with MM's narrative of Confidence on most grounds. Narratives of both the groups now sit easily with each other, where MM's narrative of Confidence has clearly taken the dominant and more powerful position and the distributors' narrative of Despair has taken a subordinate position. This could be a reaffirmation of power of MM's narrative of Confidence.

Distributors' narrative of Despair poses very little resistance to MM's narrative of Confidence (see Figure 3). The only resistance is in the alternative construction of the old days and the construction of MM's identity. The distributors' in their narrative of Despair, despite their compliance with most of the realities and identities constructed in the narrative of MM, do not accept MM as Benefactors, and continue to construct a rather ugly identity of MM. Moreover, the narrative of Despair also constructs old days as good versus 'the bad old days' construction given by MM's narrative. The narrative poses this minimal resistance to maintain a distinct position of the distributors. If this minimal resistance was not there, the narrative would have converted itself into MM's narrative of Confidence and the distributors would have lost their distinct narrative. The Despair narrative says that MM is bloodsucker and the manufacturer is powerless. The manufacturer has not saved the distributors from the evil of MM, in fact the manufacturer has shown its inclination towards MM due to economic

**Figure 3: Power Relationship between MM's Narrative of Confidence and Distributors' Narrative of Despair**



reasons. The narrative further says that Pakistani customers are leaving them and that the distributors' have become unimportant and thus there is forecast of gloom. The domination of MM's narrative and subjugation of distributors' narrative must not be taken as the final status of these narratives. Embedded in the distributors' narrative of Despair is power which could rupture MM's narrative of Confidence. The gloomy future of the distributors' is certainly not included in MM's narrative and this is where the distributors narrative could rebound. Since the distributors' contribute 97% of manufacturer's sales in the country, a gloomy construction of the future of the distributors could trigger a response in the narrative of the manufacturer (which is not included in this paper) which could result in fracture in the MM's narrative of Confidence and acceptance of distributors important role by MM in the overall channel. In terms of identification of powerful or weak group narratives in a channel, we conclude that the narratives which have a dichotomy or a paradox in their reflexivity tend to be weak and are more susceptible to be influenced by other more powerful narratives (e.g. Distributors' narrative of Endurance got fractured by MM's narrative of Confidence). Group narratives which are able to fracture the narratives of other groups, by accomplishing acceptability of realities and identities by other group narratives are deemed more powerful (e.g. MM's narrative of Confidence). Moreover, these are always elements of resistance in even the most complimenting group narratives. These elements are there to maintain the distinct discursive positions of the groups involved.

## **Discussion and Conclusion**

In this paper we have demonstrated the battle in which the narratives authored by different groups in a channel engage. Our analysis is consistent with the ideas of prominent scholars who have studied discursive power, and have advocated that power is never fixed and is always in a flux. Similarly the power relationships are never stable and are always in the state of becoming (Currie, 1998). In this paper, we advocate that the concept that organizations are storytelling systems (Boje, 1995) needs to be applied to channels as well. We argue that channels are also storytelling systems, and that different groups in the channel author their group narratives which are hegemonic in nature. These narratives define the power position of these channel members in the overall channel. A study of these power relationships can give an insightful picture of the power positions of different groups. Narrative research, while providing more dynamic understanding of the changing power positions and roles of different organizations in channels as well as of different groups working within those organizations, also provides an alternative to realist or positivist lenses being used in the study of power in channels.

The paper also presents an alternative perspective of looking at power relationships between narratives without the presence of 'official' narrative or grand narratives (Aaltio-Marjosola, 1994). The study goes contrary to many researches on power and narratives in which a grand narrative is resisted by relatively unheard 'smaller' narratives. We argue that in channels where organizations and groups within organizations are loosely linked, there is no grand narrative. There are only dominant narratives which are always in a state of becoming or being completed. At times the narrative of one group dominates the voice of the channel whereas at other times narrative of another group could take up that position. No narrative takes up a complete shape to dominate the narratives of other groups in totality. This concept of power relationships between micro narratives (not to be confused with Boje's micro storia, 2001) and not between the grand narrative and smaller narratives, could help organizational theorists understand the ongoing

power struggle between different groups in an organization from a fresh perspective. Concept of temporality as given by Brown in 2006 suggests that narratives engage in power struggle over the historic accounts they construct regarding an organization. Many narrative researches have been done in which the authors highlight alternative historic or nostalgic accounts (Brown & Humphries, 2002) constructed by participants. We argue that the concept of temporality does not need to be restricted to history only. From the analysis and data presented in the paper we have demonstrated that group narratives engage in power struggle over accounts regarding the future of their organizations. Thus, like construction of history of an organization in a narrative is hegemonic, so is the construction of the future of an organization. Thus, the concept of temporality could be used in broader terms. From practitioners' perspective, our study provides an alternative method of analysing changing power dynamics in the channels. Awareness regarding changing power relationships in the channel through a narrative lens could provide a well informed analysis of a situation, and could warrant a deliberate intervention by any of the channel members. For example, in the case presented in this paper, the manufacturer might not be comfortable with the distributors' narrative of Despair. As the manufacturer is engaged in business with both MM, and the distributors' a gloomy group narrative constructed by either of these channel members could affect the sales of the manufacturer. Thus, the manufacturer might want to construct a group narrative which could attempt to change the narrative of the distributors from narrative of Despair to a narrative having a positive outlook.

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