

Distribution Channel Dynamics: Sharing Or Not Sharing Information Between Members?

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Abstract

Every distribution channel involves the efficient organisation of product exchanges between manufacturers, large retailers, and wholesalers, usually with the support of logistics service providers. The management of physical flows from factories to stores, pick-up points or consumers' homes requires the parallel exchange of information relating to order tracking, stock levels, order preparation, etc. However, for strategic reasons, it is not uncommon for distribution channel members to be reluctant to share certain information deemed "sensitive" with their business partners. The question of sharing information or not among distribution channel members captures the interest of many researchers in management. Debates revolve around the relevant level of informational transparency for a distribution channel to achieve sufficient performance. This paper highlights the presence of two antithetical views: one focuses on the benefits of information sharing, while the other emphasizes the associated risks. Building on this observation, whose major limitation is the binary nature of the information transparency/opacity opposition, the authors suggest the existence of a "waves model," in which a succession of phases of information sharing and retention is identified based on the presence of critical incidents during a business relationship.

Keywords: Distribution channel, information, logistics, opacity, transparency, "waves model"