

## The benefits of the cooperative relationship between the Algerian distributor and the foreign producer

فوائد العلاقة التعاونية بين الموزعين الجزائريين والمنتج الأجنبي

MADI Wahiba<sup>1</sup>, CHEURFA Hakima<sup>2</sup>

<sup>1</sup> Doctorate student in commercial sciences at Farhat Abbas Setif University, Algeria

<sup>2</sup> Lecturer at University of Algiers -3-(MCA), FECSMS(Algeria), cheurfa.hakima@univ-alger3.dz

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**Abstract:** The objective of this research is to study the nature of the relationship between the exclusive distributor and the foreign producer and to indicate the effect of this type of relationship on the Algerian distributor. The aim of this study is to deepen this relationship by defining the determinants of the cooperative relationship, which aims at achieving their common objectives. Through this research to identify the various problems and obstacles faced by the exclusive distributor, especially in the Algerian market and try to reach some solutions that will alleviate some problems that prevent access to more deep, sustainable and profitable.

**Keywords:** Cooperative Relationship; Distribution; Exclusive Distributor.

**Jel Classification Codes:** C46 ; D30 ; D51; F14; F18 ; F23 ; L11; R11

### ملخص:

يهدف هذا البحث إلى دراسة طبيعة العلاقة بين الموزع الحصري والمنتج الأجنبي وتبيان تأثير نوع هذه العلاقة على الموزع الجزائري، الهدف منه هو تعميق هذه العلاقة عن طريق تعيين محددات العلاقة التعاونية التي تهدف إلى تحقيق الأهداف المشتركة بينهما والتي يعتبر النمو من أهمها، وكذا نهدف من خلال هذا البحث إلى تحديد مختلف المشاكل والعراقيل التي تواجه الموزع الحصري، خاصة في السوق الجزائري ومحاولة الوصول إلى بعض الحلول التي من شأنها تخفيف هذه المشاكل التي تحول دون الوصول إلى علاقات أكثر عمقا واستدامة وربحية.

**كلمات مفتاحية:** العلاقة التعاونية ؛ التوزيع؛ الموزع الحصري

**تصنيف JEL :** R11، L11 ، F23 ، F18 ، F14، D51، D30 ، C46

Corresponding author: CHEURFA Hakima, e-mail: cheurfa.hakima@univ-alger3.dz

### I- Introduction:

## **THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER**

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The Algerian market is characterized by being an imported market rather than a source outside hydrocarbons, and as it opens up to international markets, it has become a magnet for foreign exporters looking to reach markets outside their countries of origin. In contrast there is a shortage of Algerian productive capacities, Require high technology, and with the development of consumer needs and desires, the use of product imports from different countries is imperative to respond to these renewable needs.

This has contributed to the increase in the presence of foreign products in the Algerian market, which in turn led to increased dealings between Algerian distributors and foreign producers. Moreover, with the deterioration of the economic situation of Algeria recently had to make changes to overcome the crisis and to adapt to these developments, local distributors must look for ways to develop the relationship with foreign producers.

Because the concept of cooperation increasingly attracts the attention of researchers in their work on partnership between distributors and producers, as a form of dealing with conflicts, improving the current situation of obtaining favorable conditions for all parties and achieving further gains. The cooperative relationship shows that there is a willingness of the vast majority to resolve the differences in the relationship, and the transition from static, independent transactions to a dynamic relational nature. In this study, we will try to determine whether the cooperative relationship is capable of developing and strengthening the deal between Algerian distributors and foreign producers to respond to current economic conditions. From this point of view, the problem of this research was formulated in the following main question:

### **What are the benefits of the cooperative relationship between the Algerian distributor and the foreign producer?**

The following details of this problem can be described as follows:

- What is the relationship between the Algerian distributor and the foreign producer?
- What are the advantages of this relationship to the Algerian distributor?

**Research hypotheses:** To answer the various questions raised, and thus the problem of research, has been put the assumptions as follows:

- There is a cooperative relationship between the Algerian distributor and the foreign producer.
- Achieve the long-term growth relationship of the Algerian distributor and help him adapt to changes in the external environment.

**The importance of the research:** the importance of the research is the novelty of the trend towards the search for the quality of the relationship between the members of the marketing channel and the scarcity of topics that dealt with the relationship between the producer and the distributor in the host country. Which touched on the determinants of success and transition from commercial transactions to a cooperative relationship aimed at achieving mutual goals. Developing a cooperative relationship between partners is seen as one way to achieve and maintain competitive advantage and performance.

### **1. Description of the case of Algeria:**

In this section, we will describe the current economic situation of Algeria, especially in light of the rapid new developments. It will be followed by a brief description of the changes that the investment law has made in relation to the area of study.

#### **1.1. Economic situation of Algeria:**

Since independence, the Algerian economy has undergone several changes. Algeria emerged from the war in 1962 and its economy is almost destroyed. The self-management style was adopted as a spontaneous response to certain economic, political and social conditions. The idea of self-management was not thought-provoking. The results of this method were not encouraging, so Algeria sought to find the best ways to build a modern national economy and to remove the national institution from the bureaucracy and give it the freedom to make its decisions. To manage their financial and material resources, there is a discussion of the capitalist system was the cause of any independence of the institution. In the beginning of 1988, the implementation phase began after the study of projects and laws that the government set out its conditions and plans. In the last decade, the transition to market economy or free market policy has taken place. This principle benefits the sovereignty of the natural state of the market and implies

full competition. With the movement of the market regulated by laws to avoid monopolies.

At the beginning of 2017, the Algerian economy is witnessing unstable conditions that tend to be bad. With oil prices falling by more than half in June, Algeria has to chart a risky course of restricting high public agreement without affecting the generous social welfare that has helped Preventing the eruption of widespread popular unrest. This situation puts pressure on a regressive economic system based on the revenues of energy exports and government subsidies for prices from popular housing to cheap loans. This has helped Algeria to avoid the spread of the Arab Spring Uprisings Some Arab countries, such as Syria and Tunisia.

Achieving the required balance is crucial as Algeria seeks to bring in more foreign investments to contribute to the increase in energy production, which represents 60 per cent of the country's revenues, which has been largely static in recent years. Algeria has recently been trying to create an attractive investment climate. Which is the result of the decline in oil prices and its immediate effects on the internal and external balances of the country, and reveals the decline of economic inefficiency and partial to both the economy of rent has long been delayed reform of the situation and today is the deep reforms postponed a fold No more necessary and warning news of the collapse of the Algerian economy if the government continues not to seek solutions effective and able to recover from this crisis, which will lead to Algeria to be re-leveraged from the International Monetary Fund, where if things continue to deteriorate, the fund will be closed in late 2017 and with the beginning 2019 Access to the IMF is the only way.

Algerian economist AbderrahmaneMebtoul, according to Al-Arabiya Net, said that the fate of Algeria is linked to fuel prices in the future, whose exports are estimated at 97 percent. This is a proof of the failure of all successive Algerian governments.

### **1.2. Recent developments on the investment law in Algeria:**

In addition to identifying policies of camouflage with the implementation of the economic recovery program, especially the development of infrastructure and the establishment of a legal and institutional framework for the implementation of

## THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER

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development policies, the investment climate in Algeria can be regarded as attractive: : (algerianembassy-saudi.com. consulted on 02.04.2017)

- A large market equal to GDP of US \$ 110 billion, GDP per capita US \$ 3,450 is a significant investment opportunity.
- An encouraging economic situation for the poor.
- Good infrastructure: roads, railways, ports and airports.
- Abundant natural resources.
- The cost of producing a premium.
- Qualified human resources.

In addition, after Algeria moved from a market-oriented economy, it was required to reform the legislative system. Foreign investment was therefore not only important. It translated the country's intention to bring in foreign investment and encourage local investment, in the new investment organization, this is under the construction of a market economy.

In the same context, the text of the Investment Law, which was approved on 17 July 2016 by the National Assembly, falls within the framework of a new generation of reforms aimed at changing the pattern of growth within the framework of the government's economic policy. For this purpose, in a manner that allows it to be adapted to the status of foreign capital in the national economy by providing an effective control framework capable of eliminating the negatives that come from activities at least beneficial to the country, especially import and resale for resale, according to the minister of the sector.

Achieving these goals requires re-examining and addressing the rules that constitute the control of foreign direct investment in three directions. It concerns the transfer of some rules outside the law related to the promotion of investment and the abandonment of some other rules of impossibility and feasibility. Other Effectiveness of Investment Promotion Systems (Nesrin LARACH. Article entitled قانون مشروع – 49-51 قاعدة- الشفعة- إخراج حق الشفعة.: website: aljazairalyoum.com. consulted on:05.04.2017)

Accordingly, the new investment law provides for the arrangement of concessions according to the importance of the sector of activities after the withdrawal of the rule 49/51% and the right to pre-empt the law and its regulation through the annual financial laws, the most important item in the serious

## THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER

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legislation. As well as customs and tax exemptions for ten years with the possibility of granting the property in nominal dinars for investment in the regions of the South.

This amended law refers to the provisions of the instruction issued in August 2001 concerning investment promotion that the national system for investment promotion must be built in a manner that modifies the privileges according to the economic policy adopted by the country. This simplifies with the speeding up of procedures (articles 5 and 19 of the Official Gazette) The provision also includes the support of a sector for industry with special privileges through a greater reduction of customs rights, but these privileges are applied only if the share is of economic benefit or is G in the south or high plateaus. (Walid ACHREF. Article entitled *الاستثمار في الجزائر: على ماذا ينص القانون الجديد*. website: [aljazairalyoum.com](http://aljazairalyoum.com). consulted on:06.04.2017)

The text also cancels the current procedure for the authorization of investment, the application of privileges and administrative fees, and compensates them with a single registration document granting the right to all privileges. However, the investor must respect the completion of his project which must be recorded in the registration document. The investment prevents national investors from importing used equipment, at a time when foreigners can import the same hardware. On the other hand, this provision limits the capital of foreign companies that benefit from the right to transfer their revenues and products of liquidation and waiver, by requiring a minimum contribution to obtain this right. The text emphasizes any dispute that may arise between a foreign investor and a foreign State that will be referred to territorially authorized jurisdictions, except in the case of bilateral or international agreements or the existence of an item in a contract allowing the parties to resort to special arbitration.

Article 12 of the draft provides for a 10-year exemption on real estate tax during the stage of completion of the investment, exemption for 30 years from tax on corporate profits and drawing on professional activities and reduction of 50 per cent of the annual profits determined by the interests of State property and during the qualification of independence, 13 facilities granted under the development of areas of the south or hills or requiring special care by the State, benefiting fully from the State in the infrastructure necessary for investment and access to the property in nominal dinars for 10 years, and 50% reduction after this period in the

country (15 years and 50 per cent reduction of wealth in the regions of the Great South) (Article 12 and 13 under Tax and Customs Exemption in Official Gazette No. 46), and the investor may obtain the benefits when 100 jobs are provided .

The tasks of the National Investment Agency (NIA) are usually to focus on investment and institutional support. This aims at eliminating the interventions. The new tasks revolve around investment promotion, information and awareness among the investors. The agency has a role in identifying projects that deserve special privileges and agreements that can benefit from the investor.

## **2. Conflict and cooperation between producers and distributors**

Cooperation on the theoretical side is an important factor in achieving the objectives and reaching the satisfaction of the end customers. It also contributes effectively to the success of the relationship between the producer and the distributor. The simplest cooperation is the absence of conflicts that confront the relations between distributors and producers. Which are usually or traditionally associated between the seller and the buyer. Therefore, before dealing with the issue of cooperation between the producer and the distributor, the conflict between them must begin.

### **2.1. Conflict between producer and distributor**

The conflict is a behavioral phenomenon with two parties, each of whom is aware of the subject of conflict. The conflict must have its causes and stages, which may be implicitly undeclared and then turn into a declared conflict before the decision is taken.

Conflict is a language that denotes "conflicts in the sense of conflict between stages and opinions" (معن محمود عياصرة، مروان محمد بني أحمد-) (Maan Mahmoud Ayazra, Marwan Mohamed Bani Ahmed, 2008, 17). Smith defined him as: "a situation in which fundamentally different circumstances, practices and objectives are fundamentally incompatible." (زهير بوجمعة شلبي-) (Zuhair BoudjemaaShalabi, 2013, 19.)

Conflict management is defined as: "the process by which the conflict is dealt with and confronted through the choice of an appropriate method after understanding the causes, dimensions and levels of conflict." (زهير بوجمعة شلبي-) (Zuhair BoudjemaaShalabi, 2013, 19.)

This is in relation to the conflict in general, and in the context of the relationship between the producer and the distributor, the differences between them are related to different aspects of marketing, in addition to the conflict of their goals often and this difference in goals and trends leaves a kind of conflict, where each party tries to maximize the benefits and this is more than The conflict is resolved by negotiations and by persuasion skills. Negotiation is seen as a means of resolving the conflict, and it is the preferred form of organizing relations between organizations.

## **2.2. Cooperation between producer and distributor**

One of the recent trends in distribution is the cooperation between the producer and the distributor, which is a tendency or tendency towards creating value for the shops by distinguishing their offerings by better coordinating their activities in the distribution channel.(Karime MACHAT,43)

The abandonment of common organizational patterns is a gap in the literature of cooperation between organizations. Some writers have excluded in their research cooperation between the distributor and the supplier as one of the characteristics of dependence of another institution, thus leaving narrow spaces for joint selection of the coordination system in their opinion. Collaboration practices between different organizations have been considered as secondary organizational solutions (or in the second phase), meaning we leave them as an alternative in the event of unexpected factors impeding the adoption of the main strategy.

However, cooperative behavior may be a competitive strength compared to an institution outside this cooperative relationship, both horizontal and vertical. (Michel FENDER, 2010, 518.)

If we address the concept of cooperation in this area, we must distinguish between three concepts: cooperation, coordination and integration, because they are usually confused.

Coordination is not a matter of cooperation, and the problem of coordination lies in the development of the rules governing production and distribution, and the selection of the most efficient rules. Cooperation is different because it means common objectives. Coordination also does not come with the term "alternative".



## THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER

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The main objective of organizations to cooperate is to achieve the goals that the Organization can not achieve individually, and the nature of cooperation between two separate organizations is to create new resources and knowledge. Therefore, an organization that adopts cooperation seeks, by sharing knowledge and information, to reduce uncertainty in the environment and partner, the reference here is that the outcome of the collaborative process itself is uncertain (Michel FENDER, 2010, 518-519.)

Cooperation in this context does not mean the exchange of information, but also the creation of a distinct value for the parties. Integration is the development of the relationship between the parties to the negotiation to the extent that they become complementary to each other and may even become one person, With the aim of maximizing the benefit of each other's opportunities. This strategy can be implemented through (بشير العلاق - Basheer Al-Aalak, 2010, 98): back integration; frontal integration; horizontal integration.

While the strategy of developing the current cooperation is based on achieving a set of higher goals that work to develop the common interest between the parties to the negotiation and document the aspects of cooperation between them. This strategy can be implemented through: (بشير العلاق - Bashir Al-Alaq, 2011, 98.99)

- Expanding areas of cooperation: This strategy is achieved by persuading the negotiating parties to extend the scope of cooperation to new areas where cooperation has not been reached before.
- Upgrading the level of cooperation: This strategy is to upgrade the cooperative stage experienced by the parties to the negotiation, especially that cooperation goes through several stages, the most important of which:

- (A) Stage of mutual understanding or recognition of the interests of all parties;
- (B) The stage of agreement of opinion or of interests;
- (C) Stage of implementation or implementation of the common interest;
- (D) The stage of sharing its income or income or the stage of implementing the common benefit;

At all these stages, the negotiating work plays an important role in developing cooperation between the negotiating parties and upgrading the stage.

- Strategy to deepen the existing relationship: This strategy is to reach a greater extent of cooperation between two parties or more with a common interest.
- Strategy to expand the scope of cooperation in terms of new areas: This strategy is based mainly on the long historical reality between the parties to the negotiation in terms of cooperation between them, and the multiplicity of means and the multiple stages depending on the circumstances and variables that have passed according to the capabilities and energies of each, and there are two methods of this strategy are:

- (A) Extending the scope of cooperation to a new time-domain;
- (B) Expanding the scope of cooperation to a new spatial area.

This gives us the image that integration is not synonymous with collaboration and which is the exchange of information not communication exchange, it also allows us to understand that within the framework of possible innovation integration possible, the agreement in cooperation will be based on trust to improve the management of flexibility and uncertainty of integration. (Michel FENDER, 2010, 521)

### **3. The cooperative relationship between the producer and the distributor**

Most studies consider that the cooperative relationship between partners plays an important role in the process of economic development under the modern technology and competition within the modern economy. The researchers also believe that cooperation is a necessary element in the relations between members of the distribution channel to achieve the final customer satisfaction, the channel.

#### **3.1. The concept of cooperative relationship between producer and distributor**

According to the researchers (Gill et Allerheiligen, 1996), physical distribution remains the field of co-operation in the first place, and the most common for two major reasons (DANG VAN MY, 2007, 12).

- The possibility of separating physical distribution activities from transaction activities such as trade negotiations where the causes of conflict are frequent;
- Opportunities to increase channel profits through physical distribution are better because of the size of the costs of physical distribution.

## **THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER**

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According to Manzano (1997), the climate of relations is difficult, tense and tightly controlled. Relations are still tense during negotiations and the partners are not equal in terms of power and decision-making power. : Sales selling price, margin reduction, sales loss, volume of sales and conflicting goals, etc., on the other hand, they are related to the environment and the economy such as: thinking of the decline in consumption compared to production, the strength of competition at the horizontal level, the lack of consumer loyalty and others.

But despite the difficult relations in the negotiations, but it seems that the majority have the desire and the will to improve relations in various fields, and show this desire through the attempt of officials to seek solutions in the event of conflict, as well as the development of marketing relations and new rules certainly help, Because the end of growth is driving distributors to seek ways to optimize the available situation, they have realized that there is a redistribution of priorities in investing time, competencies and funds to improve available resources and flows (Myriam MANZANO, 1997,9).

Therefore, several reasons for the emergence of cooperation between producers and distributors can be identified (DANG VAN MY, 2007, 12):

- The desire of the vast majority of partners to improve existing relationships;
- Priority changes in the term investment, time, human efficiency and funds to develop the existing relationship;
- Beyond conflict area and simple purchase terms;
- Increasing consumer interest that drives producers and distributors to implement cooperative strategies.

Therefore, the previous difficulties lead to the strengthening of the cooperative relationship between producers and distributors, and the increasing interest of the consumer in pushing the producers and distributors to implement the strategy of reconciliation and cooperation, the relations must be intensified to better meet the consumer (Myriam MANZANO, 1997, 10). The distribution chain is only in cooperation, and many manufacturers have become convinced that cooperation helps maintain the relationship with the distributor, offers more than just annual agreements and saves a lot of money. (Myriam MANZANO, 1997, 10-11)

In general, a cooperative relationship at this level can be seen as a form of evolution of the relationship marketing system, which in many respects agrees and works towards long-term goals.

### **3.2. Factors affecting the cooperative relationship between the producer and the distributor**

It is important to identify factors influencing the cooperative relationship between producers and distributors, and to understand the role and importance of each factor influencing this relationship. If these factors are well known, this will shorten a lot of things to help build and maintain a long-term cooperative relationship. These factors are as follows:

#### **3.2.1. Co-operation in the common effort:**

The members of the channel are linked either to the product market or to an ethical agreement as they belong to the distribution system itself. When there is a network consolidation, we can consider more credible cooperation and active presence of the common effort among the members.

The joint effort is one of the factors that describes the cooperative relationship between partners in the development of the main strategy, thus facilitating the achievement of several common goals at the level of what has been planned. The concept of cooperation in the common effort is somewhat ambiguous, but we can say that the quality of communication and the vitality of negotiation share the same value system the need to respond to threats has a direct impact on the management of members in the co-channel. (DANG VAN MY, 2007, 30)

#### **3.2.2. Commitment between partners:**

Commitment is often defined as an organized desire to maintain a relationship with a particular partner, which leads to successive investments and some short-term sacrifices. Anderson and Johansson and Silver (1996) illustrate the three components:

- The need to invest specific resources and inputs;
- Desire or determination to maintain and maintain the relationship (refers to emotional commitment);
- Identify the partner and relationship for commitment to time, sustainability and timeliness.

- This means that all partners are willing to continue investing and long-term relationships without waiting for short-term profits (DANG VAN MY, 2007, 35)

### **3.2.3. Frequency of Exchange:**

The pace of exchange falls within the category of evaluation criteria for the exchange of products between producers and distributors, which is directly related to the concept of exchange, which is at the heart of human behavior. If the long-term relationship allows partners to put together more common planning and performance to increase the potential of the relationship and accelerate the pace of exchange, the long-term exchange rate is accelerating according to a set of previous agreements that can be defined as consistent. (DANG VAN MY, 2007, 36-37)

### **3.2.4. Official and Informal Communications**

Communication can be described as a link or a means to connect actors in the distribution channel, where they play an important role in the exchange of information in the channel and ensure better management and more effective development of cooperative relationships between organizations, communications in marketing are the process by which information is transmitted persuasively, Emotively and collectively, coordinated programs, thoughtful authority, commitment and loyalty to them are fans of partners.

The quantity and quality of communications are essential for successful cooperation. In order to achieve long-term performance, collaboration in the communication process has an impact on the process of integration, integration and oversight of the cooperative relationship between organizations.

### **3.2.5. Trust between partners:**

The concept of trust can be defined as a credible and sympathetic perception. Credibility refers to the reliance on the written and verbal statements of the partner; however, it indicates a sincere partner's search for the welfare and comfort of the partner, It is an important element of cooperation between partners, they generate positive attitudes and behavior, increase cooperation efficiency, mix personal confidence, trust between enterprises can facilitate the adoption of solutions in institutions that have adjustment problems. The cooperative relationship between the distributor and the producer is characterized by a high

level of trust, which gives the parties special attention to the benefits of the continuous relationship (DANG VAN MY, 2007, 40)

### **3.2.6. Interconnection and Linkage:**

Based on the theory of social exchange and the implications of political science, the theory of management interconnection is considered as a strategic response to uncertainty. The correlation determines the level of authority of each party in this relationship and is defined as "to what degree of partner behavior or interaction in the channel or its procedures Linked to the occurrence or alteration of the behaviors or objectives of another group of actors» Three critical factors have been identified to assess the extent to which FAO is associated with another organization: (DANG VAN MY, 2007)

- The importance of resources for the associated institution;
- The exclusive property of the total interests that may provide resources;
- The extent to which total interests are over resources.

### **3.2.7. Reciprocal personal relationships:**

Personal relationships are one of the criteria for evaluating the development of exchanges towards the relations between the distributor and producer. Studies on the framework of cooperative relations between organizations and the role of interpersonal relations in the development of trade relations between organizations have concluded that the development of interpersonal relations can contribute In the development of mutual personal trust, and thus contribute to the development of the relationship between members of the distribution channel and between producers and distributors (DANG VAN MY, 2007, 46-47)

### **3.2.8. Satisfaction:**

Satisfaction is defined as: "achieving and satisfying a need, a desire or a tendency" (سالم تيسير الشرايدة -Salim Taysir Al-Shuraideh, 2008, 63). If there is a state of satisfaction between the distributor and the product, this will lead to increased confidence, which has a direct impact as we have already demonstrated the performance of the relationship in the long term, and therefore the satisfaction of the two partners is very important to reach a cooperative relationship between the producer and distributor.

## **II– Methods and Materials:**

## **1. Provide institutions under study**

We studied three institutions, an Algerian distribution institution and two foreign institutions. This distribution organization was chosen along the lines of other institutions in the same field because it is the top, and we relied on two establishments instead of one to compare them in some points. Collected from the other institution.

### **1.1. Algerian Motorcycle Distribution Corporation**

In terms of legal form, it is a limited liability company (IBN AOUF), which began operations in the 1990s in the field of bicycles and spare parts. The company has its own brand (HAM), a registered and well-known national brand began to develop significantly to include motorcycles, starting in April 2005 with the product of LUOJIA. Thus, it dealt with KYMCO, CFMOTO, and October 2010, dealing with SYM. In the same year, only two brands (LUOJIA) and SYM were limited to motorcycles the laws imposed by the state, which limit the number of exclusive contracts. In addition to its activities in the field of bicycles and spare parts and spare parts, Ibn Auf is active in other fields such as motor oils, for example, and the headquarters of the Foundation at Ain Lahdjar area in Sétif.

### **1.2. Motorcycle Manufacturing Corporation (SYM)**

Established in 1954, it belongs to the SANYANG Motor Group, a subsidiary of the Belgian group ALCOPA. The company is headquartered in Hsinchu, Taiwan and sells its two-wheeled products under the brand name SIM. The company manufactures and sells both motorcycles and sim motorcycles, while manufactures cars and vans under the Hyundai brand. ([https://en.wikipedia.org/wiki/SYM\\_Motors](https://en.wikipedia.org/wiki/SYM_Motors)).

### **1.3. Motorcycle Manufacturing Corporation (LUOJIA)**

Established in 1969, it was affiliated to national defense factories in south China. In 1983, it turned to manufacturing motorcycles and became one of the first 19 motorcycle manufacturers appointed by the state. It belongs to the Luoyang Northern Enterprises Group and is one of the professional motorcycle manufacturers in China specialized in the research, manufacture and sale of electric cars, scooters, tricycles, engines and spare parts. Currently it is the fourth largest motorcycle manufacturer in China. (<http://www.LUOJIAmotor.com/our-company.html>)

## **2. Data collection tool "Interviewed by questionnaire"**

## **THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER**

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Based on our need for information to answer the research questions, we conducted a face-to-face interview with the director of the IBN AOUF. Because of the distance of the foreign producers (China), we interviewed the stakeholders by e-mail using the questionnaire to organize the collection of information needed for the research. Thus, two questionnaires were designed in English for foreign producers who deal with the Algerian distributor in question and one in Arabic for the latter.

The questionnaire addressed to the director of the Algerian distribution organization was divided into four axes; the first axis was devoted to general information about the import activity of the institution. The second objective was to gather information about the relationship between the organization and the product of LUOJIA brand. It included various types of questions, including open and closed questions, including specific options such as yes or no. Moreover, a peaceful question at the end of this axis was in the form of a table containing 12 questions according to the five-digit scale where the number (1) is not important while the number (5) means that it is very important. The same is true for the third axis, which is devoted to collecting information about the relationship of the institution to the product of the SYM brand, where we relied on the same questions of the second axis. This is what enables us to compare the producers on the analytical side, and the last section was about the developments of laws in the investment sector in recent times.

The first part of the questionnaire was devoted to general information on the international activity of the product. It included seven open questions and a closed question. The second was about the activity of the foreign producer in the Algerian market. The third axis was dedicated to their activity with the Algerian exclusive distributor (IBN AOUF) in the fourth axis. It includes two closed questions including four options on how to describe the relationship between the foreign product and the Algerian distributor; the second is a peaceful question in the form of a table containing 12 questions as well as a five-year scale to evaluate Factors influencing the cooperative relationship between the parties. At the end of each questionnaire, the field was opened to give additional observations or opinions to the respondents.

### **III- Results and discussion :**



This paper presents the results obtained in our research by collecting and analyzing interview data from the interview with the officials of the institutions studied. Therefore, we will provide a detailed analysis and discuss the results obtained according to the assumptions made.

### **1. Descriptive analysis of the presence of foreign producers in the Algerian market**

The presence of both foreign producers (SYM) and LUOJIA in the Algerian market was at the request of Algerian distributors and was not planned by the two institutions. According to the director of the Ben Awaf Foundation, the decision to deal with these two products was through the meeting and identification at the exhibitions International.

SYM entered the Algerian market in 2010, LUOJIA entered it in 2005, and both foreign producers considered the Algerian market to be an attractive and profitable market. For SYM, the Algerian trader works hard and pays his motorcycles until being the number 1 in Algeria and becoming known to all, making it one of the best distributors around the world. LUOJIA sees the Algerian market as an attractive and profitable market because it prefers quality products at low prices. This is what the good institutions prefer. They can supply this market with the best quality, establish their brand and achieve good reputation with the Algerian customer in this market. Long-term.

The main problems faced by foreign producers with Algerian laws in the field of the business environment are:

- Repeated changes to government rules or laws;
- The efficiency of banks and the problem of exchange of funds in dollars.

The most important problem facing Loggia with Algerian distributors is the lack of timely and adequate feedback from the market, while SIM has not shown any problem with the Algerian distributor.

### **2. Descriptive analysis of the Algerian distributor for foreign producers**

For the SYM Corporation, it has held an exclusive contract with Ben Awaf Corporation at its request in 2011, after one year of dealing and this is to work with ease and under clear conditions. LUOJIA started an exclusive contract with Ben Awaf Foundation in 2008 the deal began.

**THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER**

In the following table, we summarize the main strengths and weaknesses of foreign producers in the Algerian exclusive distributor. We also present the most important opportunities and threats facing the external environment by using SWOT analysis as follows:

**Table 19: SWOT analysis of the Algerian distributor for foreign producers**

<p>The internal environment of the distributor</p> <p>External environment</p>	<p align="center">Strengths -S-</p> <ul style="list-style-type: none"> <li>- Distributor SARL IBN AOUF Good and has a professional team;</li> <li>- The manager has many excellent personal qualities such as integrity, friendliness and authentication;</li> <li>- Establishment of a motorcycle installation plant in Algeria for the distributor;</li> <li>- Distributor keen to learn the technology of motorcycles constantly.</li> </ul>	<p align="center">Weaknesses -W-</p> <ul style="list-style-type: none"> <li>- Lack of timely feedback from the Algerian market by the distributor in order to provide better services to the Algerian consumer;</li> <li>- Lack of qualified work force and professional technicians for the distributor.</li> </ul>
<p align="center">Opportunities -O-</p> <ul style="list-style-type: none"> <li>- Facilities granted by the authorities to the distributor SARL IBN AOUF because of the establishment of a domestic motorcycle installation factory.</li> </ul>	<p align="center">Strategy -So-</p> <ul style="list-style-type: none"> <li>- In these circumstances, the distributor must adopt an aggressive strategy of being in a position of strength and precedence for the competitors, by intensifying the provision of products to the consumer to invade the local market and increase the market share.</li> </ul>	<p align="center">Strategy -WO-</p> <ul style="list-style-type: none"> <li>- To make the best use of the facilities granted to the distributor, he must conduct serious marketing studies for the market and discuss the results with the product, and the use of experts to train his workers.</li> </ul>
<p align="center">Threats -T-</p> <ul style="list-style-type: none"> <li>- continuous changes in laws and legislation;</li> <li>- The demand for competing models increased during the quantity entry of the distributor.</li> </ul>	<p align="center">Strategy -St-</p> <ul style="list-style-type: none"> <li>- Distributor strategy should be flexible to adapt to emergency government changes at a time because any delay may give the competitor a chance to move.</li> </ul>	<p align="center">Strategy -WT-</p> <ul style="list-style-type: none"> <li>- The distributor should estimate the actual demand for his products through the market study, in order to provide the quantities needed for the consumer so as not to become competing models.</li> </ul>

**Source:** Preparation of the researcher based on the results of the interview through the questionnaire.

The above table shows that the foreign producers show a high level of satisfaction and acceptance of the Algerian distributor Ben Awf and this through the positive points he made. This is confirmed by the absence of negative points but the lack

**THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE  
ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER**

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of feedback for Logia Foundation, which helps in the existence and continuity of good relationship between the foreign producer and the Algerian distributor.

To further develop this relationship, the producer of the SIM mark proposes to the Algerian distributor the following:

- Full support for motorcycle assembly technology.
- In addition to sending engineers by them to verify the quality of the installation and assembly of motorcycles in the factory in Algeria.
- Taking into account the provision of additional financial credit to SARL Ibn Aouf.

The product tag Logia to the Algerian distributor to develop the relationship between them.

- Exchange views for the market and products deeply.
- Give more suggestions to each other such as market information, product information and demand for consumer goods.

The development of such things further strengthens the concept of cooperation between these two producers and the Algerian distributor, allowing them to differentiate their offerings and better coordinate their activities in the distribution channel, as well as reduce costs and better satisfy the end consumers. There are many different points of cooperation between the producer and the distributor. In other words, cooperation is done at different levels, which are tested according to a five-level scale, is a scale from 1 to 5, where 1 means "completely unimportant" and 5 indicates that the element is "very important".

Table 21 presents the various tasks and activities in which the product is manufactured by LUOJIA in collaboration with the Algerian distributor SARL IBN AOUF.

**Table 21: Producer Cooperation Points (LUOJIA) and Distributor (SARL IBN AOUF)**

	1	2	3	4	5
(EOS) Electronic ordering system		2			
(EDI) Electronic Data Exchange		2			
(ECR) Effective customer response					5
Development of product design					5
Cooperation in product development					5
Advertising Collaboration					5

**THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE  
ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER**

Exchange of persons				4	5
Financial cooperation				4	
Cooperation in transport				4	
Cooperation in promotion				4	
Collaboration in storage				4	
Cooperation in insurance			3		

**Source:** Interview Results by Questionnaire No 5.

It is clear from the table that there is weak cooperation on the level of electronic control system (EOS and electronic data exchange EDI), where the proportion of cooperation in these activities by 25%, followed by the proportion of cooperation in insurance by 50%, matched by strong cooperation of 75% in both financial cooperation, Exchange of persons, promotion and storage. While noting a very important 100% cooperation at the level of the following activities: Effective Customer Response (ECR), product design development, product development, advertising and transportation. Through these results, we can judge that the cooperation in the activities described between the product for LUJIA and the Algerian distributor SARL IBN AOUF is strong. The average percentage obtained is 72.9%, which is very significant.

As for the various tasks and activities in which the product is SYM in cooperation with the Algerian distributor SARL IBN AOUF, there is a very strong cooperation of 100% in all activities. As shown in Annex 4, which indicates that the relationship between these two partners is well developed and is based on scientific grounds and this is positive for the future of this relationship.

**3. Descriptive analysis of the cooperative relationship between foreign producers and the Algerian distributor**

To answer the hypothesis of the first research, we have directed the same question to both the foreign producers studied and the Algerian distributor once to describe the type of relationship between the product and the mark Sim. And again to describe the type of relationship between the product and the Logia tag, and to verify the answer to the existence of a cooperative relationship between the distributor Algerian and foreign producers. The factors influencing this relationship were tested. If the importance of each factor is determined in the

## THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER

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relationship between the studied institutions, it is possible to determine the type of relationship between them.

The question was about how to describe the business relationship between them and the Algerian distributor for producers, distributor and producers,

In the interview with the institutions surveyed, we obtained four consistent responses. Both producers described their relationship with the Algerian distributor as an advanced relational exchange relationship (the relationship is based on the exchange of goods planned in a long-term distribution agreement and the distributor is an exclusive distribution agent of the products of the product). In addition, in turn the Algerian distributor (SARL IBN AOUF) proved the validity of their answer by choosing the same description of the relationship. Whether the product is associated with the product LUOJIA or the product of SYM.

By analyzing the answer to this question and the previous question, concerning the testing of cooperation points it can be noted that the relationship between the Algerian distributor and the foreign producers is a relationship of sophisticated and strong relational exchanges. It remains to be established whether it is cooperative or otherwise through the pro-test.

A five-point scale is used, meaning a scale from 1 to 5, where 1 means "completely unimportant" and 5 indicates that the element is "very important" and if it is converted to percentages, 1 agree 0% and 2 agree 25% 5 which represents 100%. Twelve questions were asked about the eight factors affecting the cooperative relationship. We begin by analyzing the factors influencing the cooperative relationship between the SYM product and the Algerian distributor, followed by an analysis of the factors influencing the cooperative relationship between the product of LUOJIA and the Algerian distributor.

### **• Analyzing factors influencing the cooperative relationship between the SYM producer and the Algerian distributor:**

The same questions have been directed to the two sides of the relationship to arrive at an understanding of their relationship (cooperative or not). The answer is illustrated in the appropriate tables in Annexes 4 and 3.

The analysis of the results of the table in Annex IV on the product description of SYM for the relationship with the Algerian distributor shows that there is a

## THE BENEFITS OF THE COOPERATIVE RELATIONSHIP BETWEEN THE ALGERIAN DISTRIBUTOR AND THE FOREIGN PRODUCER

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cooperative relationship from a high level, based on the existence of all the factors with a high impact according to the following:

- Common effort → joint effort in the planning and performance stage → 100%  
Risk sharing with product → 100%

Thus, the ratio of the joint effort is 100%. In other words, this factor according to the estimate of the product is strongly present, the same observation for each factor of commitment in the relationship, correlation, trust between partners, communication, frequency of exchange and personal relations.

In terms of product satisfaction factor (SYM) on the Algerian distributor, we control it through the variable level of satisfaction and variable level of complaints, where it has a direct relationship with the first and an inverse relationship with the second variable, the higher the level of satisfaction the greater the proportion of the worker, Satisfaction with partner.

- Level of satisfaction with distributor → 5 → 100% → positive relationship → 100%.

- Level of complaints with distributor → 1 → 0% → Reverse relationship → 100%.

Thus, the satisfaction rate of SYM on the Algerian distributor is 100%.

Thus, the average of the eight factors affecting the cooperative relationship between the SYM product and the Algerian distributor for the product is 100%. Therefore, it can be judged that the type of relationship for the product is highly cooperative.

According to the Chart of the IBN AOUF for its relationship with SYM in Annex 3 the factors of joint effort commitment in the relationship, correlation, trust among partners, frequency of exchange and interpersonal relations have provided very high values 100%. The satisfaction factor in turn is high at 75%, while the communication factor represented by two questions is estimated at 50%, which is the average of the two ratios. Therefore, the average of the eight factors affecting the cooperative relationship between the Algerian distributor and the SYM product is 90.6% we can say that the relationship between this distributor and the product is from the point of view of the distributor J cooperative relationship.

We conclude that the relationship between the Algerian distributor (SARL IBN AOUF) and the foreign product of SYM is highly collaborative. The average of

the eight factors affecting the cooperative relationship between the Algerian distributor and SYM is estimated at 95.3%.

• **Analyzing the factors affecting the cooperative relationship between the LUOJIA producer and the Algerian distributor**

The same questions were directed to the two sides of the relationship to arrive at an understanding of the relationship between them (cooperative or not) through the last two tables shown in Annex 3 and Annex 5. Our analysis of the results of the Annex Table 5 of the LUOJIA for the relationship with the Algerian distributor according to the factors influencing the cooperative relationship proves that there is a cooperative relationship from a high level and this is based on the existence of all the factors affecting this relationship and high rates according to the following:

- Satisfaction level —→ 75%.
- The other factors —→ 100%.

By calculating the average of the eight factors affecting the cooperative relationship between the LUOJIA producer and the Algerian distributor for the product, we find 96.8%, which is excellent, so the type of relationship for the product is highly cooperative.

The results of the Annex III table on the description of the Algerian distributor (SARL IBN AOUF) for the relation between the product and LUOJIA, according to factors influencing the cooperative relationship, can be inferred as follows:

- The proportion of the joint voltage factor estimated at 62.5%.
- The ratios of each commitment factor in the relationship, correlation, trust between partners and personal relationships are 100%.
- The percentage of communication factor is 75%.
- Satisfaction ratio is estimated at 62.5%.
- The exchange rate is —→ 75%.

The average ratio of the eight factors affecting the cooperative relationship between the product for LUOJIA and the Algerian distributor for the distributor is 84.3%, which is a good ratio, so it can be said that the type of relationship for the distributor is cooperative.

Thus, we conclude that there is a cooperative relationship between the Algerian distributor (SARL IBN AOUF) and the foreign producer of LUOJIA. The average of the eight factors affecting the cooperative relationship between the Algerian distributor and LUOJIA is estimated at 90.5%.

By analyzing the factors influencing the cooperative relationship between the SYM product and the Algerian distributor, factors influencing the cooperative relationship between the LUOJIA product and the Algerian distributor, we found a strong cooperative relationship between the Algerian distributor and the foreign producers who deal with them.

#### **4. Analysis of the impact of the cooperative relationship on the activity of the Algerian distributor**

In order to adapt to the rapid developments in the Algerian economic environment, especially recently, local distributors must find ways to develop the relationship with foreign producers in order to overcome the most important obstacles to growth and reduce profitability.

According to the Director of the Distribution Organization (SARL IBN AOUF), it is one of the most important obstacles to the development of the activity and expansion of the Algerian investor. Therefore, the negative reflection on the national economy is the continuous changes in laws and legislation, and this is what kind of instability in transactions the changes that have affected the distribution organization under study are those that have occurred in the system of import recently, which is as follows:

- The State has issued a new book of conditions and specifications for the sale of cars and motorcycles;
- The state has changed the bank settlement system due to the collapse of oil prices;
- The state has changed the system of importation and set quotas for some products in the sense that a ceiling has been set for imported quantities.

The state also made some amendments to the system of operation of motorcycle distribution institutions, including the obligation to extract the gray card for each motorcycle with a capacity of 125 cm<sup>3</sup>, while the gray cards concerned with degrees exceeding the engine capacity of 150 cm<sup>3</sup>. These new laws have reduced the quantity that the distribution organization imported annually by 40%, similar



to other establishments in the same sector, which led to the dismissal of a number of workers in some of them.

According to the director of the Algerian distributive establishment, the nature and strength of his relationship with the foreign producers and their understanding helped them greatly in adapting to the latter situation and going further to serve the national economy through the establishment of the motorcycle installation factory (SYM) by the Algerian distributor. With help the product by sending it to a team of technicians who are able to train Algerian workers and to ensure the good progress of the project, in addition to manufacturing some pieces in the near future.

The investment in such a project from the Algerian distributor is considered a significant transition from a mere distribution activity to a manufacturing activity, although it is currently limited, thus increasing in expansion, profitability and continuity. Therefore, it is possible to say that the cooperative relationship is capable of developing and consolidating the deal between Algerian distributors and foreign producers to respond to the circumstances Economic growth and hence long-term growth.

#### **IV-Conclusion:**

This chapter focuses on the descriptive analysis of the results of the interviews by means of a questionnaire designed to answer the main questions of the study in the context of the cases studied in this research.

The first research hypothesis related to the type of relationship between the Algerian exclusive distributor and the foreign producer, based on a cooperative relationship between them, can be confirmed by the descriptive analysis of the cooperative relationship between the foreign producers and the Algerian distributor under study. In addition, the factors influencing the cooperative relationship between the product and LUOJIA and the Algerian distributor, to prove the existence of a strong cooperative relationship between the Algerian distributor and foreign producers who deal with them.

The second research hypothesis related to the advantages of the cooperative relationship of the Algerian distributor, which stated that the cooperative relationship achieves the long-term growth of the Algerian distributor and helps

him adapt to changes in the external environment. This is confirmed by the analysis of the effect of the cooperative relationship on the Algerian distributor, which concluded that the cooperative relationship is capable of developing and strengthening the deal between Algerian distributors and foreign producers to respond to current economic conditions and hence to achieve growth in the national economy.

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