

**BAD APPLES, BAD BARRELS, AND THE STRUCTURE OF MARKETING CHANNEL RELATIONSHIPS:
ANALYSES OF THE PROPENSITY FOR OPPORTUNISM AND OPPORTUNISTIC BEHAVIORS**

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ABSTRACT

The theoretical frameworks of transaction cost economics and agency theory are widely used to develop appropriate control mechanisms for constraining opportunism within marketing channels. In our research, we supplement these normative theories with alternative frameworks which allow us to move from the usual dyadic-level analysis of transaction cost economics and agency theory to include contextual factors as well as individual-level characteristics. Our goal is to offer an alternative, behavioral perspective that can meaningfully inform us as to how and when opportunistic behaviors actually take place.

Rather than automatically assuming that channel firms are opportunistic, we argue that they exhibit differing propensities for opportunism (PFO) because they either are “bad apples” (i.e., possess varying individual-level characteristics such as state of cognitive moral development) or reside in “bad barrels” (i.e., are subject to differing contextual factors such as the social network in which they are embedded). This propensity for opportunism, then, is an important (and, heretofore, unexamined) contributor to actual opportunistic behavior within marketing channels. In short, we investigate the individual-level, dyadic, and extra-dyadic factors that affect opportunistic behavior; included in those individual-level factors is a new construct which we term propensity for opportunism.