

Institutional Theory and Resource Dependency in the Alteration of Distribution Channels

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Abstract: The evolution of knowledge seeks to avoid the simplification in the analysis of complex phenomenon in other words, it is necessary to approximate the object of analysis and to understand it without cutting it out of the reality. Therefore, the current research approaches a study of case of the change in the distribution channels through the integrated vision of 2 different theoretical perspectives: The Institutional and the Resource dependency theory. Meanwhile in order to keep the advantages associated to the theoretical pluralism, researchers try to preserve the authenticity of the different points of view of these 2 approaches. This study will present yet, the performance achieved by the restructuration of the distribution system by amending the volume of sales of the dairy food products after the transition. It is a descriptive investigation, ex-post-fact in the format of study of case. It is also a sectional study and the research problem will be approached on a quantitative manner justified by the nature of the object of study.

Key words: Institutional theory, resource dependence, channels of distribution, pluralism, theoretical

INTRODUCTION

The organizations usually use the strategy to deal with the changes in the environment. Therefore, despite the fact that the concept of strategy is based in stability, the majority of studies about this theme focus in changes and organizational adaptation (Mintzberg *et al.*, 2000).

Diverse studies in organization theory reveal a trajectory of many tendencies and contrast, on which there are conflicts and diversification among the researchers and their respective points of view. The tendency in organizational studies on the past years reflects on an increasing theoretical pluralism that encourages an excessive fragmentation of the object of analysis and makes more difficult the relationship among schools of thoughts. The big issue from this situation is that different perspectives tend to focus on a phenomenon with limited and unilateral view of world.

The overlap of different schools of thought is proposed by Astley and Van de Ven (2005) convinced that the integration is possible if researchers recognize that the different perspectives can present different aspects of the same organizational phenomenon without cancel themselves. These researchers also draw attention

for the basic antithetic nature of field. Because the contradictions are spread on the organizations, the theories that receive and reflect the discreet segments of the organizational life are also inevitably contradicting and can only be dialectically reconciled in 2005.

The future of the organizations study resides on the attempt of reducing the fragmentation of the research object due to the need of explaining from the point of view of diverse slope or to shape on the perspective of each theory. The evolution of the knowledge seeks to avoid the simplification of complex phenomenon analysis in other words, it is necessary to bring closer the object of analysis and understand it without cropping it from the reality.

Within this purpose, the current research raises the research problem: What are the changes of distribution channels and respective implications in a food company from the integrated view of 2 divergent theoretical perspectives: The institutional theory and the resource dependence theory?

From the previous considerations, the knowledge development of the 2 organizations in study, as well as the strategic value of intermediaries in the system of distribution, becomes essential for the understanding of the assumptions approached in this text and will be more explained ahead.

Therefore, the study is divided in 4 parts, besides this introduction. After this, there are theories necessary for the development of the research, followed by the methodological aspects. After, the descriptions of the results are illustrated. Finally, the final considerations.

Theoretical aspects

Institutional theory: On the institutional approach, the notion of organization is interpreted under external and internal phenomenon, socially built being a result of the interaction among human actions, political and cultural interaction, cognitive and symbolic processes.

The institutional theory sees the environment, as a repository of 2 resource types: Economic and symbolic. The strategy, on this situation is represented by the capacity of acquiring economic resources and transform them in symbolic and vice versa for the purpose of protect the organization from uncertainties on its environment. It was also from this theory that the costs of transaction became important elements on the decisions of the economic agents and on the allocation of the resources on the economy. It is on this scope that the institutionalists defend the constitution of clear contracts that avoid the opportunism and the generation of conflicts (Conceicao, 2001).

The institutionalists highlight that the economic development is a multifaceted process that requires the investigation of the conditions that allow the advance on a different historic way. They also consider that the technological changes and institutions characteristics shape specific patterns of development (Conceicao, 2008). On this perspective, the strategic thought is understood as a product of social immersion from the organizational agents in other words, as being conditioned or at least influenced by coercive, normative and cognitive patterns predominant on the environmental context of the organizations. In contrast, Cubrellate *et al.* (2004) show that not all the institutionalists vertents definitively and completely abandon the assumption of choice or the rational adaptation as essential element of options explication for individual agents and for the organizations.

The interaction of the organization with the environment produces a set of rules that dominate the practice and explain the homogeneity and not the variation among the companies. DiMaggio and Powell (2005) claim that the organizational fields structured generate structure, culture and result similar inside an uncertain context and restriction, so the diversity of organizational configuration is isoform to the environmental diversity.

DiMaggio and Powell (2005) also classify the mechanism on which the institutional isoforms can happen, each one with its own background. They are:

Coercive, mimetic and normative isoform. This typology is only analytic and offers the possibility of different types of isoforms that can mix on the empiric context in study.

The coercive isoform comes from the political influences and legitimacy problems. The existence of a common legal environment affects many aspects of the behavior of the organizational structure.

Despite the coercive authority, the uncertainties also encourage the organizations to imitate. The mimetic isoform takes place when the technology used by the organization is not well understood when there is ambiguity on the goals or when the environment creates a symbolic uncertainty. It is interesting to highlight that the experienced research force, as well as a wide base of clients can propel the mimetic isoform.

The third type of institutional isoform is the normative that is associated with the professionalization. The 2 aspects of the professionalization are important sources of isoform. The first refers to the formal educational basis and the legitimacy of cognitive process produced by the universities. The second is associated to the increasing of the interactions among the professionals of different organizations.

It is important to notice that each one of these institutional isoforms can happened independently of each apparent evidence of addition on the internal efficiency because the initial advantage incorporates social legit behaviors in order to make the transactions with other organizations easier (DiMaggio and Powell, 2005). A different and strategic action in the point of view of the institutionalists, tends to have reduced impact or even null by the imitation of other organizations or by the maintenance derived from the isoform pressure. On the other hand, Oliver (1997) shows that the institutional environment legitimize the operations and results of the organizations and therefore, contribute directly for the performance for increasing the demand of products and service or for attract human and financial capital.

Rosseto and Rosseto (2005) seems to have a conflict regarding the decision making process. There are contradictions between guaranteeing the desired legitimacy and the technical requirements that value the efficiency. A gap is also generated between the formal structure and the practices really adopted due to the conflict between environmental inertia and efficiency criteria. Other critic refers to the negligence of the company's own interests and the activity of the agency on the organizational answers to the institutional pressure and expectative (Oliver, 1991).

The organizations are structured and complex and do not allow the exclusive predominance of the voluntarism or the determinism in the process of strategic change.

Machado-da-silva and Barbosa (2002) show that the try to conciliate competitive pattern and institutional pattern is necessary for the analysis of competitiveness, on other words is to verify both the sources of environmental pressure in the choice of the company's strategy. The organizations compete in mixed environments and with the need relative to both the facets of the contextual dimension.

The resource dependence theory: The resource dependence theory postulates the influence of the environment on the procedures and results of the individual organizations, particularly of the answers to the embarrassment on the environment. On this approach, the environment influences the organization but also is influenced by it. The actions of the managers seeks to approximate the characteristics to the environment characteristics to the specific interests of the organizations through a rational view and of intentional choice. Usually, the researches that use this approach develop from observations temporally less prolonged (Cunha, 1993).

The perspective of dependence emphasizes the critical and scarce resources flow through the environmental interactions. The origin of this approach relates to the possibility of some organizations to control and change the activities of other organizations in order to minimize the environmental vulnerability and dependence. The most common actions to overcome the barriers of the interdependence and the uncertainties are the fusions, acquisitions, cooperation, exchange of resource or movement of professional exchange among the organizations (Neto and Truzzi, 2002).

The strategic choice is a key element on the perspective of the resource dependence once the organizations face a set of possible alternatives on treating with the environment and are free to shape their own facts (Chandler, 1962). This autonomy is more represented then what occurs on the organizational ecology on which the adherence to the environmental determinism.

The strategic choices can also be made through the intention to manipulate the environment. Rosseto and Rosseto (2000) show that this can happen through the attempts of the organizations on creating demand for their products by the legal or illegal deal among the organizations in order to regulate the competition or by the operation of political processes that increase the customs barriers.

It is also important to highlight that the environment is noticed, evaluated and interpreted on different manners by the decision makers, defined as human actors inside

the organizations. Rosseto and Rosseto (2000), affirms that the critic question regards to the degree of the perceptions that the managers differ from the objective indicator of the environmental conditions.

Some limitations of the resource dependency perspective were presented by Cunha (1993). He quotes that the acquisition of resource and the organizational interactions depend on the stage of the organization's life cycle. He also considers that the approach of the resource dependency does not specify clearly what drives the management actions regarding the extern constraints. Neto and Truzzi (2002) quote that the legal and economic barriers can limit the management action. Cunha (1999), considers that the resource dependence theory as anti-management, since it represents an inversion of priorities of the contingencial theory, although keeping the same extern organization-environment adequacy goal.

Distribution channels: The management of the distribution channels has been assuming a central position on the corporative strategy of many organizations (Hamzaoui-Essoussi *et al.*, 2013; Stern *et al.*, 1993). Currently, the companies have been seeking new market segments, what requires new ways to achieve the final consumer (Coughlan *et al.*, 2006). Besides due to the economic globalization, knowing the patterns of distribution on each place of research became essential for the success. Finally with the intensification in the global retail competition, the companies need to achieve a reduction of costs and deliveries of more valuable clients (Paksoy *et al.*, 2012; Veiga *et al.*, 2014).

Within this framework, the distribution must deserve better attention, since it configures as the final border of the whole company's operation interacting with the final client. The distribution represents also one of the operation areas on which there are more potentials of gain in the same time that achieving them keeping a high level of service revels as a really challenging goal (Wanke *et al.*, 2007). This goal is intensified by the unpredictable output in function of the often changes of extern and intern forces that act over this system, fact that characterizes the channels of distribution as a typical open system (Dias, 1993).

Inside this context, the channels of distribution represent the adequate combination between strategy and structure (Xiao *et al.*, 2014) that can result in a competitive advantage (Porter and Ven Der Linde, 1995). On the other hand, the ineffective combination of structure and strategy can result in an excessive rigidity and fails due to the complexity and the need of fast changes in the new competitive environment on which the companies operate

(Chandler, 2000). On the new global economy, the companies must be flexible, innovators and creative in order to explore their essential duties on the search of market opportunities. The success of the companies on the new economy will depend on the capacity and skills that they can get used or not the new times (Wilbur and Farris, 2013).

However, it is not enough having a distribution system in the organization. It is the quality of the distribution obtained by this channel that enables the organization to obtain a better planning of operations (Paksoy *et al.*, 2012). The quality of distribution has a direct influence on the level of service offered to the consumer. If a distribution is more precise and extensive, signifies that the production can anticipate better the demand of the client. Elements of service to the client can be improved as a whole.

Researchers can conclude summarizing that the distribution influences directly on the costs of the supplies chain. An inadequate distribution on the retail can compromise drastically the results of a chain of supplies and generate 2 situations: Stockouts (nonattendance of demand), backlogs (delayed attendance of demand) (Van der Meijden *et al.*, 1994; Veiga, *et al.*, 2014). These situations, besides increasing the costs of the product, compromise the rentability and the participation of the business market (Wilbur and Farris, 2013).

The food industry constitutes a representative sector on the Brazilian national economy, as in other segments, needs to plan the production and distribution on which the products are sensible to the seasonality of offer and demand, perishables and of large diversity. The food market by its turn, present plans of irregular sales (season fluctuations), demand influenced by many factors, often use of promotional activities, many intermediaries in the process, diversity of clients and high level of service required by the consumer (Wilbur and Farris, 2013). The association between the uncertainties caused by the intrinsic characteristics of food products and the extrinsic characteristics related to the market turns the system of distribution viable and necessary for the strategic and competitive planning for a company that acts on the food retail (Xiao *et al.*, 2014). Within this concept, the changes in the market environment or in the merchandising mix of the company change the balance of the system and obligate the redesign for the adequacy inside the new situation.

The expectative of the clients regarding the availability of products and delivery are key parts for the establishment of level of service goals. Within this context, the distribution must deserve better attention,

since it is configured as the final border of the whole operation and it is on this stage that the final border of the whole company's operation and it is on this stage that the interaction with the final client happens. The distribution represents also one of the areas of the operation on which there are better potentials of gain in the same time that achieving them keeping a high level of service reveals a very challenging goal (Wanke *et al.*, 2007).

The distribution has the goal of maximization of the time, place and possession utilities of any good or service. This way, it must have the product available in time and place for the interested client and reduce the cycle of sale in a way that will adequate the production and storage to face the demand. The utility of place refers to the availability of the product in the right place when the client is willing to purchase it. The possession utility, by its turn, refers to the effective property transfer of a certain good or service of the manufacturer for the middleman or the final consumer in another words, measures how accessible to good or service is offered for the client (Dias, 1993, Coughlan *et al.*, 2006).

Channels of marketing or distribution represent a new network organized on which the participants act on a coordinated to performance merchandising activities necessary to connect the manufacturers to the final users (Neves, 1999). Dias (1993) says that the channels of distribution represent an open system and therefore can be interpreted by the unpredictability of the output regarding the often changes of extern and intern forces that act over this system. Within this concept, changes on the market environment or in the merchandising compost of the company, alternate the balance of the system and obligate the redesign for the adequacy inside the new reality.

Dias (1993) distinguish 3 ways of distribution: Direct, indirect and mixed distribution. On the direct distribution, the products flow happens directly from the producer for the final client with no middlemen and only with possession transfer. The indirect distribution assumes the sale of the product for a legal entity (wholesale/retail/distributor) that works as a middleman in the system of distribution (Stern *et al.*, 1993). Dias (1993) list some situations that are not mutually exclusive but that facilitate and orientate the manager deciding among the direct, indirect or mixed distribution. Within this context, many factors are considered for the definition of the best way of distribution, showed on Appendix 1.

Coughlan *et al.* (2002) points advantages and disadvantages of the diverse possible structures of a distribution system. The economic conjecture, the market competitiveness and the need of working fast on the

market, led the companies on the 80's assume a mixed distribution system. However, researchers should be aware for the need of a commercial politics that maximize the results of the producer, as well as the representatives, distributors, wholesaler and retailer and in the same time, avoid conflicts that can happen among them and with the producer. In general, researchers can say that the more diverse and agile the ways of the distribution, the bigger will be the probabilities of obtaining the planned results (Dias, 1993; Da Veiga *et al.*, 2009).

Changes on the distribution channels: Some factors can orientate the changes of an in the distribution system. researchers can quote, according to Coughlan *et al.* (2002), the following agents of change:

- Launching of new products or lines of products
- Changes in the market, such as increasing or decreasing demand, geographic variations, variations on the buying habits, variations on the competition distribution and changes on the market economic structure
- Changes on the distribution caused by the components of the system
- Changes on the legislation in the price, for example
- Economic changes: Credit availability, financing, interest rate and change on the income distribution, etc.
- Performance of the current distribution system

Coughlan *et al.* (2002), there are 2 sourcers that generate the development and channel change: Factors coming from the demand and from the offer. Among the factors coming from the demand, they highlight the facilitation of search and adjustment of assortment discrepancy. The creation of transaction routine and the reduction in the number of contacts represent the determinant factors for the changes coming from the offer. Stern *et al.* (1993) highlight the traps and ways on the distribution channels changes.

MATERIALS AND METHODS

The goal of this research is to present a case study of the change on the channels of distribution by the integrated view of 2 divergent theoretical perspectives: The institutional theory and the resource dependence theory. Meanwhile in order to keep the advantages associated to the theoretical pluralism tries to preserve the points of view authenticity different of these 2 perspectives. This study will present yet, the development achieved by the restructuration of the

distribution system in front of the changes on the volume of milky food products sale after the transition. The study will be carried at an authorized distributor of milky products on the southern region of Brazil in a food company of big representativeness on its sector of performance in the period between 2007 and 2012.

This research is based on a descriptive investigation, ex-post-fact on a way of study of case, since the intention was to explore a real situation to achieve a detailed knowledge of the study situation (Gil, 2002).

The period of analysis selected was based on the occurrence of the phenomenon in study. The transition of the direct sale made by an autonomous commercial representing (RCA-Broker) for the indirect sale through an authorized distributor happened in January of 2007. Considering that the data of demand used for the analysis of development it was given the historic of the produced company.

Regarding the temporal cut, it is a sectional study since it is based on the current configuration of the phenomenon on which the data are collected. The research problem will be approached on a quantitative form justified by the nature of the study object, as well as the procedure used to collect data.

The producer company is among the 5 leaders of the Market in Brazil. The portfolio of products covers the line of perishables milky products. The company has 6 unities of business, each on composed by a distribution system similar but different according to the market needs of the geographic area.

RESULTS AND DISCUSSION

Due to the conditions related to the low availability of resources for the direct distribution, commercialization of milky products of perishables goods and low unitary value, as well as due to the needs of big geographic dispersion for the cover of the market and comparison to a system used by the competition, the producer company chose to change the system of distribution on a specific region through the hiring of an exclusive/authorized distributor.

The producer company in study chooses on a dual distribution on which the products are distributed by parallel channels. The big retail, represented by the big supermarket networks (exceed 10 checkouts) and is understood directly by the producer. The lower segments of market are attended indirectly through an authorized distributor, since it becomes unviable to the proximity with the whole retail. Among the producer, the distributors and representatives is formulated a clear and objective commercial politics with specific delimitation on the work region.

The companies that produce milky food products usually have open or intensive distribution and have already achieved a bigger geographic stage, bigger number of sale points and better capacity of distribution. With the purpose to achieve the reduction and better final customer service, the producer of perishable milky food products has pulverized the investments and the distribution for the small and medium retail. Exactly because of this, the distributors have been assuming increasing importance on the logistic of lacteous products. The producer company presents on the Southern region a mixed system of distribution according to Fig. 1.

Globalization and the increasing of the competition brought the need for the companies to match continually in order to obtain better competition and keep the place in front of the competition. The constant changes on the economic scenario are forcing the companies to reexamine the business to realize an adequate and strategic allocation of the available resources. The final performance of the organization is evaluated by the results of the business (satisfaction of the stakeholders) and by the impact in the society that depend on the satisfaction of the clients.

The intense and constant changes on the commercial environment have translated, depending on the capacity of resources use, in treats and opportunities (De Castro *et al.*, 1998). In the segment of lacteous products, there is a lot of extern and intern pressure to the organizations. It can be quoted for example, the entrance of subsidiary multinational on a way of partnership and joint ventures, entrance of small national companies with regional importance, competition for offered prices, range to small points of sale (grocery stores, bakeries, bars, snack bars, etc.) next to the consumers houses, adequacy to the change on the consumer's life habits, technological adequacy, etc. The opportunities by their turn, cover mainly the changes on the supplies chain in order to adjust the planning of the production with the demand and especially with the availability of products maximized to the time, place and possession utilities.

Within this presented context, the convergences and divergences between the institutional and resource dependency perspective show relevant for the characterization of the strategic answers for the extern pressure and expectative. These 2 approaches complement each other and offer a view close to the lacteous food market reality in Brazil and the importance of the distribution channel as a management and strategic tool for this segment.

Based on the places of extern power, it can be noticed a big difference of emphasis between the

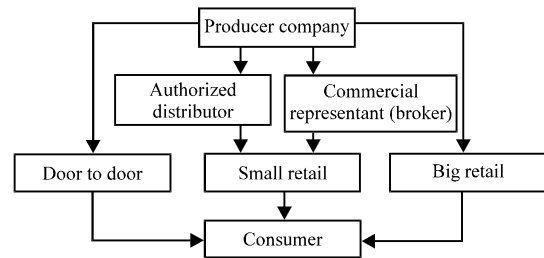


Fig. 1: Distribution channel of the producer company on the Southern Regional, research data and company

2 approaches. In an institutional perspective it is extremely important to know the rules and values existing inside the social relations of a group in order to understand the legitimation of the actions. The power, within this context is situated with the company that shows as reference on the social relations and that establishes control and influence on the others. Therefore in this situation of study, the extern power to the producer company is prevention of the leader organization in the market (Fig. 1) that molds and reinforces the institutional rules in order to generate mimetic institutional isomorphism.

In the perspective of resource dependency, the extern power is with those who control the resource shortage. On this approach, the managers would be responsible for approximating the characteristics of the environment to the specific interests of the organizations. On this situation of study the change on the distribution channel was motivated, mainly by the unsatisfactory performance of the distribution system. With the purpose of acquiring vital resources for survival, the producer company chose to improve the negotiation and the relationship with inter-organizations. The changes on the distribution channel allowed the transfer of company's responsibility for the storage and risk of credit on the retail sales. The producer company by its turn, reduced the costs of distribution and achieved better number of sales points in other words, captured resources of the environment to obtain a satisfactory performance.

The organizations, either on the institutional perspective or in the resource dependency perspective, seek stability and legitimacy. The reasons for the stability, however are different between these 2 approaches. The stability, on the institutional perspective is achieved by the imitation of the imitation of the reference structure that avoids questioning about the conduct for the company. On the situation in study, there was gain of competitiveness on the southern regional of the producer company by the adoption of structure and practice similar to those adopted by the competitor, as well as by the own company in another regions.

On the resource dependency theory, the stability is achieved by the exercise of power, control and negotiation of interdependence. The environmental uncertainty represented by the economic and politic changes on the food market, as well as the shortage of some resources such as financial, availability of professionals and space for product storage were established by the management action in achieving the environmental characteristics to the interests of the organization. The producer company negotiates the conditions of distribution, the aggressiveness of penetration and occupation of the markets target by the authorized distributor. Besides, the producer company is supported by a commercial politic that assumes and preview, inside the structure, some specific conditions in a clear distribution contract that avoid the opportunism an the generation of conflicts on the inter-organizational relation.

As mentioned in assumptions quoted before, the institutional perspective and the resource dependency emphasizes the importance of obtaining legitimacy with the purpose of showing a better social value and to mobilize resources. On the institutional approach, the legitimacy is achieved by the conformity. The conformity by its turn, brings some rewards for the organization, such as prestige, stability, social support, extern and intern commitment, resource access, people's access, invulnerability to questioning, etc. Exactly with the goal of achieving these advantages there is a passive obligingness for the social validity through the myths remains, meanings and institutional environment own values (Rosseto and Rosseto, 2000).

The institutional theory seeks to explain the homogeneity and the not the organizational diversity. For DiMaggio and Powell (2005), on the population sphere this approach suggests that the organizational characteristics are modified in direction of a growing compatibility with the environment characteristics. Within this context, Fig. 2 shows that there are 3 big lacteous companies on the market with market share highlighted in a fierce competition by the increase of participation. These companies have structure and practices similar among them what allows concluding that may be these actions are determinants for the business success. Company 1 represent a reunion of a big number (approximately 30) of small organizations that together make 26.7% of the market. Usually regional companies have low national range. On the food industry, the distribution of products has not only a strategic focus but also the maintenance of quality because many perishables products that need adequate stowage during the process of storage and distribution. This

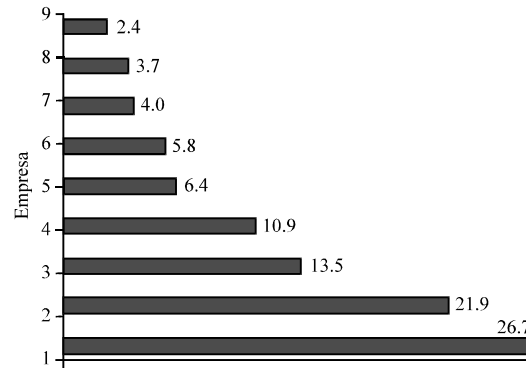


Fig. 2: Market participation of 9 companies on the lacteous segment in Brazil in 2012 adapted from the research AC Nielsen and company

is a limitation of the companies that dispose of low resources to invest on the distribution system.

On the approach of the resource dependency, it is implemented different strategies that make the conformism less necessary. This action represents a try to keep the autonomy and possibility of molding the environment according to the goals of the organization. The strategic adaptation through the efficiency, the autonomy and the changes drives and determine the organizational behavior in front of extern pressure (Rosseto and Rosseto, 2000).

The resource dependency perspective allows the strategic choices achieved by the autonomy by the possibility of manipulation the environment and by the different answers among the decision makers. Within a voluntary vision, the producer company defined a distribution structure more appropriate for the environmental circumstances. Meanwhile, it was created the possibility of increasing the demand for the products and earns the market by the limitation of the competition action. The manager by its turn, based on the results achieved by the producer company in other regionals, interpreted and evaluated how he could use the alternatives of the environment in favor of the organizations goals.

Hrebiniak and Joyce (1985) quote that the determinism indices and the voluntarism can coexist. Oliver (1997) shows that the companies are not often included in a institutional context and extremely competitive what requires a wayward behavior in order to obtain an adequate performance. In the processes of strategy adaptation, a complementary vision of the institutional approach and the resource dependency theory interprets and explains the organizational phenomenon. A connection between strategy and

legitimacy, as well as an alternation/balance between determinism and wayward conduces the conclusions that match with the reality.

In the lacteous food products, the organizations share an extremely competitive institutional environment. When an organization can not or does not want to invest in changes to adapt to the environment, its growth becomes limited or it can even be excluded from the market that it works.

The fast changes in the economic scenario affect directly the societies and the organizations routine. They need to adapt representing ability on the decisions and capacity of innovation. The coordinated effort of the business unities is important for the maintenance/growing of the organizations in order to keep being competitive and efficient. This concept gets more importance when the company develops its research force and becomes more numerous.

Either for a determinist or wayward approach, the adequacy of the company to the environmental changes on which is located is important for the development or even for the survival of the organization. After the commercial representative changed for the exclusive distributor, there was a better numeric distribution for the lacteous products within the same geographic space with no changes. The results after the distribution system transition in the southern regional, evaluated the volume of sales (in tons) achieved month to month during the year 2007-2012 are presented in Table 1. Based on Table 1, the total sale referring to 2007 in the analyzed region was 828.12 ton. In 2012, the total sale was 1,545.81 ton with the growth of 86.66%. After the alternation of the distribution channel, researchers can realize analyzing Table 1 that the volume of sales increases gradually passing the years. An increase on the volume of sales is seen between 2007 and 2012. This result shows that the producer company achieved its goals when implemented the strategy on the changes of the distribution channels.

Oliver (1997) shows that the institutional environment legitimizes the operations and the result of the organizations and therefore, contribute directly for the performance in increasing the demand of products and services or by attracting human and financial capital. In a wayward way, the adequate administration of resource by the environment managers of uncertainty improves the performance of the organization. The strategic choice is a key element to mold the environment to the needs of the company.

Besides the researchers questioning about the strategic value of the intermediate in the distribution system (Cohen *et al.*, 1995; Livato *et al.*, 2008), the restructuring of the distribution system with the

Table 1: Evolution of the sales volume in tons after the change in the distribution channel

Period	2007	2008	2009	2010	2011	2012
January	81.59	126.95	130.76	132.20	143.48	146.00
February	74.09	115.28	99.09	100.80	130.28	121.65
March	71.56	111.35	125.70	127.43	125.84	126.00
April	66.29	103.14	102.54	116.80	116.56	121.98
May	51.21	79.68	90.65	100.50	90.05	110.98
June	59.57	92.69	102.54	108.54	104.75	99.43
July	61.19	95.20	101.98	109.20	107.60	109.98
August	65.34	101.66	99.87	109.70	114.89	121.87
September	78.15	121.59	130.98	132.60	137.42	131.98
October	69.54	108.21	120.87	124.43	122.29	144.98
November	68.61	106.75	118.65	122.40	120.65	144.98
December	80.98	126.00	140.43	144.87	142.40	165.98
Total	828.12	1,288.49	1,364.06	1,429.47	1,456.22	1,545.81

creation of new intermediation stages can represent a gain of competitiveness for the organization (Karray, 2013). An authorized distributor with force of sales presents direct superior capacity or through a commercial representative. It is important to quote, yet that after the transition the costs of storage and distribution are under the responsibility of the authorized distributor, fact that can generate resources for the producer company in a long term, besides making it possible the simplification of the producer structure and the investments in P&D or in the specialization of the producer. For the distributor, there was an increasing in the logistic costs proportionally to the volume of sales. The economic development, however was achieved by the financial progression, through the evolution of sales volume achieved.

Final considerations: The current word proposed a case study of the change on the distribution channels in a milky food company by the integrated view of 2 divergent theoretical perspectives: The institutional theory and the resource dependency theory. Either by a determinist or voluntary approach, the adequacy of the company to the changes in the environment that is included is important for the development or even for the survival of the organization.

The organizations are not exclusively objectives or subjective phenomenon. Represent objective systems when they show the limited changes on the structure. They are subjective due to the presence of individuals that act according to their own perceptions. Therefore for a dynamic appreciation of the organizations, an integrated view about the wayward and determinism is necessary for an adequate conduction of investigation (Astley and Van de Ven, 2005).

The integrations of the organizational theories is according to Astley and Van de Ven (2005) a dispute about the future of the configuration in the organizational world on which the values and tendencies act, as premises given as right in the view of the world that create

the theory. This configures as an obstruction that limits the investigations in the alternative, theoretical, ideological and practical spheres and make the organizational studies assume political functions that try to dominate the discipline.

Within the resource dependency context focused in research, the changes on the distribution channel were motivated mainly by the unsatisfactory performance of the distribution system. With the purpose of acquiring vital resources for the survival, the producer company chose to improve the negotiation and the inter-organizational relationship. The change in the distribution channel allowed the transfer and responsibilities of the producer company for the authorized distributor.

About the institutional theory and resource dependency in the situation of study, it was earned competitiveness in the Southern Regional of the producer company by the adoption of the structure and similar practice of those adopted by the competition, as well as by the own company in other regions.

The future of the organizational studies shall try to seek convergences and maximum exemption of values in order to obtain a more dynamics view of the reality. According to Whittington (2004), after the modernism it is no longer necessary that the researcher moves away from the study object. As more the theory approximates to the practice, it gets easier to realize the plural of conceptions that can help to understand better the reality.

CONCLUSION

This research was limited to the analysis of the focused company in the case study. For future research it is suggested to expand the research sample, including different sectors, allowing comparison among companies and sectors. It is also suggested to analyze changes on the distribution channels lighted by the costs and transitions theory (Williamson, 1988).

APPENDIX

Factors to be considered on the definition of the channels of distribution

Need and availability of resource: On the direct distribution the producer is closer to the final consumer has better flexibility on the use of margins and prices, better market information and better control about the life, performance and image of the product. Therefore if the organization has adequate quantity of resources, the direct distribution shows itself more appropriate.

The average size of the order or the unitary value of the good: The direct sale is viable the biggest average size of the order and the unitary value of the good.

Number of products of the line: The possibility of cost assessment and more power of bargain make the direct sale more interesting the higher the number of the products in the line.

Classification of product: Usually industrial goods characterize the direct sale and consumer goods characterize indirect sale.

Complexity: It is recommended direct sale when there is more complexity of the good due to the need of service that involve commercialization.

Perishability: On the practice, only the indirect distribution allows the availability of perishables in the necessary time in front of a geographically disperse demand.

Unitary cost and margin: Enables the direct distribution when they tend to have higher values.

Degree of technological or style change: Often changes favor the indirect distribution.

Storage need: The bigger the storage need, more viable will be the indirect distribution due to the transfer of costs for the middlemen.

Situation of the product's life cycle: New products require better control on the operation what justifies a direct distribution. Products with big and increasing demand make more viable the indirect distribution.

Number of clients and their concentration on each segment: The markets that are concentrate and with big number of clients are favored by the direct distribution. The disperse markets suggest the adoption the indirect distribution.

Market potential: The better the potential, more interesting will be the direct distribution.

Product position: The investment of a direct distribution is justified by the strong position of a certain product.

Services necessary for the consumer: Related to the complexity of the product, high complexity requires direct distribution, low complexity allows indirect distribution.

Desired cover versus what the existing channels can propitiate: If the existing channels are not qualified enough, the producer can assume in order to guarantee the goals of penetration and cover, the service quality, the level of cooperation, the image of the product, etc.

The methods used by the competition and the intensity of competition: The methods of competition distribution must be limited if they are successful.

The competence of the intermediate: It must be considered the reputation, average size, habits of purchase, reliability, level of growth, punctuality, cooperation, services and competences.

The structure of the company: Consider the size of the organization. The bigger the competition, stronger will be the barrier of the business entrance, therefore a direct distribution must be considered. Decentralization justifies direct distribution. Qualified and high sales force justifies the indirect distribution. Adapted from Dias (1993) and Coughlan *et al.* (2002).

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