UNIVERSITY OF TWENTE.

Faculty of Behavioural, Management and Social Sciences
Department of Technology Management and Supply

Master Thesis

Master of Science (M.Sc.) Business Administration

Purchasing & Supply Management

Power dominance and attractiveness in buyer-supplier relationships

The strategic options to counteract power dominance and the opportunities to increase attractiveness by delivering higher value to partners in buyer-seller relationships: A case study to the possibilities of a weaker actor in the transportation sector.

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Number of pages: 90
Number of words: 34.019

Enschede, 28th August 2019

Abstract

Recently, literature shows a large increase in the number of publications focused on buyer-supplier relationships. In general, literature suggests that buyer-supplier relationships that are characterized by a balanced mutual dependence are superior to other buyer-supplier relationships. However, contrary to what theory suggests, in practice, firms in supply chains want to control each other. This tendency to control exist in all tiers of supply chains and it is an issue that requires firms' constant attention in order to effectively manage inter-firm relationships. There where existing studies have focused mainly on more powerful actors that control and influence behaviors and exchanges in buyer-supplier relationships Habib et al. (2015) have brought a fragmented body together of literature shedding light on the dilemma of the weaker actor in buyer-seller relationships in how to respond to the power dominance of the stronger actor. Their initiated framework however, requires empirical validation. The aim of this study is therefore to give a contribution to the literature by collecting and exploring data within a real-life dyadic and network context, from the perspective of the weaker actor. In order to do so, this research involved a multiple case study to explore and understand under which conditions; i.e. features of underpinning factors, a weaker actor applies which strategic option(s) towards another actor in case former mentioned holds the weaker position in buyer-supplier relationships that are characterized by asymmetric power dominance.

The proposed strategies applicable for a weaker actor that are found in literature are: 1) dyadic and network collaboration, 2) compromise, 3) diversification, 4) coalition and 5) exit. The choice of these strategies depends on several underpinning factors. These factors that are identified as possible influencers on the choice of a weaker actor to apply a certain strategy are: a) nature of interdependence, b) relationship governance, c) sources of power, d) switching costs, e) type of conflict, f) relationship closeness and g) available alternatives. The collected data gathered via semi-structured, open-ended interviews allowed to develop a scheme presenting the conditions of underpinning factors that are found to influence a weaker actor's choice to select a specific strategic option with the aim to counteract the power dominance of a stronger business partner. It is found that the circumstances in which certain options are chosen differ depending on the context.

Within a dyad, the option dyadic collaboration is favored whenever asymmetric dependence is high and mediated power sources in the form of reward power are

exercised by a supplier. Furthermore, in case of high relationship closeness and high levels of properly handled functional conflict, this will result in the selection of dyadic collaboration as well. Finally, the fact that no other alternative business partners exist in the market influences in a weaker actor's choice to apply the dyadic collaboration strategy. Regarding the other option applicable in a dyadic context, i.e. compromise, it is found that this strategy will be selected when a weaker actor feels 'pressured' by its business partner. In terms of underpinning factors, this 'feeling of being pressured' arises whenever dependence on a vendor is high, coercive power tactics are into play, and the company is not able to switch to another supplier since they are bounded by formal contracts, the option compromise will be selected. As a consequence, the relationship closeness and number of available alternatives are considered to be low level when the compromise strategy is implemented. Enhancing the firm's attractiveness is considered to be the third possibility in a dyadic context. This option is selected once the relationship between both actors is of a very high level. Due to properly handled functional conflicts the relationship even strengthens which makes weaker actors (among others) eager to invest (even more) in the relationship. Hence, switching costs run high resulting in a high dependence on their partner. In order to reduce the potential negative effect of a business partner (mis)using its stronger position, the weaker actor tries to increase its attractiveness.

Within a network context, it is found that, overall, the underpinning factors: nature of interdependence, switching costs, (properly handled) functional conflict and the number of available alternatives influence a weaker actor's choice to apply a collaboration strategy. For all these factors except available alternatives counts that when present at a moderate to high level, network collaboration is applied to counteract the power dominance of its stronger partner. Additionally, the opportunities to establish relationships with other vendors is considered low. Regarding relationship closeness it depends on the situation whether its presence can be considered as an influencing factor. The second option available that is discussed in a network context is diversification. Diversification is only selected whenever available alternative companies exist in the market that can provide the firm with similar products. Furthermore, the costs of switching to or adding one of these suppliers to the company's supplier base are considered low. Finally, the focal company does not feel more dependent on its business partner than vice versa. Because of the inter- or independence a weaker actor is more eager to go beyond the focal relationship and try to establish new relationships with other parties. Regarding the option 'coalition', the existence of all type of conflicts are considered to be a big influencing factor making a weaker actor decide to apply this option. Once conflicts arise, a weaker actor is eager to combine forces with other parties to enlarge their power position. Furthermore it is observed that if this strategy is chosen, there do not exist many available alternative vendors in the market. Besides that, the presence of high switching costs in combination with high dependence on a stronger business partner, makes a less powerful firm feel to be even more bounded to the existing relationship.

Exit is considered to be the least favorable option. Many case companies indicate that ending the relationship with a partner is only selected when is considered that no other choice is left. The relationship in this case is of a very low level and characterized by high levels of dysfunctional conflict and by the supplier exercised coercive power tactics. Furthermore, a suitable alternative needs to be available in combination with low costs of switching to this new identified vendor.

Furthermore, a measurement tool is developed. The aim of this tool is to enable further research to overcome limitations regarding the generalizability and external validity of the findings of this research. The measurement tool is able to capture what combination of underpinning factors makes a weaker actor eager to select a specific strategic option to mitigate (potential) negative effects deriving from asymmetric power dominance in a buyer-supplier relationship. The tool, that is presented in the form of a questionnaire, can be used as a 'start-of' for quantitative researchers to empower the findings of this qualitative case study. The proposed survey is built on pre-existing and validated scales for measuring the influence of an underpinning factor on the choice of an organization to apply a certain strategic option. The questionnaire contains questions for each of the by Habib et al. (2015) identified underpinning factors – including attractiveness – and is designed to derive data from the customer's vantage point. These items were sorted per factor or per feature of a certain factor, resulting in 18 different item scales. Eventually, a questionnaire consisting of a 70-item scale was developed to measure to what extent a (combination of) factor(s) has influence on a weaker actor's choice. Furthermore, all items can be scored on a 5-point scale, ranging from "strongly disagree" to "strongly agree".

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1. Introduction: A shift of research focus arguing for shedding light on the dilemma of the weaker actor in buyer-supplier relationships in how to respond to the power dominance of the stronger actor

1.1 History of the power dominance concept: Developed from literature focusing on power and dependence in buyer-supplier relationships

Over the past three decades, literature shows a large increase in the number of publications focused on buyer-supplier relationships, indicating an increase in attention given by (supply chain management) scholars to the buyer-supplier relationships.[1] According to Chicksand (2015), the study of business-to-business relationships has grown in importance as buyer-supplier relationships have become increasingly complex and effective relationship management can lead to competitive advantage.[2] However, despite the increased interest in buyer-supplier relationships, empirical studies assessing these type of relationships over time are still limited in number and scope.[3] While scholars agree upon the importance of research towards the dynamic linkage between buyer-supplier relationship strength and its antecedents and outcomes for the discipline of supply chain management, yet evaluations of these relationships are virtually non-existent to date.[4] As indicated by Blois (2010) and Caniëls & Gelderman (2007), it is commonly accepted that buyer-supplier *dependence*; i.e. the extent to which one actor in the relationship relies on the other actor's resources to achieve its own goals[5], is crucial for understanding buyer-supplier relationships.[6] In general, dependence literature suggests that buyer-supplier relationships characterized by a balanced mutual dependence are superior to other buyer-supplier relationships. Relationships in which one partner dominates the exchange, i.e. asymmetric relationships, are, following contemporary research and discussions stemming from the resource dependency theory[7], generally believed to be less effective because the dominant partner may be tempted to misuse and exploit its power position in a way that it goes against the weaker actor's business objectives.[8] Whenever the dominant partner is tempted to exploit its position/misuses its

[1] See Bastl et al. (2013), p. 8; Habib et al. (2015), p. 182; as well as Terpend et al. (2008), p. 29.
[2] See Chicksand (2015), p. 121.
[3] See Autry & Golicic (2010), p. 87.
[4] See Autry & Golicic (2010), p. 87.
[5] See Fink et al. (2011), p. 85.
[6] See Blois (2010), p. 161; as well as Caniëls & Gelderman (2007), p. 220.
[7] See Vos (2017), p. 18.
[8] See Caniëls et al. (2018), p. 343; as well as Caniëls & Gelderman (2007), p. 221.

power – i.e. the ability of one player (the source) to influence the intentions and actions of another player (the target)[9] - this can lead to conflicts and hence unproductive relationships[10] resulting in the erosion of any benefit that the weaker actor may possess, and consequently cause permanent damage to a relationship.[11] However, contrary to what theory suggests, in practice, firms in supply chains want to control each other, mostly over the possession and access to critical resources.[12] This dominance of one actor over another is a function of relative dependence; i.e. the difference between a firm's dependence on its partner and its partner's dependence on the firm.[13] Since the primary consequence of relative dependence is indicated as power[14], which eventually may lead to conflicts[15], a correspondence between the balance of power in a relationship and dependency is arguable.[16] Furthermore, dominant firms in supply chains are not only able to create dependent suppliers[17], but they will actually try to attain a dominant position.[18] This need for dominance and tendency to control exist in all tiers of supply chains and it is an issue that requires firms' constant attention in order to effectively manage inter-firm relationships.[19] Since organizations are longing for the dominant position in an exchange relationship, one should recognize that from a weaker actor's perspective, these sketched situations of asymmetric dependence require a certain action. More specific, it requires an answer to the strategic question "what to do in order to mitigate the potential negative effects of asymmetric dependence?". For example, how can a weaker supplier deal with a powerful buyer who demands year on year price reductions, which could result in the supplier's bankruptcy? Or what can a weaker buyer do when a dominant supplier dictates unreasonable customer service levels and controls pricing policies?[20]

[9] See Emerson (1962), p. 32.
[10] See Bobot (2010), p. 293.
[11] See Olk & Young (1997), p. 859; as well as Gulati et al. (2008), p. 155.
[12] See Pfeffer & Salancik (1978), p. 113.
[13] See Anderson & Narus (1990), p. 43.
[14] See Caniëls & Gelderman (2007), p. 221.
[15] See Kumar et al. (1995), p. 349.
[16] See Schiele & Vos (2015), p. 143.
[17] See Cox (1999), p. 172.
[18] See Cox (2001a), p. 10.
[19] See Habib et al. (2015), p. 183.
[20] See Habib et al. (2015), p. 183.

1.2 The proposed framework related to buyer power in buyer-supplier relationships needs empirical support from the weaker actor's perspective

Existing studies have focused mainly on more powerful actors that control and influence behaviors and exchanges in buyer-supplier relationships by investigating the role of trust and power[21], the role of bargaining power[22], relationship commitment and power[23] and how a buying company exerts power to influence the relationship between suppliers[24]. In contrast, Habib et al. (2015) have brought a fragmented body together of literature shedding light on the dilemma of the weaker actor in buyer-seller relationships in how to respond to the power dominance of the stronger actor.[25] The systematic literature review of Habib et al. (2015) marks the first attempt to present a coherent set of strategic options and the influence of underpinning factors to counteract power dominance from the perspective of the weaker actor, either buyer or supplier, in a buyer-supplier relationship. They propose a framework consisting of five strategic options that are available to a weaker actor to counteract a dominant stronger actor, namely: collaboration, compromise, diversification, coalition and exit. Their initiated framework however, requires empirical validation.[26] The aim of this study is therefore to give a contribution to the literature by collecting and exploring data within a real-life dyadic and network context, from the perspective of the weaker actor. By conducting this research I will attempt to overcome the mentioned limitation and find practical usage/empirical support for the proposed framework related to buyer power in buyer-supplier relationships. The related research question being answered in this paper in order to contribute to existing theory about the strategic options for a weaker actor to counteract the negative impact of the dominance of a stronger actor in buyer-supplier relationships can be stated as follows:

"Under which circumstances; i.e. in a dyadic or network context, and conditions; i.e. features of underpinning factors, does an actor apply which strategic option(s) towards another actor in case former mentioned holds the weaker position that controls and influences behaviors and exchanges in buyer-supplier relationships?".

While investigating this research question, the systematic literature review of Habib et al. (2015), will form the basis for (the literature review of) this part of the study.

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[21] See Benton & Maloni (2005), p. 3.
[22] See Crook & Combs (2007), p. 547.
[23] See Zhao et al. (2008), p. 369.
[24] See Wu et al. (2010), p. 116.
[25] See Habib et al. (2015), p. 182.
[26] See Habib et al. (2015), p. 197.

1.3 A high degree of dependence is only problematic when customer attractiveness is low

As denoted by Caniëls et al. (2018) and proclaimed by many more scholars, controversially to the theory provided above, power imbalance in buyer-supplier relationships does not always have to imply difficulties between the weaker and stronger actor.[27] These scholars argue that power can provide an effective coordination of exchange relationships as the distribution of power becomes legitimate over time.[28] In these buyer-seller relationships both actors invest in developing strong long-term partnerships based on their individual and/or joint motivations (e.g. entering new markets[29] or developing new products based on the joint research[30]). Moreover, in situations where a buyer dominates, suppliers may still be satisfied with the overall relationship. For instance, although large retailers may sometimes squeeze their suppliers, these suppliers can still be satisfied with the relationship due to growth opportunities offered by a large buyer.[31] In addition, highly dependent partners may have a strong relational orientation, which leads to an improved relationship. This idea is supported by studies that highlight the importance of total dependence in the relationship and that show that asymmetric relationships can be as satisfactory[32] and even more effective than relationships governed by ownership of formal management controls.[33] Hence, although contemporary research suggests that dependence asymmetry leads to inefficient relationships, dependence asymmetry may actually foster relationships and supplier satisfaction and thus improve relationship outcomes.[34] This argument relates to innovation literature, where dependence is viewed as an essential prerequisite for collaboration and new product innovation.[35] As stated by Schiele & Vos (2015) research on dependency considering this variable alone without at the same time analyzing partner attractiveness may leave out a key context variable and may as such be considered as too narrow. They further explain that in order to find out whether power imbalance in buyer-supplier relationships may limit negative consequences for the dependent actor or not, it is sensible to include a variable for the attractiveness of the exchange partner when

[27] See Caniëls et al. (2018), p. 343.
[28] See Maloni & Benton (2000), p. 4.
[29] See Akpinar & Zettinig (2008), p. 353.
[30] See Anderson et al. (1994), p. 10.
[31] See Bloom & Perry (2001), p. 385.
[32] See Caniëls & Gelderman (2007), p. 227; as well as Caniëls and Roeleveld (2009), p. 414.
[33] See Muthusamy & White (2006), p. 818; as well as Steensma et al. (2000), p. 967.
[34] See Caniëls et al. (2018), p. 343.
[35] See Vos (2017), p. 18 cited according to Levine & Prietula (2013).

analyzing dependency situations – including buyer-supplier relationships.[36] Therefore, besides the main investigated topic of this study concerning the choice of the by Habib et al. (2015) defined strategic options available to a weaker actor in buyer-supplier relationships, this paper recognizes attractiveness as an additional available option. As a result, this study endorses the need to also examine the opportunities to improve a weaker actor's attractiveness and hence its relationship with a dominant party, which will eventually result in reduced (possible negative effects of) asymmetric dependence of the weaker party. In other words, the related and second research question answered in this paper is stated as follows: *"What combination of conditions, i.e. features of the underpinning factors, influences a weaker actor to raise its attractiveness and as a result, mitigate potential negative effects of the asymmetric dependence in a buyer-supplier relationship with an organization holding the stronger position?"*.

As addressed before and found by Schiele & Vos (2015), dependency on itself does not have to be a problem.[37] Instead, only the combination of low buyer attractiveness and a high degree of dependence on a supplier is problematic, which indicates that it is important for actors to optimize their attractiveness and deliver a higher value to their partners.[38] Therefore, in order to answer this research question, theory pertaining the available 'value-adding' options for actors in order to increase their attractiveness as developed by Hüttinger et al. (2014) is used.

2. Theoretical framework: A weaker actor's choice to apply a strategic option to counteract a stronger actor's power dominance is influenced by several underpinning factors

There is a large amount of literature available about buyer-supplier relationships. The cause for this, as argued by Morsy (2017), derives from the explanation that the effective management of these relationships is considered by both organizations and scholars[39] as one of the main strategies that would help in attaining successful and sustainable supply chains.[40] Since (inter)dependence and power imbalance between buyers and suppliers are

[36] See Schiele & Vos (2015), p. 145.
[37] See Schiele & Vos (2015), p. 144.
[38] See Anderson et al. (1988), p. 342; Blois (2004), p. 256; Buchanan (1992), p. 73; as well as Walter et al. (2001), p. 372.
[39] See Wilson (1995), p. 26; as well as Ambrose et al. (2010), p. 126.
[40] See Morsy (2017), p. 33.

two defining characteristics of any supply network[41], these concepts are often discussed while studying buyer-supplier relationships. However, most of the existing studies focus on the more powerful actors that control and influence behaviors and exchanges in buyer-supplier relationships rather than drawing attention to the dilemma of the weaker actor in how to respond to the power dominance of stronger actors.[42] Despite this fact, there is a systematic literature review available written by Habib et al. (2015) which shed light on the under explored dilemma of the weaker actor and hence will function as the building block for the biggest part of this section. In this part the available strategic options are highlighted. Additionally, in a subpart of this literature review, the identification of underpinning factors that influence the choice of a specific strategic option and the unification of these factors in a framework linking them together to the choice of one specific strategic option are pointed out. Eventually, the last part of this section focusses on a review of research question two identifying possibilities for a weaker actor to increase their attractiveness. But first, preliminary to these concepts, literature regarding power and dependence is discussed.

2.1 Power as a consequence of dependence

2.1.1 The difference between power and dependence resides in the nature of both concepts: dependence is considered to be passive and power to be active

Since power and its sources are foundational constructs of buyer-supplier relationships theory[43], there exist a need to shed light on these items first. Power and dependency are tied together in many business aspects and are often mixed up leading to confusing messages to the general public. Therefore it is vital to make a clear distinction between these terms and to understand the relationship between them by hart. As stated before, power can be seen as the ability of one player (i.e. the source) to influence the intentions and actions of another player (i.e. the target)[44], or as defined by Sturm & Antonakis (2015), as having the discretion (i.e. the latitude of action available to power holders) and the means (e.g. incentives, expertise, punishment, etc.) to asymmetrically enforce one's will over other entities (at the individual, group, organizational, cultural, and country levels).[45] More concrete, power can be understood as "the potential to affect another's

[41] See Bastl et al. (2013), p. 13.
[42] See Bastl et al. (2013), p. 8; as well as Habib et al. (2015), p. 182.
[43] See Bastl et al. (2013), p. 13.
[44] See Emerson (1962), p. 32.
[45] See Sturm & Antonakis (2015), p. 139.

behavior, manifests when a firm demands something incompatible with another firm's desire, and the firm receiving the demand shows resistance".[46] Furthermore, considering the resource based view, the power to control or influence the other resides in a player's possession of resources[47] and/or in the control over the things the other player values.[48] Bastl et al. (2013) add to that stating that researchers have demonstrated that a resource based view of idiosyncratic interfirm linkages can be a source of relational rents and competitive advantage since the level of power is determined by how much resources garner 'VRIN characteristics'; i.e. resources that are valuable, rare, imperfectly imitable, and for which there are no strategically equivalent substitutes for.[49] Eventually, as stated by many scholars, the created competitive advantage results in above-normal returns providing the basis for power.[50] Additionally, Bastl et al. (2013) suggest that power is context-specific and is a structural phenomenon and therefore there exist a need to consider resources in two ways. First, within the buyer–supplier relationship, resources have physical (Williamson, 1975), human (Becker, 1964) and organizational forms (Tomer, 1987).[51] As elaborated by Barney (1991), physical resources comprise an organization's technology, a firm's plant and equipment, its geographic location and finally, its access to raw materials. Human capital resources comprise the training, judgement, intelligence, relationships and insight of individuals within the organization. Organizational resources on the other hand comprise intellectual property, methods of working and relationships with other organizations.[52] Second, the structural position of a player within the network can operate as a resource.[53] This is where an organization has access to another organization that controls resources.[54]

Since it is suggested for decades that power is contingent on the actual or perceived possession of resources[55], several bases of power can be thought of. In this case the research follows the five bases of power as identified by French & Raven (1959).[56] The first described type is *coercion*. This type of power is based on the belief of the target(s)

[46] Cowan et al. (2015), p. 142.
[47] See Bastl et al. (2013), p. 13.
[48] See Emerson (1962), p. 32.
[49] See Bastl et al. (2013), p. 13.
[50] See Barney (1991), p. 105; Peteraf (1993), p. 185; Dyer & Singh (1998), p. 676; as well as Griffith & Harvey (2001), p. 598.
[51] See Bastl et al. (2013), p. 13.
[52] See Barney (1991), p. 101.
[53] See Choi & Wu (2009), p. 19; as well as Yan & Gray (1994), p. 1511.
[54] See Bastl et al. (2013), p. 13.
[55] See Vinacke & Arkoff (1957), p. 412.
[56] See French & Raven (1959), p. 151 – 157.

that the source can administer penalties or sanctions that are unwelcome. The second type concerns *reward power*. This is based on the belief of the target(s) that the source has access to valuable rewards which will be dispensed in return for compliance. Besides these two types, a third type of power is identified as well. This type of power is named *legitimate power* and is based on the belief of the target(s) that the source has authority to give directions within the boundaries of their position or rank. The penultimate by French & Raven (1959) indicated type of power is *referent*. This type is based on the belief of the target(s) that the source has desirable abilities and personality traits that can and should be copied. Finally, *expert power* exists. This type is based on the belief of the target(s) that the source has superior knowledge relevant to the situation and the task in hand.[57] Furthermore, Raven & Kruglanski (1970) contend that these individual bases of power are not used separately, but rather jointly. Several other scholars add to that mentioning that reward, coercive (also called penalties) and legitimate power sources are employed collectively as are referent and expert power.[58] As stated by Kasulis & Spekman (1980), legitimate power can be segmented into traditional and legal components whereby the latter type most typically is associated with reward and coercive power tactics.[59] Coercion, reward and legal legitimate power can be referred to as mediated types of power, while expertise, referent, information and traditional legitimate power can be referred to as non-mediated types of power.[60] According to Tedeschi et al. (1972), this dichotomy reflect whether the source does or does not control the reinforcements (e.g., rewards or punishments) which guide the target's behavior[61] or in other words, the term mediated refers to explicit attempts to "bring about some direct action" whilst non-mediated refers to not explicit actions.[62] For example, in a supply network, the buyer's reward, coercion and legal legitimate power sources are deliberately engaged (mediated) to guide the supplier's response. Non-mediated power, in contrast, is not specifically exercised or threatened to manipulate the target (e.g. a supplier).[63] Power in buyer–supplier relationships, typically relies on the use of coercion, economic

[57] See Bastl. et al. (2013), p. 13.
[58] See See Handley & Benton (2012a), p. 58.
[59] See Kasulis & Spekman (1980), p. 180.
[60] See Johnson et al. (1993), p. 2; as well as Johnson et al. (1995), p. 336.
[61] See Tedeschi et al. (1972), p. 292.
[62] See Handley & Benton (2012a), p. 58.
[63] See Benton & Maloni (2000), p. 59.

sanctions and rewards. As indicated by multiple scholars (e.g. Galbraith, 1967; Perrow, 1972; Pfeffer & Salancik, 1978), these sources are the key mediated sources of power.[64] While recognizing that power resides implicitly in the other party's dependency, or more simple, that dependence can be seen as a source of power, the analysis, as stated by Emerson (1962), will of necessity revolve largely around the concept of dependence.[65] Following the ideas of Frazier (1983) that build on those of Emerson (1962), it results in the following definition of dependence: "the mediating influence of partners on one another or of one partner to another partner in pursuing desired relational goals superior to alternative options."[66] Dependence thus describes the critical contribution of a partner firm for which there exist few alternatives.[67] This leads to the necessity of maintaining this specific relationship in order to achieve the aspired goals.[68]

Now both dependence and power are defined, it is, as stated earlier in this section, crucial to point out the difference between both terms. In order to do so, among others theory of Johnson & Lacoste (2016) is used. As can be derived from their research, dependence and power in relationships are often considered as two opposing sides of the same coin.[69] It is reasonable to conclude that the main difference between power and dependence resides in the nature of both concepts. More specific, dependency has a more passive nature and can be seen as something a buyer or supplier 'possess', while power is more active in nature and refers to whether the ability to influence another party is used or not by the more powerful actor.[70] Furthermore, the relation between both terms is often explained as causal; i.e. power can be seen as a consequence of dependency,[71] or as stated by Pfeffer (1981), the power of an organization over another is the result of the net dependence of the one on the other. This indicates that if A depends on B more than B depends on A, then B has power over A.[72]

[64] See Bastl et al. (2013), p. 13.
[65] See Emerson (1962), p. 32.
[66] Schmitz (2015), p. 3.
[67] See Buchanan (1992), p. 73.
[68] See Frazier et al. (1989), p. 51.
[69] See Johnson & Lacoste (2016), p. 79.
[70] See French & Raven (1959), p. 151 – 157.
[71] See Caniëls & Roeleveld (2009), p. 404.
[72] See Caniëls & Roeleveld (2009), p. 404.

2.1.2 The attributes of buyer and supplier power can be displayed in a power matrix

Finally, by evaluating a buyer-supplier relationship on the various factors related to power and dependence, Cox et al. (2000) designed a four quadrant power matrix (see figure 1 below) in which any buyer-supplier relationship can be located. To illustrate the dynamics of a buyer-supplier relationship, Cox (2001a) stated that a buyer will try to reposition their relationship to the 'buyer dominance' quadrant in the power matrix while a supplier will simultaneously try to move to the 'supplier dominance' quadrant.[73] An analogy can be made to two teams eternally pulling a rope on both sides: if neither party is more powerful the teams remain balanced either in a state of independence or interdependence.

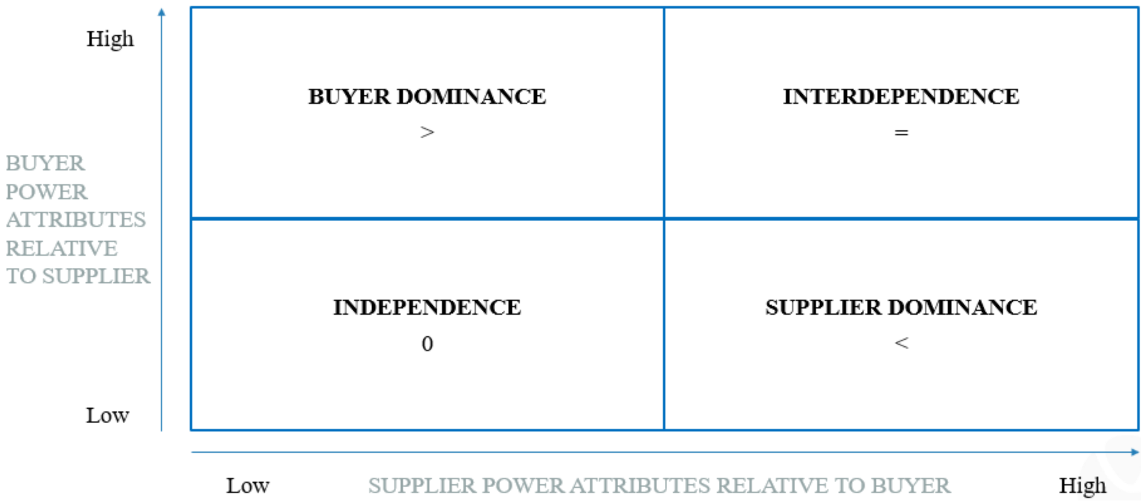

Figure 1 Power Matrix: The attributes of buyer and supplier power (Cox et al. (2000), p. 18)

The Power Matrix is basically constructed around the idea that all buyer and supplier relationships are predicated on the relative utility and the relative scarcity of the resources that are exchanged between the two parties. In the 'buyer dominance' box, the buyer has power attributes relative to the supplier that provide the basis for the buyer to leverage the supplier's performance on quality and/or cost improvement and ensure that the supplier receives only normal returns. In the 'interdependence' box, both the buyer and the supplier possess resources that require the two parties to the exchange to work closely together, since neither party to the exchange can force the other to do what it does not wish to do. In this circumstance, the supplier may achieve above-normal returns but must also pass some value to the buyer in the form of less-than-ideal returns, as well as some degree of innovation. In the 'independence box', neither the buyer nor the supplier has

[73] See Cox (2001a), p. 10.

significant leverage opportunities over the other party, and the buyer and the supplier must accept the current prevailing price and quality levels. Fortunately for the buyer, this price and quality level is often not that advantageous for the supplier because the supplier has few leverage opportunities (other than buyer ignorance and incompetence) and may be forced to operate at only normal returns. In the 'supplier dominance' box, the supplier has all of the levers of power. It is in this box that one would expect the supplier to possess many of the isolating mechanisms that close markets to competitors and many of the barriers to market entry that allow above-normal returns to be sustained. In such an environment, the buyer is likely to be both a price and quality receiver.[74] As stated by Cox (2001b), if an improvement in value is to be achieved, it is imperative that buyers and suppliers try to change the current power circumstance they are in to one that is more conducive for every area of spend for which they are responsible. This implies that it is essential for practitioners to find ways of moving the buyer-supplier relationships from the current power circumstance to one that improves value appropriation for them in the future.[75]

2.2 A detailed overview of all strategic options is provided

2.2.1 The strategic options can be observed in a dyadic or network relationship context

Now, after an extensive review about the concepts of power and dependence is provided, strategic options will be discussed next. Following the literature analysis of Habib et al. (2015), there exist five different strategic options available for a weaker actor to counteract power dominance. The choice to follow the ideas of Habib et al. (2015) is made because these scholars already employed a systematic literature review methodology regarding theory that is linked to the phenomena of interest of this study. Eventually Habib et al. (2015) were able to draw conclusions based on theory derived from 48 different studies. In case of this research, the 'weaker actor' is defined in accordance with dependency theory as the vulnerable party in a (dependence) asymmetric buyer-supplier relationship who is dependent upon the powerful partner in achieving a certain business objective.[76] Controversially, the 'stronger actor' in asymmetrical relationships is recognized as being more influential and able to exercise control over the

[74] See Cox (2001a), p. 13.
[75] See Cox (2001b), p. 44.
[76] See Mahapatra et al. (2010), p. 539; p. 550.

other party.[77] The available options for the weaker actor are: collaboration, compromise, diversification, coalition, and exit. As can be noticed, these options correspond to a certain extent with the conflict management styles (i.e. collaborating, compromising, avoiding, accommodating, and confronting) as explained by Bobot (2010). She examined how use of these approaches in dealing with different types of conflict can improve buyer-seller relationships.[78] However, by considering these conflict management styles as strategic options available for a weaker actor, it is automatically suggested that (dependence) asymmetric buyer-seller relationships always contain a certain level of conflict. Since this does not necessarily have to be the case[79], the conflict management styles are not considered as individual strategic options but rather as approaches in dealing with different types of conflict. Therefore these approaches can better be related to one of the underpinning factors influencing the choice of a specific strategic option.

While examining the properties of the five strategic options, evidence is found that they can be divided into one of the following categories: 1) exiting the relationship; 2) addressing the dominance of the stronger actor and continuing with the existing relationship; or 3) addressing the dominance of the stronger actor by reaching out into the network of relationships in which the focal buyer-supplier relationship is embedded.[80] Based on whether there are sources available for the weaker actor to change the power situation in the relationship, and under which circumstances the dominance is addressed, i.e. in a dyadic or network context, a 2-by-2 matrix can be designed. An overview of the seven strategic options and their position in the matrix is displayed in figure 2 below. Furthermore, as already mentioned in the intro section of this paper and further discussed in chapter 2.3, attractiveness is considered as additional strategic option and therefore included in the matrix as well.

[77] See Siemieniako & Mitręga (2018), p. 91.
[78] See Bobot (2010), p. 292.
[79] See Caniëls et al. (2018), p. 343.
[80] See Habib et al. (2015), p. 188.

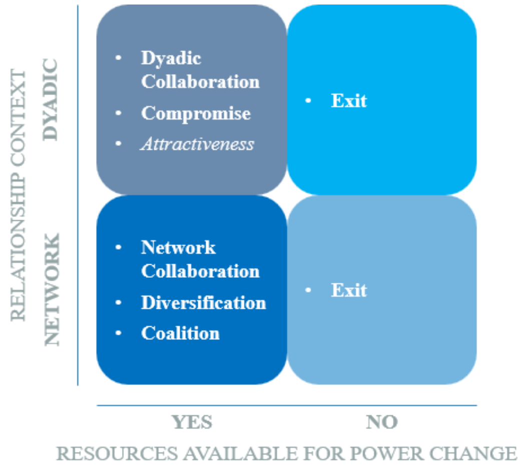

Figure 2 Weaker actor's strategic options for counteracting a power dominance of a stronger actor in buyer supplier relationships

2.2.2 Collaboration as a strategic option: by enhancing the importance of its resources a weaker actor is able to counteract the power dominance of a considered stronger partner

Collaboration is the first strategic option available for the weaker actor in order to counteract the dominance of a stronger actor and is found by Schmoltzi & Whu (2012).[81] Following conflict management theory, this option can be referred to as 'integration' as well since the ultimate end state of cooperative/collaborative relationships is called (vertical) integration; i.e. long-term continuous relationships built on mutual dependence and based on quality, delivery, and technical support rather than price.[82] As stated by Thomas (1992), collaboration encourages the pursuit of a solution that fully satisfies the concerns of both actors, either buyer or supplier. Research done by Caniels et al. (2010) explains that a weaker actor is able to counterbalance the power dominance by adopting this strategy due to enhancing the importance of its resources for the stronger actor.[83] Wyld et al. (2012) continue that this objective can be achieved by a weaker actor by collaborating either within a focal dyad (i.e. dyadic collaboration) or at the network level (i.e. network collaboration).[84] For both types of collaboration is the objective the same, namely to enhance the importance of a weaker actor's resources for the stronger actor. Only the means for both types of collaboration are different. Habib et al. (2015) try to illustrate that weaker players are able to address power asymmetry through collaboration within the dyad by using an example of Akpinar & Zettinig (2008) about the US automotive industry. An automobile parts supplier (in this case the weaker actor)

[81] See Schmoltzi & Whu (2012), p. 54.
[82] See Bobot (2010), p. 292; p. 295.
[83] See Caniëls et al. (2010), p. 125.
[84] See Wyld et al. (2012), p. 332.

who deals with powerful automobile manufacturers, adopted an innovation-driven growth strategy to increase the importance of its resources and reinvested at least seven per cent of its before-tax profit for research and development to regularly introduce patented innovations. This eventually resulted in sales growth (annually) of more than twenty per cent for over a decade.[85] As can be extracted from this example, the weaker actor changed the transactional nature of the interdependence of the buyer-supplier relationship towards a collaborative one.[86] However, there do also exist scholars who make notion from another angle. For instance Cai & Yang (2008) argue that there exist situations when a weaker actor does not possess all the necessary resources to develop a collaborative relationship within the focal dyad and that in such situations the weaker actor has the possibility to tie itself more closely to the actor holding the more powerful position in the focal relationship or to other players in the network that possess the required assets and resources, i.e. network collaboration (see figure 1B above).[87] The second example given by Habib et al. (2015) – which is derived from the work of Anderson et al. (1994) – concerns the Danish printing industry[88]. The example pictures a small label printing company (*casu quo* weaker actor) that simultaneously used collaborative relationships both within and outside the focal relationship to improve its power position with the more powerful actor which is in this case a large beverage producer. For the weaker actor this relationship was besides the involved sales volume also important because of the entailed status and legitimacy that derived from the association with the beverage company. However, due to closure of the factory supplying paper to the printing company, this sketched relationship was at risk, but by initiating a collaborative product development program between different paper manufacturers and the beverage producer, the printing company gave a quick and proactive response, resulting in the development of an alternative label paper. By doing so, the weaker actor improved its power position within the relationship and hence strengthened its reputation as a reliable partner for the future.[89]

[85] See Akpinar & Zettinig (2008), p. 349.
[86] See Habib et al. (2015), p. 189.
[87] See Cai & Yang (2008), p. 57.
[88] See Anderson et al. (1994), p. 5.
[89] See Habib et al. (2015), p. 189.

2.2.3 Compromise as a strategic option: the weaker actor is left with no other choice than to accept the status quo in order to counteract the power dominance of a stronger partner

This concerns the second – and by Hausman & Johnston (2010) – identified strategic option for the weaker actor in a dyadic relationship. Bobot (2010) argued that the objective of compromise is to find a for all parties involved satisfying, quick and mutually agreeable solution with the aim of gaining future mutual benefits from an ongoing, continuous relationship.[90] The extent to which the weaker actor feels powerless in a buyer-seller relationship simply accepting the prevailing power asymmetry in the relationship influences in this case its decision to compromise.[91] As documented by Collins et al. (2011), statements like "splitting the difference" and "seeking the middle ground" are typically indicators of compromise.[92] Gelderman et al. (2008) stated that whenever the weaker actor feels to be treated unfavorably by the stronger actor due to the presence of unfavorable conditions like e.g. inflexible contracts, and they do not have a choice rather than to accept the status quo if they want to last the relationship with its stronger partner, than this strategic option arises. This leads to the assumption that weaker actors (in most cases those operating in monopolistic markets) are often left with no choice than to compromise while dealing with a stronger actor.[93] Caniëls & Gelderman (2005) illustrated this theory by an investigation in the Dutch natural gas market.[94] A monopolistic supplier, who had the power to execute threats, with generally large financial penalties, forced the buyers (in this case the weaker actors) to comply with the strict contractual terms and conditions. Whenever they did not do so, i.e. in cases of non-compliance, the dominant supplier made it impossible for the buying firm to keep doing business as usual. This resulted in weaker buyers signing and complying with a detailed and inflexible contract, thereby accepting the existing power imbalance in the buyer-supplier relationship since they had no other choice than to do so to prevent itself from going bankrupt.[95]

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90 See Bobot (2010), p. 295.
91 See Cox et al. (2004), p. 360.
92 See Collins et al. (2011), p. 115.
93 See Gelderman et al. (2008), p. 224.
94 See Caniëls & Gelderman (2005), p. 147.
95 See Habib et al. (2015), p. 190.

2.2.4 Diversification as a strategic option: by entering into relationships with alternative business partners allows an organization to mitigate or neutralize a stronger actor's power dominance

This concerns the third strategic option which is identified by Bruyaka & Durand (2012) and indicates as stated by Anderson & Jap (2005) a weaker actor's intent to establish one or more long-term relationships beyond the dyadic buyer supplier-relationship without actually doing harm to the relationship with the stronger actor.[96] This option available to a weaker actor allows an organization to mitigate or neutralize a stronger actor's power dominance by entering into relationships with alternative business partners resulting in mitigated potential negative effects by minimizing its reliance on the specific partner.[97] Handley & Benton (2012) tried to picture this phenomenon with an example based on their study among a variety of business functions and industries including the traditionally buyer-dominated US automotive industry.[98] By entering new markets, suppliers may adopt diversification strategies. They can increase their number of buyers and by doing so, decrease the dependence in the asymmetric buyer-supplier relationship they hold with any single buyer. Thereby, conversely, the weaker supplier is able to increase their power position in that particular relationship.[99] Moreover, as is indicated by Akpinar & Zettinig (2008), utilizing the diversification option enabled suppliers to become system's integrators due to the improved cumulative importance of their resources.[100] However, although it is clear that diversification brings the weaker actor more visibility and legitimacy, diversification also comes with certain costs.[101] The increased costs derived from the necessity to manage time and resource requirements of partners in a more diversified portfolio of buyer-seller relationships, may affect the survival of the weaker actor. Bruyaka & Durand (2012) for instance found empirical evidence for this sketched situation in the French biotechnological industry.[102] They observed that – in line with theory developed by Wyld et al. (2012) – smaller, less powerful organizations that are dealing with a portfolio consisting of several powerful partners were required to balance diverse interests and goals. As a result, this places a considerable strain on the resources

[96] See Anderson & Jap (2005), p. 80.
[97] See Mukherji & Francis (2008), p. 155.
[98] See Handley & Benton (2012a), p. 58.
[99] See Handley & Benton (2012b), p. 256.
[100] See Akpinar & Zettinig (2008), p. 351.
[101] See Helm et al. (2006), *findings*.
[102] See Bruyaka & Durand (2012), p. 9.

and capabilities of the weaker actors.[103] It is therefore critical for those actors to be self-critical while evaluating the costs and benefits that derive from entering new relationships with stronger partners; i.e. diversification.[104]

2.2.5 Coalition as a strategic option: building a temporary, means-oriented alliance among players with different goals beyond the focal dyad to counteract the power dominance of a stronger actor

This is the fourth strategic option found in the literature review of Habib et al. (2015) and first introduced by Choi & Linton (2011). As stated by Habib et al (2015) and extracted from the work of Bastl et al. (2013), coalition building beyond the focal dyad can be defined as "a temporary, means-oriented alliance among players with different goals" which is distinctly different from collaborative alliances formed through diversification since coalitions have a short-term focus and can take place between two competing actors – e.g. two suppliers or two buyers.[105] According to Bastl et al. (2013) typical indicators of coalition relationships are the nature of the relationship which is normally informal, the fact that these relationships are non-contractual and the fact that they last for a shorter period of time opposed to long-term strategic alliances that are characterized as formal, contractual relationships whereby the goals of participating actors are aligned with those of allies.[106] The use of this strategic option to counteract the dominance of the stronger, more powerful player in the relationship is illustrated by the case of LG Electronics (LGE). In this example found by Choi & Linton (2011), LGE established an informal coalition relationship with TSMC Taiwan and a supplier of Qualcomm. In this case, Qualcomm was holding the more powerful position and the coalition between the other parties was formed in order reduce Qualcomm's power and hence their demand for more favorable delivery terms.[107]

2.2.6 Exit as a strategic option: terminating the existing relationship and hence get rid of a stronger partner's power dominance

Gulati et al. (2008) identified this fifth and last by Habib et al. (2015) investigated strategic option. In general, the strategic option seems to be applied by the weaker actor

[103] See Habib et al. (2015), p. 190.
[104] See Lindgreen & Pels (2002), p. 86.
[105] See Habib et al. (2015), p. 190.
[106] See Bastl et al. (2013), p. 12.
[107] See Choi & Linton (2011), p. 115.

whenever they are willing to terminate the existing relationship (Hirschman, 1970), either in a dyadic or a network context. Exit occurs when the expected costs of staying in the relationship outweigh the benefits. In case of exit, one actor does no longer view the relationship with another actor as ongoing, and in such case, the interdependence between them has come to an end.[108] Since the weaker actor has broken the relationship, the links between both parties (e.g. exchange of goods and services, personal relationships, etc.) are broken as well.[109] As stated by Tiemkes & Furrer (2010), is exit the ultimate and most destructive response (i.e. strategic option) to power imbalance available for the weaker actor.[110] Alajoutsijarvi et al. (2000) denoted that in this case the focus is on changing/replacing the business partner instead of the more gentle option pertaining the improvement of the existing relationship.[111] However, a comment has to be made since not all exits are the same. In literature there appears to be four types of exit strategies, namely: silent, communicated, negotiated and disguised.[112] The first type of exit, i.e. silent exit occurs when the weaker actor has no need to communicate about its wishes to exit the relationship with its partner who is holding the dominant position.[113] According to Alajoutsijarvi et al. (2000), this type of exit strategy is common observed in project based relationships where both parties have agreed upon a finite life. Once the predetermined ending date of the relationship is reached, the weaker actor can in such situations easily move on and silently exit from the relationship.[114] The second type of exit, i.e. communicated exit is about a weaker actor informing a more powerful partner about its wish to break the links between them as they are unsatisfied with the current relationship. Eventually, this can result in hostility and a largely irrevocable breakdown in the relationship. Furthermore, negotiated exit is identified. This type of strategy occurs whenever a weaker actor negotiates with a more powerful business partner without hostility or argument about the disengagement of the relationship. In such a case, as argued by Alajoutsijarvi et al. (2000), both parties accept that disengagement is inevitable and therefore they are willing to discuss the exit terms with mutual understanding. The final exit strategy available for the weak actor is disguised exit. This type occurs when a less dominant actor does not directly notify its dominant partner about its desire to end

[108] See Gulati et al. (2008), p. 148 – 149.
[109] See Tahtinen (2002), p. 332.
[110] See Tiemkes & Furrer (2010), p. 5.
[111] See Alajoutsijarvi et al. (2000), p. 1275.
[112] See Habib et al. (2015), p. 191.
[113] See Pressey & Matthews (2003), p. unk.
[114] See Alajoutsijarvi et al. (2000), p. 1275

the relationship, but by creating a situation in which the relationship remains unsustainable – e.g. a buyer that does not fulfil its payment obligations on time, the weaker actor show their intended exit plans.[115]

2.3 For all underpinning factors an overview is provided regarding its influence on a weaker actor's choice to apply a certain strategic option to counteract a power dominance of a stronger player

2.3.1 Interpersonal factors are excluded from this research

Based on the literature review of Habib et al. (2015) it can be concluded that previous studies have evinced the existence of five underpinning factors that influence the choice of strategic options available to the weaker actor to counteract the dominance of the stronger actor. This subpart of the paper's literature section contains an introduction of each underpinning factor and is shown how they may affect the weaker actor's choice of strategic options either at the dyadic or network level. In figure 2, an illustration of these seven factors in relation with the available strategic options is presented. While evaluating the underpinning factors, Habib et al. (2015) only consider firm/organizational factors (such as reputation and competencies of a partner). For the sake of this research, their ideas are followed and therefore interpersonal factors (such as effective communication, cultural sensitivity and likability of a partner) are not taken into account. Additionally, it is important to consider that some factors to a certain extent are interrelated and/or depend on each other. For instance, the number of available alternatives can be related to coercive power and the nature of interdependence to expert power. This given, enhances the importance to be aware of the overlap between factors while analyzing the study's results.

2.3.2 Nature of interdependence: the higher the importance of a weaker actor's resources for the more powerful actor, the better the relative power position of the considered weaker actor becomes

The choice of a strategic option can be influenced by the nature of interdependence. As stated by Caniëls & Gelderman (2007), is it for sure that in an exchange relationship, a firm always, to a certain extent, depends on its business partner.[116] Following the definition of Frazier & Summers (1984), dependence can be described as the need of a

[115] See Alajoutsijarvi et al. (2000), p. 1274.
[116] See Caniëls & Gelderman (2007), p. 220.

firm to maintain a relationship with another actor, i.e. its trading partner, to achieve its own goals.[117] An intense strong, often cooperative and long-term relationship between two parties is indicated by a high level of interdependence. However, it is uncommon and rare that this interdependence between two trading partners is fully symmetric. Normally, it can be considered rather asymmetric and is often referred to as relative dependence, which is defined by Anderson & Narus (1990) as the difference in level of dependence between the actors in the focal dyad.[118] Relative dependence eventually results in power differences in buyer-supplier relationships. Pfeffer & Salancik (1978) described this phenomenon as that if actor A depends on actor B's resources more than B depends on A's resources, then B has power over A.[119] The higher the importance of a weaker actor's resources for the more powerful actor; i.e. the more these resources exhibit VRIN characteristics, the better the relative power position of the considered weaker actor becomes.[120] Bloom & Perry (2001) tried to illustrate this statement by providing an example from the US retail sector. In this sector weak retailers were successful in counteracting the dominance of Walmart – that is considered to be the stronger actor. These firms were proactive in enhancing the importance of their resources through brand equity, market knowledge and granting of certain concessions, and because of that, were able to establish collaborative long-term relationships with Walmart. These established relationships can be considered as competitive advantage since they acted as an entry barrier for other competitors. The other retailers, who remained passive and did not possess or develop resources with VRIN characteristics, had no choice but to compromise and comply with the strict terms and conditions set by Walmart.[121]

2.3.3 Relationship governance: the presence and design of formal and/or informal mechanisms determine what strategic option will be chosen by a weaker actor to counteract a stronger firm's power dominance.

With this underpinning factor, as stated by Pilbeam et al. (2012), there is referred to the institutional instruments or formal and informal mechanisms that serve and can be used as safeguards for buyers and suppliers to enable them to establish, structure and govern

[117] See Frazier & Summers (1984), p. 44.
[118] See Anderson & Narus (1990), p. 43.
[119] See Pfeffer & Salancik (1978), p. 113.
[120] See Barney (1991), p. 105 – 112.
[121] See Bloom & Perry (2001), p. 383.

inter-firm exchanges.[122] The choice of a strategic option can be influenced by the relationship governance. As argued by Gulati et al. (2008), for instance, exit pathways – which may be either symmetric or asymmetric – can be influenced by the design of formal contracts.[123] Here, the term symmetric exit pathways refers to equally easy or difficult exit of the relationship for both partners whilst asymmetric indicates that it is easier for one actor to exit the relationship than for the other. In case of ‘difficult’ exit partners are more likely to remain dedicated to the relationship during rough/hard times, and to build trust and a deeper commitment in general which, of course, is advantageous. In case these kind of situations appear, the weaker actor negotiates the terms and conditions to end the relationship with its stronger business partner. On the other hand, as Harrison (2004) continues, brings ‘easy’ exit flexibility with regard to strategic decision making and resource allocation.[124] The weaker actor is in this case of ‘easy’ exit, for instance, provided with an opportunity to disengage from the unsatisfactory relationship silently, in disguised form, or by communicating its intentions to its more powerful partner.[125] Wu et al. (2010) posited that because of the flexible nature of informal relationship governance, this specific underpinning factor can persuade weaker actors to accept the power dominance of its stronger partner and develop a satisfactory long-term relationship.[126] However, informal relationship governance does not provide the mechanisms necessary to safeguard any investments made by the weaker actor in the focal relationship which is illustrated with an example about a US-based paint manufacturer and its more powerful partner (a Japanese car manufacturer), where the former had to file for bankruptcy due to the absence of formal contracts the moment the latter ended the relationship without any prior notice.[127]

2.3.4 Sources of power: if a stronger actor exercises mediated power, a weaker actor will select another strategy to counteract power dominance than if non-mediated power tactics are used

The choice of a specific strategic option might also be influenced by several, different sources of power whereby the existing bases of power can be divided into two segments,

[122] See Pilbeam et al. (2012), p. 3.
[123] See Gulati et al. (2008), p. 150.
[124] See Harrison (2004), p. 110.
[125] See Pressey & Qiu (2007), p. unk.
[126] See Wu et al. (2010), p. 120.
[127] See Gulati et al. (2008), p. 148.

i.e. mediated power and non-mediated power. This dichotomy reflect whether the source does or does not control the reinforcements (e.g., rewards or punishments).[128] Mediated power represents competitive and negative uses of power while non-mediated power sources are more relational and positive in orientation.[129] As stated earlier in this section, if a stronger actor exercises mediated power, it typically applies coercive tactics on the weaker actor, while in case of exercising non-mediated power, no such tactics are used.[130] Considering an example describing a situation in the Dutch public-utility sector where strong, powerful suppliers used both reward and coercive tactics to control the payment behavior of their weaker business partners (the buyers), Gelderman et al. (2008) found that the weaker actor was left with no choice than to compromise if it wanted to continue the relationship thereby accepting the existing power imbalance. Otherwise the relationship would come to an end and was the weaker buyer forced to find an alternate form of energy.[131]

In contrast to previous example, the study of Maloni & Benton (2000) revealed that the use of non-mediated power in the Japanese automotive industry allowed the development of long-term partnerships. In this case, the weaker suppliers attempted to establish close ties by participating in joint new product development initiatives while being encouraged by the positive relationship building approach of their stronger partners. This approach enabled the weaker suppliers to gain access to industry intelligence created by these collaborative business relationships. Because of the importance of this newly acquired skill, the weaker actors were able to shift the power imbalance in their favor.[132]

2.3.5 Switching costs: the sacrifices or penalties consumers feel they may incur in moving from one provider to the next determine a weaker actor's strategic choice

As argued by Caniëls & Roeleveld (2009), switching costs can be seen as an influencer of interdependence.[133] Switching costs influence the choice of strategic options available to a weaker actor to counteract the dominance of the stronger actor as well and refers to "the sacrifices or penalties consumers feel they may incur in moving from one provider

[128] See Tedeschi et al. (1972), p. 292.
[129] See Benton & Maloni (2005), p. 4.
[130] See Maloni & Benton (2000), p. 10.
[131] See Gelderman et al. (2008), p. 225.
[132] See Maloni & Benton (2000), p. 3.
[133] See Caniëls & Roeleveld (2009), p. 409.

to the next".[134] The switching costs can be divided into two types of costs namely: break-off costs; i.e. costs that form a barrier to end old business relationships, and set-up costs; i.e. costs that form a barrier to engage in new business relationships.[135] A weaker actor has to consider the various costs (e.g. legal costs) of shifting from one partner to another whenever it has to make a choice between continuing the relationship or to exit the relationship with a business partner. Since the relationship between switching costs and dependency of a weaker actor on a more powerful actor is linear positive, higher switching costs consequently result in higher power difference between the weaker and stronger actor in a buyer-supplier relationship.[136] Besides a distinction in type of switching costs, another division can be made. Switching costs are typically either considered as relationship-specific assets or as legal costs whereby the former, according to Anderson & Jap (2005), refers to investments that are sunk costs which cannot be redeployed easily to another relationship without some sacrifice in the productivity of the assets or some cost incurred in adapting them to the new context.[137] Previous to the study of Anderson & Jap (2005), Harrison (2004) already found that these kind of investments make it extremely difficult for firms holding the weaker position in a relationship to switch partners. Therefore, these actors are rather encouraged to either collaborate to improve their power position in the relationship or to accept the status quo by compromising and complying with the terms and conditions set by the stronger actor.[138]

2.3.6 Type of conflict: dysfunctional conflict often results in the application of the 'exit' strategy, while functional conflict often enhances the prospect of a satisfactory, long-term relationship

Before elaborating on this factor, a critical side note has to be made since Habib et al. (2015) give the impression that buyer-supplier relationships always imply conflicts. As stated before in this chapter, this does not necessarily have to be the case.[139] Of course, there is a reasonable chance that conflicts will occur in buyer-supplier relationships, but it is incorrect to assume and start of from the concept that both parties are in conflict with each other. However, in case there arises a conflict in the relationship, this will influence

[134] Jones et al. (2007), p. 337.
[135] See Harrison (2004), p. 114.
[136] See Habib et al. (2015), p. 194.
[137] See Anderson & Jap (2005), p. 79.
[138] See Harrison (2004), p. 111.
[139] See Caniëls et al. (2018), p. 343.

the choice for a specific strategic option. Following the literature review of Habib et al. (2015), who were able to define type of conflict as the disagreements between two business partners regarding the tasks being performed, conflicts between buyers and suppliers exist in two different forms namely: functional or dysfunctional conflict.[140] Functional conflict is often designated as initiator of positive as well as the more frequently anticipated negative outcomes and occurs when actors have different viewpoints.[141] Positive outcomes arise due to the fact that functional conflict allows buyers and sellers to identify and discuss alternative perspectives, which eventually enables the removal of impediments and enhances the prospect of a, for both parties satisfactory, long-term relationship. Anderson et al. (1994) pictured this with an example of a Swedish saw-equipment producer who overcame a source of contention with a large saw mill, and strengthened its ties with that same mill due to its participation in a joint program with the aim to develop specialized saws to cut a specific material. By collaborating in the joint program, both business partners successfully overcame this functional conflict since the collaboration enabled them to develop the required equipment.[142]

Dysfunctional conflict, on the other hand, which arises from dysfunctional behaviors, dissatisfaction and poor individual or group performance, produces according to Bobot (2010) tension and antagonism, and as a result, distracts people from their task performance.[143] It is often observed that a weaker actor opts in case of dysfunctional conflict to exit the exchange relationship as a response to its partner's dominance. An example of this can be found in the work of Pressey & Matthews (2003), who presented that an UK based supplier in the fashion industry opted to exit the relationship because a certain buyer, holding the dominant position in this relationship, habitually switched suppliers to get better deals.[144]

2.3.7 Relationship closeness: an organization's willingness to rely on an exchange partner in whom one has confidence influence a weaker actor's strategy choice

This sixth and penultimate identified underpinning factor that influences a weaker actor's choice of a specific strategic option refers to a) the level of trust and b) the extent of

[140] See Habib et al. (2015), p. 195.
[141] See Bobot (2010), p. 311.
[142] See Anderson et al. (1994), p. 5.
[143] See Bobot (2010), p. 294.
[144] See Pressey & Matthews (2003), p. 146.

information sharing between the partners in a power asymmetric exchange relationship. As Moorman et al. (1993) denoted, trust can be defined as the “willingness to rely on an exchange partner in whom one has confidence”.[145] Theory on trust suggests that an actor’s confidence in a business partner is resulting from the established belief that the partner is reliable and predictable; i.e. the partner will perform according to what is expected even if their performance is not monitored or controlled. The level of trust increases over time. The longer the duration of the buyer-supplier relationship, the higher the level of trust between two partners, eventually resulting in increased sustainable long-term benefits.[146]
As argued by Caniëls & Gelderman (2010), it are relationship-specific assets who drive the increase in level of trust and relationship longevity.[147] In this case, a good example can be extracted from the work of Christiansen & Meltz (2002), who showed how a weaker actor in the Danish electronics sector improved its power position by focusing on the level of closeness with its stronger partner. A small company called GEL, was able to develop a ‘special’ relationship with a major electronics supplier (NEC). This special relationship was normally reserved only for large customers, but due to extensive and prolonged face-to-face contact they were able to develop this sort of relationship with their dominant business partner. Using its specialist knowledge, GEL collaborated with NEC in innovation projects. Both parties benefited from the relationship since GEL had the patent to use the new technology while NEC benefited from GEL’s specialist knowledge to upgrade its other commercial products.[148]
As stated by Lindgreen & Pels (2002), the extent of information sharing refers to the level of detail and the frequency of information exchanged between partners.[149] Helper & Sako (1991) illustrated this by referring to the Japanese care industry where close relationships based on information exchange were formed between small suppliers and powerful automobile producers to solve shared problems. Because of the higher levels of information sharing, the suppliers were encouraged to make investments resulting in improved quality, just-in-time delivery and product and process innovation.[150]

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[145] Moorman et al. (1993), p. 82.
[146] See Anderson & Narus (1990), p. 57.
[147] See Caniëls & Gelderman (2010), p. 246 – 250.
[148] See Christiansen & Maltz (2002), p. 185 – 195.
[149] See Lindgreen & Pels (2002), p. 71 – 73.
[150] See Helper & Sako (1991), p. 26.

2.3.8 Available alternatives: the more extensive a weaker actor's supplier portfolio, the greater the power of a weaker actor in a specific buyer-seller relationship

The last and seventh by Habib et al. (2015) extracted factor from existing literature that influences the choice of a strategic option is the number and quality of alternative partners. As argued by Caniëls & Gelderman (2007), is the necessary leverage to counteract power difference by establishing links with other actors outside the focal relationship provided by the availability of a greater number and better quality of available alternatives.[151] By managing a portfolio consisting of multiple relationships a weaker actor can reduce its reliance on a particular partner significantly. It is argued that the more extensive its portfolio, the greater the power of a weaker actor in a specific buyer-seller relationship is.[152] However, where it is difficult for a weaker actor to acquire alternative resources form outside the focal relationship, the actor might be left with no other choice than to compromise.[153]

Habib et al. (2015) identified both 'switching costs' and 'available alternatives' as individual underpinning factors. However, instead of being assigned as an individual factor, these factors are often considered/treated as (sub)parts and influencers of (inter)dependence. As stated by Caniëls & Roeleveld (2009), organizational dependence contains four key determinants that are relevant in business-to-business relationships including switching costs and the availability of alternatives. They continue stating that in case of 'available alternatives' a firm will be highly dependent if its business partner is the sole source of a specific resource. In other words, having zero or few available alternatives immediately results in being dependent on that specific partner in the dyadic exchange relationship. Similarly, the more alternative customers a supplier has for a specific resource, the less dependent the supplier is on the outsourcing firm, hence, the more dependent the outsourcing firm is on the supplier. Furthermore, considering 'switching costs' as influencing factor of (inter)dependence makes sense as well since a firm will be highly dependent on its business partner if replacing that partner is costly.[154] In other words, as determined by Frazier (1983), switching costs reflects a buyer's dependence on a vendor, which refers to a buyer's need to maintain his or her relationship

[151] See Caniëls & Gelderman (2007), p. 223 – 224.
[152] See Caniëls & Gelderman (2010), p. 243.
[153] See Sanderson (2001), p. 16 – 18.
[154] See Caniëls & Roeleveld (2009), p. 405.

with a supplier to achieve desired goals.[155] Since both 'switching costs' and 'available alternatives' are considered influencers of (inter)dependence, the relation between these factors can be displayed as in figure 3 below.

Figure 3 Relation between the underpinning factors switching costs, available alternatives and (inter)dependence influencing the choice for a strategic option

2.4 Attractiveness is added to the list with strategic options applicable for a weaker actor

2.4.1 Increasing a firm's attractiveness reduces the urge of a dominant business partner to (mis)use its power

In the classic marketing approach, buyers are competing for suppliers, rather than the converse interactions. More specific, this approach examines buyer-supplier relations based on the assumption that to successfully sell products and services, suppliers attempt to become as attractive as possible to (potential) buyers.[156] However, in the last decades, a counterintuitive inversion of this classical view named 'reverse marketing'[157] has gained support by many scholars. This scenario takes the viewpoint of customers competing for capable suppliers – which is in contrast to the preliminary followed classic marketing approach – and involves different managerial activities. As stated by Schiele & Vos (2015), among others, dependency issues become in this case more relevant since a buying firm strives to achieve competitive advantage over its rivals by seeking to better access to the resources of industry's core suppliers.[158] Due to the increased competition for supplier resources, as a result, Ulaga & Eggert (2006) argue that firms have fundamentally changed the way they manage supplier portfolios, and customers have increasingly moved away from an adversarial relationship management style with many suppliers toward a logic of building long-term relationships with selected key suppliers.[159]

[155] See Frazier (1983), p. 160.
[156] See Schiele et al. (2012), p. 1178.
[157] See Leenders & Blenkhorn (1988), p. 2.
[158] See Schiele & Vos (2015), p. 139.
[159] See Ulaga & Eggert (2006), p. 119.

Consequently, as argued by Vos et al. (2016), firms tended to reduce their supplier base[160], often resulting in the core supplier capturing up to three-quarters of the buyer's business in a particular category.[161] The need of firms to consolidate supplier bases derives from the explanation that it is impossible to maintain 'close-tie' buyer-supplier relationships with large numbers of business partners.[162] However, being dependent on only a few suppliers may lead to supplier obstructionism and increases the risk for buying firms. The cause for this has been identified by Cousins & Crone (2003) in the form of a negative one-sided relationship with the buyer being dependent on the supplier.[163] A scenario whereby a firm is denied access to another firm's resources while being dependent on them would be the worst case scenario for the buying firm in such a one-sided relationship.[164] The potential solution to this risk is the discussion of the concept 'customer attractiveness' which can be defined as "a supplier's assessment of a customer, made on the basis of anticipated outcomes arising from customer-supplier interaction within a relationship".[165] As argued by Schiele & Vos (2015) this potential solution can be further explained by just simple, logical reasoning. They state that: "if the buyer is sufficiently attractive to the supplier, the latter will not abuse its power and instead provide privileged resource access".[166] Their investigation towards buyer-supplier relationships proves "it is not dependency as such that is the problem in the presence of close ties, but rather the coincidence of low attractiveness to the partner and a high degree of dependency on that same partner".[167] Taken this statement into account, it is justifiable to conclude that being dependent on a partner does not necessarily have to imply negative effects, as long as the dependent firm is sufficiently attractive to the dominant partner. Schiele & Vos (2015) continue, by addressing both the need for suppliers to become a preferred supplier to their customers, as well as addressing the need for customers to become a preferred customer of their suppliers and as a result receive preferential treatment from them in event of e.g. collaborative development, production shortages and innovation sharing.[168] Preferred customer status is a special form of customer

[160] See Vos et al. (2016), p. 4613.
[161] See Schiele & Vos (2015), p. 140.
[162] See Schiele & Vos (2015), p. 140.
[163] See Cousins & Crone (2003), p. 1467.
[164] See Schiele & Vos (2015), p. 140.
[165] Rocca et al. (2012), p. 1244.
[166] Schiele & Vos (2015), p. 140; as well as Schiele et al. (2011), p. 7.
[167] Schiele & Vos (2015), p. 140.
[168] See Schiele et al. (2011), p. 7.

attractiveness[169] and can be defined as a situation in which the supplier offers the customer a preferential resource allocation.[170] As stated by Hüttinger et al. (2012), the decision to assign preferred customer status to a certain customer is influenced by the attractiveness of that buying firm.[171] In this case it is important to note that preferred customer status implies a strategic prioritization by suppliers and is expressed as the preferential behavior towards the customer, whereas customer attractiveness, in this paper, exclusively refers to the positive image of the customer in the eyes of the supplier. Huttinger et al. (2012) continue that besides customer attractiveness, supplier satisfaction is another necessary condition for achieving preferred customer status.[172] With supplier satisfaction, one refers to the buyer's ability to live up to the expectations of the supplier[173], or more precise, supplier satisfaction refers to "a supplier's feeling of fairness with regard to buyer's incentives and supplier's contributions within an industrial buyer–seller relationship".[174] Vos et al. (2016) add to that stating that this type of satisfaction significantly influences the buyer-supplier relationship and directly links to the quality of the relationship and to value creation.[175] Since the concepts of customer attractiveness, supplier satisfaction and preferred customer are clearly interwoven, they must be analyzed in an integrative manner.[176]

2.4.2 The circle of preferred customership: three consecutive steps to become a supplier's preferred customer

As indicated before, Schiele et al. (2011) argue as cited by Vos et al. (2016) that buyers should view the supplier as a key source of competitive advantage and innovation and try to achieve preferred customer status.[177] This status can be seen as the ultimate reward of customer attractiveness; i.e. preferred customer status given by the supplier as a reward to the buyer who offers a value creation to the supplier.[178] Since privileged access to the best suppliers provides a firm with competitive advantages, a logical consequence is that

[169] See Schiele & Vos (2015), p. 141.
[170] See Steinle & Schiele (2008), p. 11.
[171] See Hüttinger et al. (2012), p. 1202.
[172] See Hüttinger et al. (2012), p. 1194.
[173] See Schiele et al. (2012), p. 1181.
[174] See Essig & Amann (2009), p. 104.
[175] See Vos et al. (2016), p. 4613.
[176] See Hüttinger et al. (2012), p. 1195.
[177] See Vos et al. (2016), p. 4613.
[178] See Hüttinger et al. (2012), p. 1202.

preferred customers should outperform their competitors.[179] This indicates why all buyers should strive to obtain the preferred status. However, it is not the customer who decides on themselves whether or not they receive such a status. It are the suppliers that have the choice to do so. Therefore the question that emerges in this context is about what makes a supplier decide to assign a preferred status to a certain customer and provide them with preferential treatment.[180] Hüttinger et al. (2012) argue that this can be supplier satisfaction.[181] As stated before, supplier satisfaction can be explained by the buyer's ability to live up to the expectations of the supplier[182] and the relationship between the buyer and supplier influences this satisfaction as is explained by Forker & Stannack (2000). They elaborate that associations will be more effective if the parties involved, i.e. the buyers and suppliers, sense that the value they provide is compensated with equal value received. Such shared understandings comprise the basic assumptions required for any relationship to succeed.[183] This given, the customer should keep in mind that supplier satisfaction is only the outcome of meeting vendors' expectations and that customer attractiveness is necessary for a supplier to initiate or intensify an exchange relationship. When the supplier is more satisfied with particular customers than with others, the former will be awarded preferred customer status and enjoy the associated benefits. Considering this view on preferential treatment, the three constructs, customer attractiveness, supplier satisfaction and preferred customer status, must be analyzed in an integrative manner.[184] A visualization of this process can be found in figure 4 below.

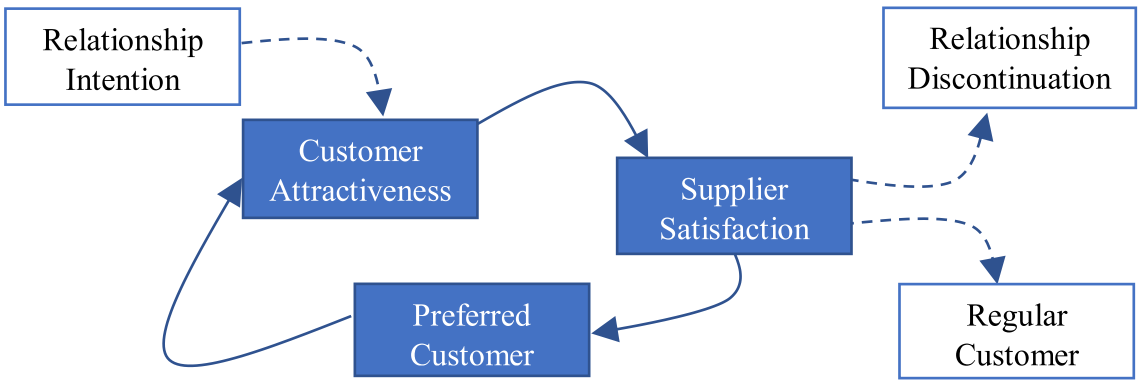

Figure 4 The cycle of preferred customership (Schiele et al. (2012), p. 1180)

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[179] See Hüttinger et al. (2012), p. 1194.
[180] See Vos et al. (2016), p. 4613.
[181] See Hüttinger et al. (2012), p. 1194.
[182] See Schiele et al. (2012), p. 1181.
[183] See Forker & Stannack (2000), p. 37.
[184] See Hüttinger et al. (2012), p. 1195.

As stated before, the status of the relationship is the influencer of supplier satisfaction. Research done by Hüttinger et al. (2014) supports theoretical assumptions that the relational behaviour and atmosphere in buyer-supplier relationships are important antecedents to supplier satisfaction.[185] The results of this study have shown that three antecedents are significantly influencing the supplier satisfaction (in a positive way). Those three antecedents are growth opportunity, reliability and relational behavior.[186] However, there should be placed a comment here. Findings of Vos et al. (2016) in order to replicate and extend research done by Hüttinger et al. (2014) and to provide a more fine-grained picture of the antecedents and consequences of supplier satisfaction has shown that the relational behavior antecedent should be excluded as an influencer of supplier satisfaction in the event of indirect procurement since the positive impact of this antecedent is only significant in the context of direct procurement.[187] Besides the relational antecedents, Nyaga et al. (2010) and many more researchers studying channel relationships argue that satisfaction with a relationship may be in addition to noneconomic terms, i.e. positive affective response to psychosocial aspects such as good interaction, respect, and willingness to exchange ideas, also be defined in economic terms, i.e. economic rewards arising from the relationship such as increased sales volume and profits.[188] Vos et al. (2016) elaborate on this by suggesting that both economical and relational aspects explain similar variance in supplier satisfaction and should therefore both be considered regarding the concept of preferential treatment classes. Concluding, the antecedents that are influencing the supplier satisfaction and as a result the assessment of a supplier whether or not to assign a customer a preferred status are: growth opportunity, reliability, relational behavior and profitability.[189] In case customers are labelled as preferred indicates according to Vos et al. (2016) that these buyers are perceived as attractive by the supplier and that they do satisfy the vendor better than that alternative clients are doing.[190] As a consequence of this satisfaction, a supplier reacts by providing privileged resource allocation to this preferred customer. In other words, suppliers who are very satisfied with a buyer have a higher tendency to give the buying firm preferred status and ultimately treat the client better than its competitors.[191]

[185] See Hüttinger et al. (2014), p. 712.
[186] See Hüttinger et al. (2014), p. 712; as well as Vos et al. (2016), p. 4614.
[187] See Vos et al. (2016), p. 4621.
[188] See Nyaga et al. (2010), p. 105.
[189] See Vos et al. (2016), p. 4621.
[190] See Vos et al. (2016), p. 4613.
[191] See Vos et al. (2016), p. 4621.

As addressed by Pulles et al. (2016) and discussed previous in this section, customer attractiveness is the influencer of both, supplier satisfaction and preferred customer status.[192] In figure 5 below the empirical examination of relationships between these constructs can be found.

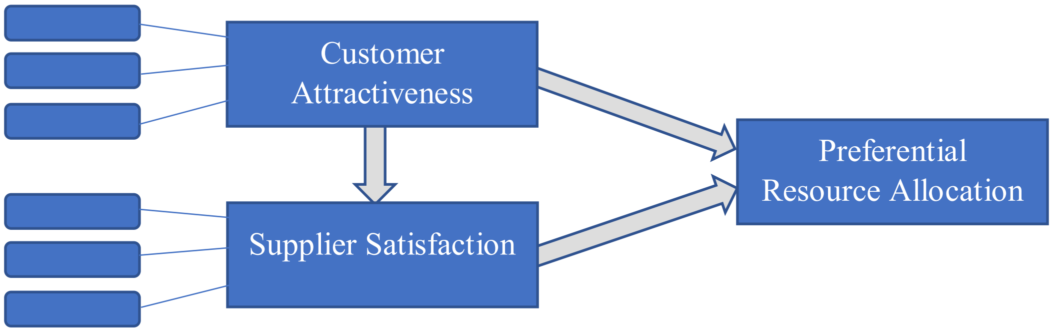

Figure 5 Relationship between three different constructs (Pulles et al. (2016), p. 130)

2.4.3 Opportunities for an organization to increase its attractiveness resides in the antecedents growth opportunity, operative excellence and relational behavior

Since only the combination of low buyer attractiveness and a high degree of dependence on a supplier is problematic, it can be concluded that the weaker actor should focus on optimizing 'the source'; i.e. raising its attractiveness to (potential) business partners and deliver a higher value to their partners[193] in order to mitigate potential negative effects of the asymmetric dependence in a buyer-supplier relationship. In literature their appear to be various options available to do so. La Rocca et al. (2012) state that from literature regarding customer attractiveness two broad focuses can be extracted. The first is related to features of customers and is broadly directly related to the current and potential economic value of the customer to the supplier, whereby, as Doyle (2007) states, economic value is only created when the business earns a return on investment that exceeds its cost of capital.[194] Herewith builds the idea of economic value on Hallberg's (1995) statement that some customers contribute more than others to revenues while retention of non-profitable customers ultimately destroys value.[195] The second antecedent that emerged from existing literature as argued by Rocca et al. (2012) can be labelled relational and encompasses factors that are related to the characteristics of the relationship

[192] See Pulles et al. (2016), p. 130.
[193] See Anderson et al. (1988), p. 342; Blois (2004), p. 256; Buchanan (1992), p. 73; as well as Walter et al. (2001), p. 372.
[194] See Doyle (2007), p. 20.
[195] See Rocca et al. (2012), p. 1242; cited according to Hallberg (1995).

and customer supplier fit.[196] The literature review of Hüttinger et al. (2012) pertaining customer attractiveness shows similar results, however they were able to identify a larger number of antecedents. Besides that, they provided a new categorization of all the – according to them – existing antecedents. In this new categorization, they adopted five categories named: market growth factors, risk factors, technological factors, economic factors, and social factors.[197] However, in an additional research done by Hüttinger et al. (2014), with the objective to provide a comprehensive overview of the relevant antecedents of preferential customer treatment and to empirically assess the drivers of customer attractiveness, supplier satisfaction and preferred customer status in a qualitative and quantitative manner[198], they discovered that growth opportunity (i.e. "the suppliers' ability to grow together with the buying firm and to generate new potential business opportunities through the relationship"), operative excellence (i.e. "the supplier's perception that the buying firm's operations are handled in a sorrow and efficient way, which facilitates the way of doing business for the supplier"), and relational behavior (i.e. "the buying firm's behavior towards the supplier with regards to the relational focus of exchange capturing multiple facets of the exchange behavior such as solidarity, mutuality, and flexibility")[199] are the only antecedents that have a significantly positive effect on customer attractiveness (see figure 6).[200] The antecedents innovation potential, reliability, support, supplier involvement and contact accessibility do – conversely to previous research done by other scholars – not seem to impact customer attractiveness from the supplier's point of view. As indicated by Hüttinger et al. (2014), can the cause for this be derived from the fact that up to today, the existing studies on the drivers of customer attractiveness are conceptual or case-based in nature and that their study is the first to show which of these factors are relevant in practice and actually impact suppliers' evaluations of customers' attractiveness.[201]

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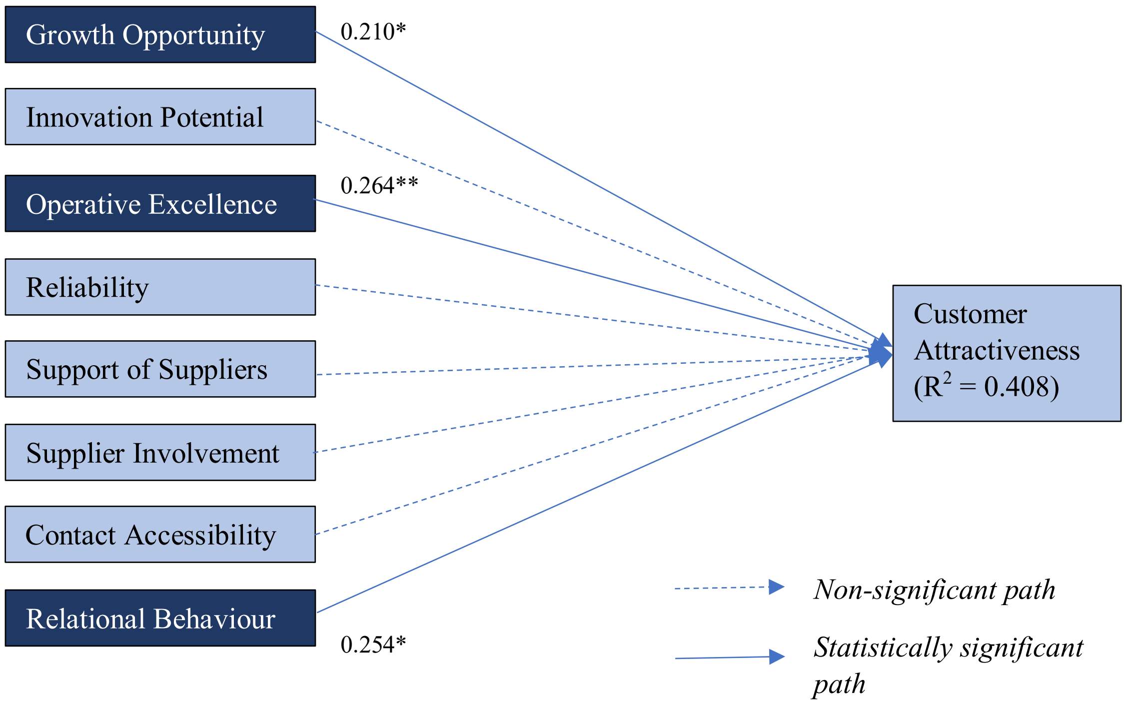
[196] See La Rocca et al. (2012), p. 1242.
[197] See Hüttinger et al. (2012), p. 1199.
[198] See Hüttinger et al. (2014), p. 711.
[199] Hüttinger et al. (2014), p. 703.
[200] See Hüttinger et al. (2014), p. 712.
[201] See Hüttinger et al. (2014), p. 712.



Notes: * *p* ≤ *0.05,* ** *p* ≤ *0.01*

Figure 6 Antecedents of customer attractiveness (Hüttinger et al. (2014), p. 711)

Following their research findings – which will be used as building block for this study – in combination with the associated factors for each significant antecedent of customer attractiveness as identified in the literature review of Hüttinger et al. (2012), provide the available options for actors to increase their attractiveness. The pertaining factors can be found in table 1 below. As a conclusion can be stated that, by improving (some) of these factors, a weaker actor will increase its overall attractiveness to business partners and eventually mitigate potential negative effects of asymmetric dependence in a buyer-supplier relationship.

Associated factors for each antecedent of customer attractiveness		
Growth Opportunity	**Operative Excellence**	**Relational Behavior**
Growth	Planning reliability	Readiness to talk
Access to other customers	Reliable forecasting	Openness
Brand name	Simple internal processes	Problem solving in bad times
Global player	Quick decision making	
Easier market entry		
Joining new markets		
Volume of products		

Table 1 Associated factors of the significant antecedents of customer attractiveness (Hüttinger et al (2014), p. 702 & p. 718)

3. Propositions: the influences of conditions of underpinning factors that are hypothesized to have an effect on the selection of a specific strategic option

3.1 All features of underpinning factors that are distinguished in previous studies are presented in a summarizing overview

Since this research is about (dependence) asymmetric buyer-supplier relationships, there is always at least one powerful actor and one weaker actor involved. As stated before, in this case a 'weaker actor' can be defined as the vulnerable party in a (dependence) asymmetric buyer-supplier relationship who is dependent upon the powerful partner in achieving a certain business objective.[202] In this chapter the choices of a weaker actor to counteract the power dominance of its business partner are hypothesized. In order to do so, an overview is provided consisting of strategic options applicable for a weaker actor that are expected to be observed while doing empirical research.

[202] See Mahapatra et al. (2010), p. 539; p. 550.

The research question being answered in this paper is stated as follows: *"Under which circumstances; i.e. in a dyadic or network context, and conditions; i.e. features of underpinning factors, does an actor apply which strategic option(s) – including attractiveness – towards another actor in case former mentioned holds the weaker position that controls and influences behaviors and exchanges in buyer-supplier relationships?"*. In this study, the word 'conditions', pertain to the features of the strategic options' underpinning factors as identified by Habib et al. (2015). An overview of these features plus a short elaboration for every specific underpinning factor can be found in table 2 below. These specifications are all compiled of the theory/the literature review of Habib et al. (2015).

Underpinning factor	**Features**	**Specification**
Nature of Interdependence	High asymmetric	One of the actors depends to a large extent on the other actor's resources.
	Low asymmetric	None of the actors feels to be dependent on the other actor's resources.
Relationship Governance	Formal contracts	Detailed and binding contractual agreements that specify the obligations and roles of both parties in the relationship are involved.
	Informal relationship governance	No mechanism involved to safeguard any investment made by the weaker actor.
Source of Power	Mediated	Reward power, coercive power and legal legitimate power based on formal contracts.
	Non-mediated	Referent power, expert power and traditional legitimate power.
Switching Costs	High break-off costs	Costs forming a barrier to ending old relationships.
	Low break-off costs	
	High set-up costs	

	Low set-up costs	Costs forming a barrier to engaging in new business relationships.
Type of Conflict	Functional conflict	Actors having different viewpoints.
	Dysfunctional conflict	Dysfunctional behaviors, dissatisfaction, poor individual/group performance.
Relationship Closeness	High level of trust	Willingness to rely on an exchange partner in whom one has confidence.
	Low level of trust	
	High level of information sharing	Level of detail and frequency of information exchange between partners.
	Low level of information sharing	
Available alternatives	High number of available alternative partners	Both inside as well as outside the industry.
	Low number of available alternative partners	

Table 2 Underpinning factors and related features as indicated by Habib et al. (2015)

3.2 A matrix including information on what strategic option is hypothesized to be selected under what condition is provided

As stated by Habib et al. (2015), it depends on the conditions of the underpinning factors which strategic option(s) the firm holding the weaker position in a buyer-supplier relationship will choose to follow to counteract the power dominance of another firm.[203] In figure 7 below an visualization is provided containing expectations about what strategic option(s) a weaker actor might apply under which condition. These hypothesis are composed based on the work of Habib et al. (2015) who gave in their literature review about the underpinning factors for each factor an indication of what conditions might result in the selection of what specific strategic option. The design of the scheme displaying the expectations is based on the ideas of Hesping (2016) who visualized the suitability of purchasing levers under different conditions in a similar way. Additionally, there is chosen to display the results presented in these schemes in a way that correspond with the design of models from previous research that are resulting from a fsQCA analysis

[203] See Habib et al. (2015), p. 192.

(see Dellerman et al. (2017); Fiss & Ragin (2008); and Leischnig et al. (2016)). Developing the schemes in accordance with fsQCA theory allowed to present the research findings in a clear/structured overview and therefore this method is chosen.

Compared to table 2 above, there is for the sake of this research chosen to limit/reduce the number of conditions under which the factors might occur for each individual factor. In most cases the distinction is made in terms of low and high, however in case of 'sources of power', mediated and non-mediated power tactics are distinguished. The figure below should be read as follows. For instance, in case actor A has power over actor B, i.e. actor B depends more on actor A's resources than vice versa, and the relationship is characterized by a high level of dysfunctional conflict, but there exist a high number of available alternative business partners in the market, it is expected that actor B will choose one of the options marked with a 'black circle' in the figure below to neutralize the power dominance of actor A by engaging with an actor 'C' without damaging the focal relationship with actor A. In this case we expect actor B to choose at least one of the options 'network collaboration, diversification, coalition, and/or exit'.

	High Asymmetric Dependence	High Formal Relationship Governance	High Informal Relationship Governance	Mediated Sources of Power	High Switching Costs	High Level Functional Conflict	High Level Dys-functional Conflict	High Relationship Closeness	High Available Alternatives
Dyadic Collaboration	●	●	●	●	●	(●)		●	⊗
Network Collaboration						(●)	●		●
Compromise	●	●	●	●	●	(●)		●	⊗
Diversification	⊗				⊗	(●)	●		●
Coalition					●	(●)	●		●
Exit	⊗			●	⊗	(●)	●	⊗	●
Attractiveness	●		●	●	●	●		●	⊗

Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs). Circles between brackets indicate the presence of a condition, but it depends on the situation whether the condition influences the choice for a strategic option. Blank spaces indicate the absence of causal relation between factor and strategic option.

Figure 7 The relation between conditions of underpinning factors and the choice of a specific strategic option that is expected to be observed in practice according to the work of Habib et al. (2015)

As can be derived from the figure, the underpinning factor ‘functional conflict’ is expected to be an influencer of a specific strategic option at a moderate level. This means, that it is the way conflicts are handled that determine the level of influence this factor has on the choice of a specific option. Functional conflict can lead to dissatisfaction of the weaker party, but in case the conflicts are handled properly, it can even foster the strength of the relationship and hence strongly influence the choice of a strategic option. In case functional conflict is handled properly, it is expected to result in the weaker party’s choice for dyadic collaboration and/or compromise. If not properly handled, one of the other options is expected to be observed.

One might notice that the underpinning factors can easily be grouped based on their influence on the choice for a specific strategic option. In the figure below an overview is provided indicating what (combination of) underpinning factors might cause a weaker organization’s choice for a specific strategic option. Based on the literature review regarding the underpinning factors as presented by Habib et al. (2015) supported by the theory of Cox (2001a) concerning attributes of buyer and supplier power, the strategic options can be divided as follows:

Dyadic Collaboration **Compromise** **Attractiveness**	**Network Collaboration** **Diversification** **Coalition** **Exit**
- High asymmetric dependence - High asymmetric formal relationship governance - High informal relationship governance - Mediated sources of power - High switching costs - High level ‘properly handled’ functional conflict - High relationship closeness	- High symmetric formal relationship governance - High level ‘unsolved’ functional conflict - High level dysfunctional conflict - High number of available alternatives

Figure 8 The conditions of underpinning factors influencing the choice of strategic options (Cox (2001a), p. 14)

4. Methods: Qualitative research is used in the form of semi-structured interviews to determine what conditions of underpinning factors influence a weaker actor to choose a specific strategic option

This chapter elaborates on the methodology used in conducting the research whereby the analytic strategy is explained first. Second, the research design, containing a specific look at the sample and the cases involved is amplified. Furthermore, this chapter elaborates on data collection and the trustworthiness of the research as well, and finally, the method of data analysis is explained.

4.1 The analytic strategy follows the 'spiraling' research approach and is based on qualitative research

In literature there is made a distinction between two main types of research methods. The first is referred to as quantitative while the second concerns qualitative research.[204] The main difference between both kind of data arises from the fact that quantitative data is considered numerical and qualitative data as non-numerical. Due to its numerical nature, quantitative data is considered to be less rich in detail and meaning than are non-numerical, qualitative data.[205] As argued by Rubin & Rubin (2011), qualitative research focuses on depth rather than on breadth. It refers to the what, how, when, where, and why of a thing; its essence and ambience. In other words, it is more about understanding specific situations that are important or revealing and less about finding averages.[206] Qualitative research, thus, refers to the meanings, concepts, definitions, characteristics, metaphors, symbols, and descriptions of things. In contrast, quantitative research refers to counts and measures of things. More specific, in this type of research the extents and distributions of a subject matter.[207] Due to in-depth interviews will form the most important source of this study, it is justifiable to conclude that this master thesis it is based on a qualitative research method.

One of the advantages of qualitative research is its greater flexibility. Things one notices during in-depth interviews, for example, may suggest a different set of questions than initially planned for, allowing for the pursue of unanticipated avenues. Then later, as one reviews and organizes the data for analysis, one may again see unanticipated patterns and redirect the analysis.[208] So, in qualitative research, there is more opportunity to modify the ways variables are measured as the study unfolds, taking advantage of gained insights. However, regardless of the fact data is gathered via a qualitative or quantitate method, every research project has to start somewhere. Many research projects begin with formal

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[204] See Punch (2013), p. 3.
[205] See Babbie (2010), p. 24.
[206] See Rubin & Rubin (2011), p. 2.
[207] See Berg & Lune (2016), p. 172.
[208] See Babbie (2010), p. 156.

statements of the ideas and theory on which the empirical research is to be based. This has been called the theory-before-research model and is developed by Frankfort-Nachmias & Nachmias (1992).[209] In line with the theory developed by these researchers, qualitative research seems to start with an issue or problem, followed by investigating the literature related to this issue or problem. Additionally, after preparing questions in other to gather relevant data, the data needs to be analyzed and interpreted. Finally, based on this information, research' findings and conclusions can be written down.[210] However, as stated by Berg & Lune (2016), the procedure adopted during qualitative research is often a bit more complex than explained above. These scholars conceive the research process as 'spiraling' rather than linear in its progression. They proclaim that research starts with an idea, followed by the activity of gathering theoretical information. After that, the idea needs to be reconsidered and refined before it is possible to begin to examine possible designs. The next stage consists of re-examining theoretical assumptions and refining these theoretical assumptions – and perhaps even the original or refined idea. What can be concluded from this is that with every two steps forward, a step or two backwards needs to be taken before it is possible to proceed any further. The result deriving from this is that the qualitative research procedure is no longer a linear progression in a single, forward direction. Rather, it can be considered as an procedure whereby the research is 'spiraling' forward (see figure 7), never actually leaving any stage behind completely.[211]

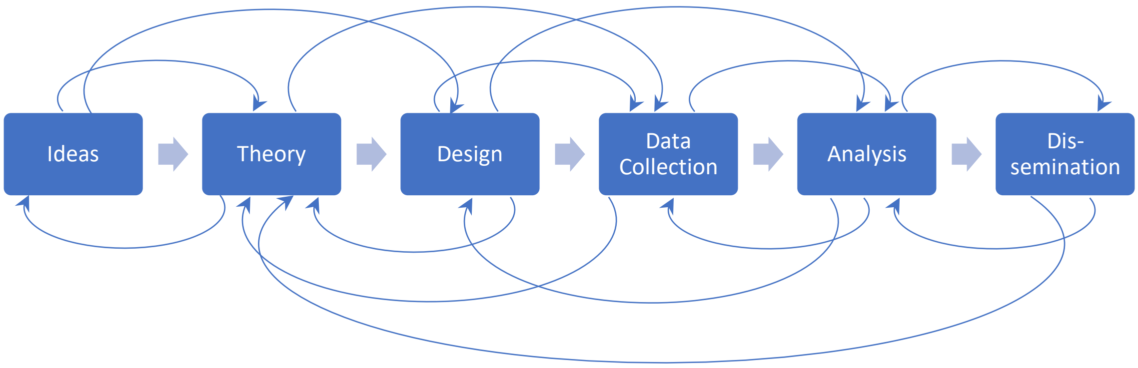

Figure 9 The 'spiraling' research approach (Berg & Lune (2016), p. 25)

This research project will use this 'spiraling' research model, as the goal of this research is to compare current literature on strategic options available to a weaker actor to

[209] See Berg & Lune (2016), p. 25.
[210] See Creswell (2007), p. 41-42.
[211] See Berg & Lune (2016), p. 25.

counteract the dominance of a stronger actor in buyer-supplier relationships with the actual situation as observed in the field. Based on this comparison, conclusions can be made on what strategic options are used under which conditions.

4.2 The design of this research consists of semi-structured, open-ended interviews

The design for a research project is literally the plan for how the study will be conducted. It is a matter of thinking about, imagining, and visualizing how the research study will be undertaken. Or, as metaphorically described by Janesick (1994): "design is the choreography that establishes the research dance".[212] There where some authors associate qualitative research with the single technique of participant observation, other writers extend their understanding of qualitative research to include interviewing as well.[213] As stated by Farr (1982), qualitative interviewing is a technique or method for establishing or discovering that there are perspectives or viewpoints on events other than those of the person initiating the interview.[214] This technique can be further elaborated on by differentiating two ways in which researchers can ask questions. According to theory, it is possible to ask open-ended and close-ended questions. The former refers to a situation in which a respondent is asked to provide his or her own answer to the question. The latter variant is about respondents being asked to select an answer from a list provided by the researcher.[215] In case of this research, there is chosen to make use of semi-structured, open-ended interviews. The main reason to choose for semi-structured interviews is derived from the fact that previous studies show that using this is the most satisfying technique to apply in terms of being flexible in the use of question and/or word order, clarifying the ambiguities interviewees faced and – where necessary, leaving out questions. Eventually, the open data collection framework being used made it possible to create a situation of two-way communication necessary to obtain the desired information during an interview.

4.2.1 A multiple case study method is used to collect the desired data

This research involved an multiple case study to explore and understand under which conditions; i.e. features of underpinning factors, a weaker actor applies which strategic

[212] Janesick (1994), p. 37.
[213] See Berg & Lune (2016), p. 172.
[214] See Farr (1982), p. 151.
[215] See Babbie (2010), p. 272.

option(s) towards another actor in case former mentioned holds the weaker position in buyer-supplier relationships that are characterized by asymmetric power dominance. As stated by Berg & Lune (2016), the case study method is defined and understood in various ways. Following the ideas of Creswell (2007) and Yin (2003), case study can be defined as “an approach capable of examining simple or complex phenomena, with units of analysis varying from single individuals to large institutions to world-changing events and entails using a variety of lines of action in its data-gathering segments and can meaningfully make use of and contribute to the application of theory.”[216] For the sake of this research there is chosen to make us of the case study method because of various features and advantages. As indicated by Gall, Borg & Gall (1995, 1998) one of these advantages is that by concentrating on a single phenomenon, individual, community, or institution, it is possible to uncover the manifest interactions of significant factors characteristic of this phenomenon, individual, community, or institution. Additionally, this method enables the possibility to capture various nuances, patterns, and more latent elements that other research approaches (to a certain extent) overlook. Besides these advantages, the case study method was often used by other scholars in prior studies of dependence and power asymmetry in business-to-business relationships as well, indicating that this method can be considered suitable (see for instance Cox, Watson, Lonsdale, & Sanderson, 2004; Pérez & Cambra-Fierro, 2015).[217] All these theories provide logical insides on why the case study method is a justifiable approach to involve in this research. However as explained by Yin (1994) and cited by Vohra (2014), using collective cases, or more specific: multiple cases, is even more satisfying since using multiple cases will make the base for theory building stronger. Yin (1994) emphasized that using multiple cases strengthens the results by replicating the patterns thereby increasing the robustness of the findings.[218] This type of study, involves extensive research to several instrumental cases, intended to allow better understanding, insight, or perhaps improved ability to theorize about a broader context. Furthermore, using multiple cases offers the possibility to try replicating insights found in individual cases or to represent contrasting situations.[219] Concluding, taken all these arguments into account, it is justifiable to proclaim that this type of research is particularly suitable in order to study

[216] See Berg & Lune (2016), p. 170.
[217] See Siemienakio & Mitrega (2018), p. 92.
[218] See Vohra (2014), p. 55.
[219] See Berg & Lune (2016), p. 175.

the defined objectives of this master thesis about the exploration of links between the underpinning factors and chosen strategic options by a weaker actor. Applying the multiple case study method provides a rich understanding of the context of the research and of the process being enacted.

4.2.2 The sample size is determined following judgement sampling

According to Gaskell (2000), in qualitative research the selection of respondents cannot follow the procedures of quantitative sampling. The reason for that is that the real purpose of qualitative research is not about counting opinions or people but to explore the range of opinions and different representations of an issue or phenomenon.[220] In quantitative studies, power calculations determine which sample size (N) is necessary to demonstrate effects of a certain magnitude from an intervention. For qualitative interview studies, no similar standards for assessment of sample size exist. As denoted by Malterud et al. (2015), in case of this type of research, tools to guide sample size should not rely on procedures from a specific analysis method, but rest on shared methodological principles for estimating an adequate number of units, events, or participants. They continued stating that the larger information power the sample holds, the lower N is needed, and vice versa.[221] What can be deducted from this theory is that sampling in qualitative research is concerned with the richness of shared information and the number of participants required. Additionally, speaking in terms of 'qualitative sampling', it is argued that this type of sampling depends on the nature of the topic and the availability of resources as well.[222] Gaskell (2000) elaborated further on the subject explaining that an appropriate sample size for a qualitative study is one that adequately answers the research question. The number of required subjects usually becomes obvious as the study progresses, as new categories, themes or explanations stop emerging from the data (i.e. *data saturation*). Clearly this requires a flexible research design and an iterative, cyclical approach to sampling, data collection, analysis and interpretation.[223] Since a study will need the least amount of participants when "the study aim is narrow, if the combination of participants is highly specific for the study aim, if it is supported by established theory, if the interview dialogue is strong, and if the analysis includes in-depth exploration of narratives or discourse details"[224], a small sample size combined with in-depth interviews are sufficient

[220] See Gaskell (2000), p. 41.
[221] See Malterud et al. (2015), p. 1754.
[222] See Gaskell (2000), p. 43.
[223] See Marshall (1996), p. 523.
[224] Malterud et al. (2015), p. 1756.

in order to explore and understand under which conditions; i.e. features of underpinning factors, a weaker actor applies which strategic option(s) towards another actor in case former mentioned holds the weaker position in buyer-supplier relationships that are characterized by asymmetric dependence. In case of this research the sample size is five (N = 5). Since there is aimed to question and discuss all seven identified strategic options in detail during all single interviews, approximately 30 micro-cases, i.e. buyer-seller relationships are investigated (taken into consideration that not all interviewees can think of an example).

Furthermore, information power is related to the specificity of experiences, knowledge, or properties among the participants included in the sample. To offer sufficient information power, a less extensive sample is needed with participants holding characteristics that are highly specific for the study aim compared with a sample containing participants of sparse specificity.[225] In order to make sure all of the samples involved can be considered industry experts, theory of Marshall (1996) is used during the selection procedure. According to Marshall (1996), the selection of a sample for a qualitative study can be done via three broad approaches. The first, convenience sample, is the least rigorous technique. In case this approach is applied, the most accessible subjects will be selected. The second is labelled as judgement sample, and sometimes also referred to as purposeful sample. Via this method, one actively selects the most productive sample to answer the research question. Finally, these scholars identified a third approach called theoretical sample. Theoretical sample are usually to a greater or smaller extent driven by theory. This type of sampling builds interpretative theories from emerging data and selects new samples to evaluate this theory.[226] Considering the need for industry experts in this research due to the small sample size, judgement sample is most appropriate to apply and is therefore being used.

4.2.3 Firms with embedded buyer-supplier relationships in the transportation sector are selected as a case company

This research main focus is on non-financial companies operating in the transportation sector. Due to trade confidentiality, real company names will remain concealed and

[225] See Malterud et al. (2015), p. 1756.
[226] See Marshall (1996), p. 523.

starting from here, there will be referred to the particular companies as company V to Z. The first two firms under investigation are official, family-owned truck dealers of Volvo Trucks and Renault Trucks & Vans whereby one of these companies involved is mainly operating in the central part of the Netherlands *(Company V)*. The other firm's operations are mainly in the Dutch provinces of Groningen, Drenthe and Overijssel *(Company W)*. Both firms are active in the automotive aftermarket which is the part of the automotive industry sector comprising the automotive services and parts businesses. In addition to selling new and used trucks and vans, the companies are offering a complete package of after-sales services, including maintenance, inspections, courses, fleet management and rental services. Currently, company V has more than 130 employees working across seven different plants in their district/rayon. Company W is considered twice as big with a total number of employees of over 250 who are all divided over seven different establishments in the northern and eastern parts of The Netherlands. Furthermore, the private limited company W is part of a holding company *(Company Y)* with a total annual turnover > €250 million euro. Besides that, company W's sister company *(Company X)*, that is also part of the same holding and known as an international logistics service provider that mainly focuses on the markets dry- & liquid bulk products in the chemical industry and fuel- & animal feed distribution, is selected as a case company as well. Finally, in addition to these four firms all operating in the transportation sector, a whole different business is involved in this study as well. The company in question is a specialized, industrial-oriented wholesaler for every technical product or service *(Company Z)*. With more than 60.000 products, the company positions itself as a full-range supplier. Currently, the company has 20 full-time employees, a turnover of about 6 million euros and holds many long-term relationships with other firms. Furthermore, company Z is the supplier of several Independent Aftermarket (IAM) parts of company V, company W and company X, which makes it particular interesting to include this organization in the research as well. An overview of the relation between all firms involved can be pictured as follows:

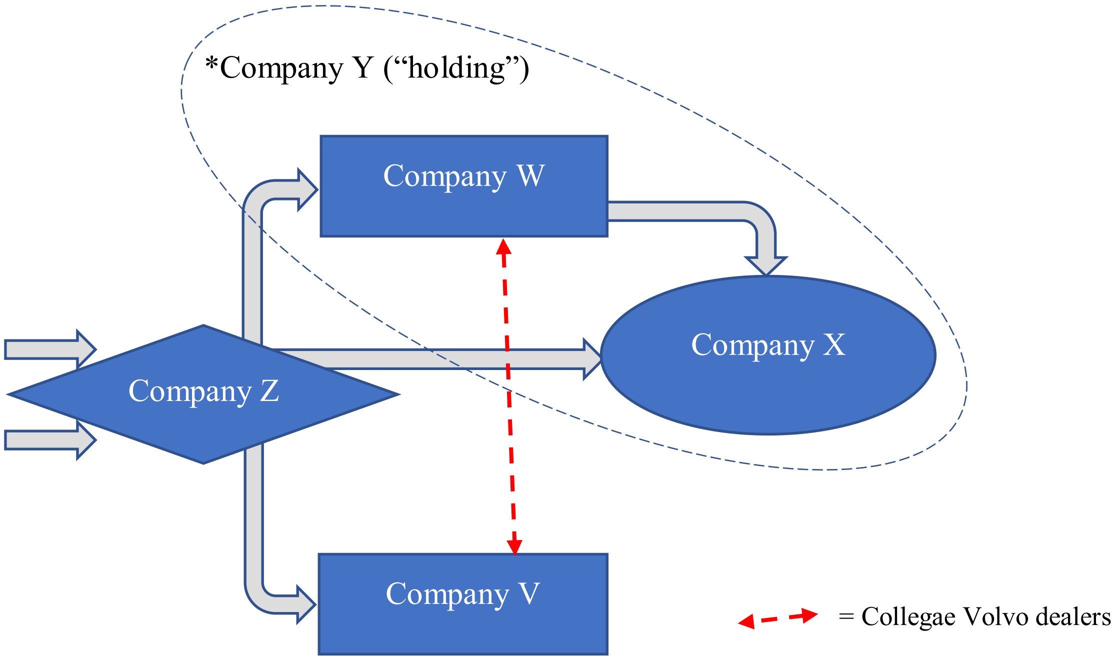

Figure 10 Relationship between case companies involved in this study

It is particular interesting to collect data from businesses operating in the automotive sector since this industry is characterized by situations where requirements are imposed on the truck dealer by the manufacturer (truck importer). Although some of these manufacturers have developed long-term relationships and sometimes did even develop partnership programs for their business partners, dealers will often still experience the relationship as one-sided and feel dominated by their counterpart.[227] Since the selected case companies are all or operating in this particular industry themselves or are at least part of an international logistics service provider's supply chain process, make that the organizations involved can be considered as suitable cases for this study.

4.2.4 All company informants are considered industry experts in the procurement area

The sample of participants consisted of key-actors of the participating organizations. As explained in a previous section, there exist a need to involve industry experts in this research only. Therefore, it was critical to select participants performing a role in the company whereby they are daily involved in buyer-supplier relationships. A short overview of the function of each interviewee is presented in the table below. Given the positions in the company of the people involved, this study's sample can be considered as a strong base to derive data from.

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[227] See Weele (2010), p. 192.

Company representing:	*Function company informant:*
Company V	Managing Director & Owner of the company.
Company W	Purchaser responsible for strategic purchasing, as well as tactical and operational purchasing.
Company X	Business Improvement Manager with a seat on the management table. The actor has years of experience in the field of procurement, sales and aftersales and is daily involved in business-to-business relationships.
Company Y	Chief Procurement Officer (CPO), responsible for the procurement-related activities (incl. contract management) of both company W and company X.
Company Z	Managing Director & Owner of the company.

Table 3 Overview job functions company informants/interviewees

4.3 By sharing information regarding the strategic options some days prior to the actual interview took place and by creating 'relaxed climate' during the interview, most valuable data could be retrieved during the interviewees

The conducted interviews averaged 90 minutes in length and were recorded digitally. The recordings were then transcribed verbatim as Word documents. Transcripts were typically around twenty single-spaced pages long and were loaded into Atlas.ti (version 8), which is used to develop a coding scheme and to code the transcripts. The purpose of developing a coding scheme is in this case not to quantify the data for statistical analysis but to ensure it is possible to later retrieve all portions of the transcripts that pertained to particular items and taxonomies without omitting any relevant portions that should have been coded.[228] Eventually a coding scheme based on code *taxonomies* or *groups*, i.e. several codes reflecting different aspects of a general theme, is developed, but this is explained in more detail later.

A couple of days prior to the actual scheduled interview date, an overview with the different available strategic options (including attractiveness) for a weaker party to counteract the power dominance of a stronger actor as identified by Habib et al. (2015) –

[228] See Campbell et al. (2013), p. 299.

and displayed in the appendix – is sent to the interviewee per email, so they could already think of examples of (past) relationships whereby they applied a specific option and hence be as complete as possible in their information sharing during the interview. The train of thought behind this is to collect as much as possible meaningful, in-depth information for every individual strategic option from the interviews, which would eventually enhance the overall quality of data for the analysis and hence empower the outcome of this study. This approach is consistent with other studies in which the respondent selects the focal relationship (e.g. Knemeyer & Murphy (2005) and Lusch & Brown (1996)).[229] Furthermore, all interviews are done at the headquarter of the different organizations.

Before starting the interview; i.e. asking questions pertaining the actual purpose of this research, a token of appreciation is expressed to the company representative for his participation in this study. On top of that, an oral informed consent is given, indicating that the shared information will not be shared with or passed on to any third party. Additionally, the goal and objectives of this research are (once more) explained to the participants. Speaking in terms of the interview protocol, the actual interview questions, are integrated in such a way that both all strategic options are discussed and that for every underpinning factor is discussed what is its condition in case the strategic option was applied and whether this influenced the interviewee's choice to apply this specific option. In this way all the needed information would be obtained from the interviews. Before asking questions related to these items, also questions that are more general in nature are asked (e.g., "What are the activities the company essentially performs?" or "What is the turnover of your business, approximately?"). The reason for that is in the first place to create a more 'relaxed climate' during the interview. These questions are easier to answer by the company delegates than in-dept questions about strategic options and underpinning factors, and hence it is considered that in the end this would lead to better, more complete answers to the specific questions related to the aim of this study. Secondary, the answers on those questions did comprise company information that helped creating a more specific overall-picture of the concerning businesses. The interview protocol used during the semi-structured interviews can be found in the appendix.

[229] See Powers & Reagan (2007), p. 1238.

Since this study is considered qualitative considering the criteria described by Malhotra et al. (2017), it's trustworthiness can be referred to as validity and reliability.[230] However, qualitative research does not subscribe certain instruments with established metrics about validity and reliability. Therefore it is relevant to point out the credibility, transferability, confirmability and dependability of this study's measurements.[231] In order to do so, several steps have been undertaken. First of all, during this research semi-structured interviews that are obtrusive and verbal in nature have been used. To cope with the risk of social desirability (e.g. giving answers that are in favor of the company but not in line with the actual performed activities and therefore not true) that comes with the obtrusive nature of this data collection method, the interview questions are structured in a way that the businesses' informants had to answer the same questions several times. They had to answer them in the same context or in relation to other questions about different underpinning factors or strategic options. This indicates that the alternate-form method has been used in order to minimize or eliminate falsehoods shared by informants about the subjects and research objectives being discussed which eventually increased the study's reliability. In addition, to minimize the risk of social desirability, a setting was created in which the interviews were conducted whereby the company's informant was separated from his colleagues and, in case the informant was not the managing director and/or owner of the company himself, the informants were also separated from them. Eventually, this allowed the individuals to speak up freely. Furthermore, to make sure the information shared by the interviewees was interpreted correct, follow-up questions and probes are used. By practicing these 'tools' while conducting interviews in combination with the alternate-form method secured the outputs quality with a limited number of industry experts sharing data. The probes being used differed during every interview depending on the answers given by the companies' informants. Some of these probes were used deliberately, but others appeared to be there while transcribing the interviews. The latter is another relevant activity that contributed to the trustworthiness of this research. Data about the available strategic options for a weaker actor to counteract the dominance of a stronger business partner and the related underpinning factors, collected via the interviews, have been transcribed and coded before the results were analyzed.

[230] See Malhotra et al. (2017), p. 71.
[231] See Guba & Lincoln (1985), p. 219.

4.4 The data analysis followed a structured approach so an comprehensive explanation of the research question could be provided

The qualitative data obtained during the interviews needs to be coded before it can be analyzed. In order to do so the five step analysis of LeCompte (2000) is used. The model identifies the following five steps: 1. tidying up data, 2. finding items, 3. creating stable sets of items, 4. creating patterns, and 5. assembling structures.[232]

Tidying up data during this research was about arranging data in a way that contributed in making a preliminary assessment of the set of data. In this study copies of all the collected data were made and besides that, all data were placed into a file named 'Audio Interview' in order of their dates of creation. Besides that, other files were created based on the type of data. In case of this research, among others the file 'Elaborations Company Visits' was created where the transcriptions of the interviews were assigned to. On top of that, in case an interviewee shared additional data in the form of pictures and/or documents, these items were assigned for all businesses to a file named 'Additional Documents Interviews'. The 'Elaborations Company Visits' file was divided into two different boxes. The first box is called 'Interview Transcripts' and the second one is called 'Interview Side Notes' including documents with both side notes made during the interview and gathered additional information that is not recorded on tape. In these boxes each document is labelled based on the name of the company. To complete the first step in this model, the collected data was constantly compared to the research questions in order to find out if any data was missing.

Finding items by sifting and sorting data sets is the second step taken in the data analysis process. This was done by repeatedly reading through the transcripts of the semi-structured interviews in order to identify all items relevant to the research question. These items can be defined as the specific findings in data sets that are coded and assembled into the results of a research. The search practices to items in the collected data, involved a systematic process of looking for omissions, frequency and declaration. Since the (conditions of) underpinning factors possibly influencing the choice of a weaker actor to apply a certain strategic option towards another actor in case former mentioned holds the weaker position in buyer-supplier relationships that are characterized by asymmetric

[232] See LeCompte (2000), p. 148-151.

dependence were already described in existing literature, the items were relatively easy to be found.

In line with the description of LeCompte (2000), the items that were found in the previous step are organized into groups and categories by comparing and contrasting and mixing and matching them with the purpose to create several, different taxonomies divided per company consisting of items that are similar or do have similarities which makes them go together. The items became the by the interviewee described conditions, i.e. the shared information including specifications of features of underpinning factors which were connected to the strategic option under investigation. More specific, the items are labelled as *type of strategic option + type of underpinning factor* (e.g. one of the items is labelled as 'diversification – available alternatives'). Additionally, the created taxonomies were named as the identified strategic options itself. For further analysis Atlas.ti was used, which is a qualitative data analysis & research software in which items can be described as codes and taxonomies as code groups.

During step four of the data analysis process, patterns were created between the collection of taxonomies. This activity involved clumping together the several taxonomies in a meaningful way which is a matter of reassembling taxonomies as such so an eloquent, coherent explanation or description on how the conditions of underpinning factors result in a specific company's choice to select certain strategic options to counteract the power dominance of its stronger business partner. In this part of the process there is explicitly searched for analogies between the items which made it possible to cluster taxonomies or to create a combination of them based on the fact that the taxonomies (i.e. strategic options) are applied based on the same conditions of underpinning factors. In order to create an all-encompassing picture, every sentence out of the five company interview transcripts assigned to a specific item (or code in terms of Atlast.ti) that was closely related to an underpinning factor has been analyzed.

In the final, structural stage, the formed groups of patterns that are related or linked were assembled and taken together to build an comprehensive explanation which helped to describe the combination of conditions of underpinning factors that resulted in the selection of a specific strategic option. In order to create a clear overview of the present conditions of underpinning factors, for each strategic option a two-by-two matrix displaying the relation between the condition of an underpinning factor and the choice of a strategic option is developed per case company. A brief description of these findings can be found in chapter five of this master thesis while the schemes itself are presented in the appendix.

4.4.1 Before proceeding with the data analysis a reasonable Inter-Rater Reliability (IRR) is achieved

As stated by Berg & Lune (2016), ideally, the process of coding should be accomplished by two or more researchers/coders, independently reading and coding each of several transcripts. This process is intended to establish the various topics to be indexed in the coding system. Using two or more independent coders ensures that naturally arising categories are used rather than those a particular researcher might hope to locate – regardless of whether the categories really exist. The degree of agreement among the coders is called IRR and it is generally accepted that if the IRR is high, then the coding system is working.[233] Krippendorff (2004) elaborated on that by introducing the term *'reproducibility'*. This term is often used to refer to IRR and can be defined as the degree to which a process can be replicated by different analysts working under varying conditions, at different locations, or using different but functionally equivalent measuring instruments. Demonstrating reproducibility requires reliability data that are obtained under so called 'test-test conditions'. For example, two or more individuals, working independent of each other, apply the same coding instructions to the same transcripts. Disagreements between these observers' performances are due to both intra-observer inconsistencies and inter-observer differences in the interpretation and application of given coding instructions. Eventually Krippendorff (2004) stated that reproducibility (i.e. IRR), is a strong measure of reliability and therefore this measure is used in this master thesis.[234]

In case of this research, theory of Miles & Huberman (1984) is followed to determine the level of IRR for a code. In order to do so, the number of times that all coders used it in the same text unit is divided by the number of times that any coder used it in the transcript.

[233] See Berg & Lune (2016), p. 90.
[234] See Krippendorff (2004), p. 215.

That is, the number of coding agreements are divided by the number of agreements and disagreements combined. Using this same method, the overall intercoder reliability for all codes is calculated as a set by dividing the total number of agreements for all codes by the total number of agreements and disagreements for all codes combined. Unfortunately, no agreed upon threshold for what constitutes a numerically satisfactory level of agreement among coders exists. Nevertheless, the literature does provide some guidance. However, it is worth noting, that what passes for an acceptable level of IRR varies considerably in the literature according to the standards of different researchers as well as the method of calculation.[235] For instance, Hodson (1999) indicates that an inter-coder correlation of 79 percent ensures a relatively high degree of reliability.[236] Fahy (2001) denoted that an intercoder reliability range of 70 percent to 94 percent is acceptable for analysis of transcripts from conference discussions and Kurasaki (2000) reported intercoder agreement scores of 70 percent during coder training and 94 percent during actual coding as acceptable numbers in order to proceed. Besides that, others scholars argue that if the research is exploratory, looser standards are permissible.[237] Furthermore, Krippendorff (2004) argued that there is no set answer for how reliable is reliable enough. He finished his plea stating that: "if it is an exploratory study without serious consequences (…) the level may be relaxed considerably, but it should not be so low that the findings can no longer be taken seriously."[238] In case of this research, the author and one colleague student achieved an intercoder agreement of exactly 70 percent which – following the literature provided above – is considered as a valid percentage to proceed. Further detailed information on the IRR can be found in the appendix of this paper.

5. Results: The influence of underpinning factors regarding a weaker actor's choice to counteract the power dominance of a stronger business partner are presented for each strategic option individually

First of all, the following chapter contains a synthesis of the findings that are derived from interviews with the informants of all five Dutch-located case companies operating in the transportation sector that are involved in this study. This chapter is structured in a way

[235] See Dunn (1989), p. 37.
[236] See Hodson (1999), p. 51.
[237] See Hruschka et al. (2004), p. 313; as well as Krippendorff (2004), p. 211 – 213.
[238] Krippendorff (2004), p. 241 – 243.

that the results are presented per strategic option. First, for every strategy a situation is described wherein one of the case companies applied the specific strategic option in practice. After that, the main findings are and illustrated by an example derived from one of the interviews. The descriptions of the findings pertain to the conditions; i.e. features of underpinning factors, under which a weaker actor applies what strategic option(s) towards another actor in case former mentioned holds the weaker position in buyer-supplier relationships that are characterized by asymmetric power dominance. Hereby the strategic options and (conditions of) factors as described in the literature part of this study are applied. Finally, a descriptive model displaying the findings regarding the relation between the condition of an underpinning factor and the choice of a strategic option is provided in figure 1 to 7 of the appendix. In this schemes the results of all individual case companies are displayed separately. Again, similar to figure 7 of chapter 3, the choice is made to design the schemes in a way that correspond with the design of models from previous research that are resulting from a fsQCA analysis.

Furthermore, for two case companies a detailed and extensive description of the findings is provided in the appendix. The concerning firms are company V and company Y. There is chosen to describe the results regarding these two firms in detail since the informants of these firms were – unlike the other company informants – able to identify for each strategic option a situation/scenario wherein a certain option was applied. Hence, as a logical consequence, (most of) the illustrations/examples of the findings presented in text are derived from these two interviews. The aim of these detailed and extensive descriptions is to provide a more precise and in-depth explanation about the observed scenarios. This can be useful for readers who are particular interested in a better, deepened understanding of (the interpretation of) the findings.

5.1 The information shared by the company informants allowed to explain for each strategic option its relation with the condition of an underpinning factor

5.1.1 The condition of the factors 'nature of interdependence', 'source of power', 'type of conflict', 'relationship closeness' and 'available alternatives' are considered influencing factors regarding the application of the 'dyadic collaboration' strategy

The first strategic option that was discussed concerns 'dyadic collaboration'. In this case, four company informants were able to identify a situation wherein they applied this strategic option to counteract the power dominance of a stronger business partner. An overview of the findings regarding this strategic option can be found in figure 1 of the appendix. A good example of a situation where ‘dyadic collaboration’ is applied, can (for instance) be derived from the information shared by company Y’s informant. He stated that the company selected this option to decrease the dependence on Volvo Trucks, their supplier of most Original Equipment (OE) Parts. Currently, company Y is working on a new innovation. This – at the moment still secret – innovation will be available for other Volvo Trucks dealers soon and company Y will become the preferred supplier of this product. By introducing the innovation, company Y takes the seat of Volvo Trucks since normally this organization is responsible for the introduction of new innovations. By doing so, company Y wants to trigger Volvo Trucks and show them that they are not fully dependent on their organization and that Volvo Trucks can profit from company Y’s work in the field of Research & Development as well. So, by enhancing the importance of their own resources and capabilities, company Y tries to reduce the power dominance of their supplier.

In terms of the conditions, i.e. features of the factors underpinning the choice of the strategic option ‘dyadic collaboration’, the first factor being discussed is the ‘nature of interdependence’. As can be derived from the interviews and displayed in figure 1 of the appendix, most company informants indicated that high asymmetric dependence influenced their choice to respond to the power dominance of a stronger business partner by applying the strategy ‘dyadic collaboration’. A good example illustrating this finding can be derived from the interview with company Y’s informant. He explained that Volvo Trucks is company Y’s main supplier and that the company has to agree with the conditions and targets offered/determined by Volvo Trucks in order to keep their dealership status and hence their business going. The informant mentioned that besides looking for opportunities to stand out in the market, the possibility to decrease the dependence on this supplier was a motive to apply the strategic option ‘dyadic collaboration’.

Second, considering the factor ‘relationship governance’, none of the company informants proclaimed a causal relation between the fact that their firm selected the option ‘dyadic collaboration’ to decrease the dependence on the supplier and the presence of formal contracts. Company Y’s informant for instance supported this statement by amplifying that there does exist a dealer contract between their organization and their main supplier Volvo Trucks, but that the presence of this contract did not result in the selection of the 'dyadic collaboration' strategy.

In case of the third factor 'sources of power', most informants indicated that the presence of mediated power sources directly influenced the choice for the strategic option 'dyadic collaboration'. As illustrated by the informant of company Y, they applied 'dyadic collaboration' in their relationship with the supplier Volvo Trucks. This supplier promises bonuses and other rewards when company Y performs according to, and meets, the prospected targets. This indicates the presence of mediated power sources, or more specific, reward power.

Regarding the next factor, 'switching costs', different results are observed. Company Z's informant states that 'switching costs' are low while the other company informants state that these costs are considered high. Second, the informant of company X indicate that their choice for the option 'dyadic collaboration' can be explained (to a certain extent) by the factor 'switching cost' while the other informants proclaim the opposite. However, despite these differences, in most situations it is observed that 'switching costs' can be considered high but that these costs do not influence the choice for 'dyadic collaboration'. This result is illustrated by company Y's informant who explains that because they are an official Volvo Trucks dealer, their business is to a high extent interwoven with Volvo Trucks. Due to that, switching costs are considered almost inescapable and increase the dependence of company Y on their supplier. However, as stated by the informant, this does not result in the selection of 'dyadic collaboration' in order to decrease the supplier's stronger position. He add to that stating that company Y also owns non-brand truck garages where they serve clients driving all kind of trucks (not only Volvo). By doing so, the company shows to their supplier that 'they are not married' and that in the future, it is possible to switch from supplier despite the high switching costs.

The factor 'type of conflict' is considered to play a remarkable role in the choice for 'dyadic collaboration' as well. Despite two company informants (company X and Z) argue that both functional and dysfunctional conflict are in this case non-influencing factors, company V and Y proclaim that a high level of functional conflict does result in the application of 'dyadic collaboration'. As indicated by company Y's informant, there exist many examples of situations characterized by functional conflict. Especially when it comes to 'healthy discussions' about innovations, trust, targets, maintenance, etc., leads to an increased number of conflicts between buyer and a considered stronger seller.

Besides that, the informant argues that Volvo Trucks (the supplier) can be considered as a bit ‘old-fashion’. The applications offered by them are far from modern/up-to-date and their attitude can be considered hesitant/expectant which causes conflicts as well and influences the choice for the ‘dyadic collaboration’ strategy.

While discussing the factor ‘relationship closeness’ in the context of the strategic option ‘dyadic collaboration’, all company informants argue that high relationship closeness influences the choice for the ‘dyadic collaboration’ strategy. As illustrated by the informant of company Y, overall, in the relationship with the considered stronger supplier Volvo Trucks wherein the company applied ‘dyadic collaboration’, the level of relationship closeness can be described in terms of trust and information sharing as high. Especially when it comes to the level of communication. Both organizations are constantly in contact with each other and do exchange personnel.

Finally, the factor ‘available alternatives’ does influence the choice for this option. More specific, in case of a low availability of alternative suppliers the company informants indicate that this influences the choice for the option ‘dyadic collaboration’.

5.1.2 The condition of the factors ‘nature of interdependence’, ‘switching costs’, ‘type of conflict’, ‘relationship closeness’ and ‘available alternatives’ are considered influencing factors regarding the application of the ‘network collaboration’ strategy

The second strategic option that was discussed with the company informants is called ‘network collaboration’. Four company informants were able to identify a situation wherein they applied this strategic option to counteract the power dominance of a stronger business partner. An overview of the findings regarding this strategic option can be found in figure 2 of the appendix. A good example of a situation where ‘network collaboration’ is applied, can (for instance) be derived from the information shared by company V’s informant. The informant stated that the company selected this option to decrease the dependence on Volvo Trucks, the firm’s main supplier of Original Equipment (OE) Parts. The informant explained that at one of the company’s establishments, the firm is already doing business for many years with a large international fleet owner operating in the waste management market. For this customer, company V takes care of the repair and maintenance activities of their trucks. Because of the size of this customer and hence the foreseen business potential, Volvo Trucks is eager to do business with this fleet owner. By using their specific market knowledge and experience, company V was able to involve

Volvo Trucks in the relationship with the large fleet owner and to develop a plan together with Volvo Trucks on how to approach the specific customer and make deals regarding sales and aftersales. Eventually, Volvo Trucks sealed the deal and was able to sell and deliver forty trucks to the client. Therefore, because company V created an entrance for their supplier Volvo Trucks, this supplier was very satisfied and hence company V decreased the supplier's will to (mis)use their power. Conversely, company V increased their position in terms of dependence.

The first underpinning factor that is discussed with regards to the choice of the case companies to apply 'network collaboration' is 'nature of interdependence'. It is remarkable that the informants of company W and X indicate that low asymmetric dependence influences the choice for the 'network collaboration' strategy while the informants of company V and Y proclaim that the opposite, i.e. high asymmetric dependence underpins the choice for that strategy.

Second, considering the factor 'relationship governance' all company informants agree that this factor does not influence the choice for the strategic option 'network collaboration'. The informant of company V explains that despite the existence of a dealer contract between company V and their main supplier Volvo Trucks, there cannot be found any causal relation between the fact that company V selected 'network collaboration' as an option to decrease the dependence on the supplier and the presence of formal contracts. The same situation is applicable for the third factor that was discussed: 'source of power'. Most informants argue that the presence of mediated power sources does not influence the choice to apply 'network collaboration'. As derived from the example shared by company V's informant, their supplier Volvo Trucks promises bonuses and other rewards when company V performs according to, and meets, the prospected targets. This indicates the presence of mediated power sources, or more specific, reward power. However, as stated by the informant, this does not result in the selection of this specific strategic option in order to decrease the supplier's more powerful position.

Regarding the next factor, 'switching costs', it is observed that most company informants argue that they are very high for their organization and that this influences the choice of the company to select the option 'network collaboration'. Following the information shared by company V's informant this becomes more clear. Recognizing the fact that company V is an official Volvo Truck dealer makes it almost impossible for the organization to end the relationship with Volvo Trucks. In other words, the break-off costs are huge. Since these costs are considered almost inescapable, it increases the dependence of company V on their supplier and hence has played a significant role in the choice of the company to apply this strategic option.

The next factor that played a remarkable role in the choice for the ‘network collaboration’ strategy is ‘type of conflict’. Again, almost all informants agree that high levels of functional conflict do influence the choice for the ‘network collaboration’ strategy while dysfunctional conflict does not. The informant of company V illustrated that in the last two years the relationship between their organization and Volvo Trucks has hardened and often resulted in conflicts. Especially the frequency of functional conflict about targets, realization and bonusses between both parties has increased which made company V eager to decrease the power dominance of their supplier by applying the ‘network collaboration’ strategy.

In line with previous discussed underpinning factor ‘nature of interdependence’, the opinions of the company regarding the relation between the factor ‘relationship closeness’ and the strategic option ‘network collaboration’ shows a dichotomy as well. It is remarkable that the informants of company W and X indicate that high relationship closeness influences the choice for the ‘network collaboration’ strategy while the informants of company V and Y proclaim that ‘relationship closeness’ does not underpin the choice for that strategy.

Finally, most of the company informants agree that the number of available alternatives does influence the choice for this option as well. More specific, a low number of available alternatives influences the choice to apply ‘network collaboration’. As illustrated by an example provided by company V’s informant, their organization has no other choice than to stay in the dyadic relationship with Volvo Trucks since there are no alternatives for the supplier that are suitable for the company. As the informant mentioned, this would mean that they have to get rid of their Volvo Trucks dealership status and become dealer of another truck-selling brand. However, in practice this is not possible.

5.1.3 The condition of the factors 'nature of interdependence', 'relationship governance', 'source of power', 'switching costs', 'type of conflict' and 'available alternatives' are considered influencing factors regarding the application of the 'compromise' strategy

Regarding the third strategic option, i.e. 'compromise', that was discussed with the company informants, all informants came up with a situation in which they applied this option. An overview displaying the features of factors influencing the companies' choice to apply a specific strategic option is presented in figure 3 of the appendix. A good example of a situation where 'compromise' is applied, can (for instance) be derived from the information shared by company Y's informant. The informant stated that the company selected this option to decrease the dependence on a supplier who manufactures/produces bulk trucks for animal feeds, flour products, granulates, grains, etc. Company Y is service partner of this supplier, so they perform a lot of contracts for them. Besides that, the company possesses trailers of this supplier themselves as well. Since only 'official products' fit on these trailer that can exclusively be delivered by this supplier, company Y is dependent on them regarding their resources. Furthermore, the demand for their trailers is so high that it exceeds the supplier's production capacity. There are (almost) no more 'free spots' left for the upcoming two years. Additionally, statements made by the supplier like: "I don't care if you purchase a trailer from us or not" or "If you can get the same products against better price conditions from another supplier, go ahead!" even strengthens the conclusion made by the company informant that the supplier has obtained a monopoly position in this specific market. Since company Y recognizes the need to remain service partner of this supplier, because it results in the fact that they can serve much more clients, the company sees no other option than to accept the conditions offered by the supplier, i.e. to compromise

In terms of the conditions of underpinning factors that influence the choice of a weaker actor to select the strategic option 'compromise', the company informants agree on the influence of the factors 'nature of interdependence', 'relationship governance', 'sources of power' and 'switching costs'. Regarding the factor 'nature of interdependence', in case of the dependence on the supplier is highly asymmetric, it will influence a firm's choice to select the 'compromise' strategy. As explained by the informant of company Y, their organization depends highly on the resources of their supplier who manufactures/produces bulk trucks for animal feeds, flour products, granulates, grains,

etc. Additionally, the business opportunities arising from this relationship make company Y even more dependent on them which make the organization willing to compromise.
Second, considering the factor 'relationship governance', there exist a relation between the fact that the case companies selected the option 'compromise' to decrease the dependence on the supplier and the presence of formal contracts. On the other hand is found that regarding informal relationship governance no related mechanisms are into play and that the absence of these mechanisms also do not influence the choice for the case companies to apply the 'compromise' strategy.
The same situation is applicable for the third and fourth factor that were discussed named: 'sources of power' and 'switching costs'. Both mediated power sources and high switching costs influence a company's choice for the strategic option 'compromise'. As explained by an example of company Y, their supplier who manufactures/produces bulk trucks for animal feeds, flour products, granulates, grains, etc. threatens company Y by stating that if the company does not act as agreed upon, they will not be assigned to a place in the production scheme and hence not be served. This indicates the presence of mediated power sources, or more specific, coercive power. From that can be concluded that these threats exercised by the supplier do result in the selection of the strategic option 'compromise' in order to decrease the supplier's stronger position. Regarding 'switching costs', again an situation of company Y is used to explain the relation between this factor and the chosen strategic option 'compromise'. It is observed that 'switching costs' are very high for company Y. Considering the fact that the company did many investments in the field of Research & Development in collaboration with the supplier and invested in a showroom consisting of products manufactured by the supplier, makes it difficult for company Y to switch.
Regarding the factor 'type of conflict' different results are noticed. As indicated by most company informants, functional conflict can be excluded from the list of factors influencing a weaker actor's choice to apply 'compromise' in order to counteract the power dominance of stronger business partner. However, in case of high dysfunctional conflict, the informants of company W and Z do – unlike the other company informants – argue that this factor influences the choice to apply the 'compromise' strategy for sure.
Regarding the last two factors: 'relationship closeness' and 'available' alternatives, similar results are noticed among the different case companies. Most of the company informants indicate that the closeness of the relationship with their supplier can be

considered high in case the organization applied the option ‘compromise’. However, the fact that these relationship closeness is of a decent level did not influence the organization to apply the ‘compromise’ strategy. With regards to the factor ‘available alternatives’ all company informants agree that the number of available alternatives is low when the option ‘compromise’ is applied and that this factor does influence the choice for the ‘compromise’ strategy. As illustrated by the informant of company Y, regarding the relationship of the company with the supplier who manufactures/produces bulk trucks for animal feeds, flour products, granulates, grains, etc., company Y has no other choice than to stay in this dyadic relationship since there are no alternatives for the supplier that are suitable for the company. As the informant mentioned, this would mean that they have to get rid of their dealer/service contract, but this will not happen in practice since company Y would lose a lot of customers if they did so.

5.1.4 The condition of the factors ‘nature of interdependence’, ‘switching costs’, ‘relationship closeness’ and ‘available alternatives’ are considered influencing factors regarding the application of the ‘diversification’ strategy

The fourth strategic option that was discussed concerns ‘diversification’. All company informants were able to identify a situation wherein they applied this strategic option to counteract the power dominance of a stronger business partner. An overview of the findings regarding the ‘diversification’ strategy can be found in figure 4 of the appendix. A good example of a situation where ‘diversification’ is applied, can (for instance) be derived from the information shared by company V’s informant. He stated that the company selected this option to decrease the dependence on a Volvo company. This time it concerns a local Volvo passenger car dealer instead of Volvo Trucks. Before this strategic option was applied, all employees (including the management) who are driving a company car, were driving a Volvo car. However, company V is not able to purchase Volvo passenger cars directly from Volvo, but needs to go to the local Volvo passenger car dealer in order to get one. Since it is common that these cars are purchased from the dealer that is operating in the same rayon/district as company V, this particular dealer had a monopoly position when it came to the supply of Volvo passenger cars. So, in order to decrease the power position of this supplier deriving from its monopoly position, the management of company V changed their policy and started driving BMW passenger cars. Eventually this resulted in better price conditions offered by the Volvo passenger car dealer due to the supplier lost their monopoly position and the competition increased. By doing so company V established another relationship beyond the current dyadic buyer-supplier relationship with the Volvo passenger car dealer without actually doing harm to that relationship. In other words, company V applied the option ‘diversification’.

In terms of the factors influencing the choice for the strategic option ‘diversification’, it is observed that only ‘nature of interdependence’, ‘switching costs’, ‘relationship closeness’ and ‘available alternatives’ are considered influencing factors by the company informants.

Regarding the ‘nature of interdependence’ it is low asymmetric dependence that influences a company’s choice to apply ‘diversification’. As stated by the informant of company V who illustrated the relation between factor and strategic option by using their organization’s relationship with the Volvo passenger car dealer, it is common that passenger cars are purchased by truck dealers from the passenger car dealer that is operating in the same rayon/district as themselves. Therefore, the particular Volvo passenger car supplier had with regards to company V a monopoly position when it came to the supply of cars. Hence, company V was more dependent on the dealer than vice versa.

Second, considering the factor ‘relationship governance’, the informants of company X and Z indicated that formal relationship governance mechanisms were present when they applied the strategic option ‘diversification’. The informants of the other case companies argued the opposite and stated that it were informal relationship governance mechanisms that were present when the ‘diversification’ strategy was applied. However, as argued by all company informants, the factor ‘relationship governance’ did not influence their choice to select the option ‘diversification’.

The same situation is applicable for the third factor that was discussed: ‘source of power’. In this case, most company informants argued that no mediated power sources were present. Instead of this type of power tactics, no power tactics were exercised by the stronger party at all. However, the absence of any source of power exercised by the supplier does not result in the selection of this specific strategic option in order to decrease the supplier’s stronger position. The informant of company V supports this statement by stating that the Volvo passenger car dealer was not able to exercise any mediated power tactics since there were no contracts into play and that non-mediated power tactics were also not observed.

Regarding the next factor, ‘switching costs’, it is observed among all case companies that these costs are low in case the factor is considered an influencer with regards to the strategic option ‘diversification’. As explained by the informant of company V, given the fact that the relationship between company V and the passenger car supplier can be considered as rather transactional and there are not made any (huge) investments in this relationship by any of the involved parties, switching costs are low when the ‘diversification’ strategy was applied.

Similar to the factor ‘relationship governance’, it is observed that the factor ‘type of conflict’ does not play a remarkable role in the choice for the option ‘diversification’. Some company informants argue that there do exist functional or dysfunctional conflicts in the relationship with their considered stronger business partner when the company choses to apply the ‘diversification’ strategy, however, the factor ‘type of conflict’ does not influence the choice to apply this strategic option. As explained by a situation derived from the information shared by the informant of company V, there were not any conflicts faced in the firm’s relationship with the passenger car dealer and the relationship overall could be considered as ‘just fine’.

Next, the factor ‘relationship closeness’ was discussed. It is observed that the relation between this factor and the strategic option ‘diversification’ differ among the case companies. While the informants of company V and X argue that the factor ‘relationship closeness’ is not an influencing factor in the selection of the strategic option ‘diversification’ in order to decrease the supplier’s stronger position at all, informants of company W, Y and Z state that ‘relationship closeness’ actually does influence the firm’s choice to apply a ‘diversification’ strategy. However, of these firms the informants of company Y and Z stated that the influence of the factor ‘relationship closeness’ can be considered as of a moderate level. In case of the relationship with a stronger partner whereby these companies applied the ‘diversification’ strategy, there was not much confidence or information sharing between both companies, but still it could be considered as of a decent level.

Finally, regarding the factor ‘available alternatives’ all company informants indicate that the presence of a high number of available alternatives in the market does influence the choice for the ‘diversification’ strategy and that this factor can be considered as the number one cause for the company to do so. Company V's informant explained that since there exist a wide range of passenger car dealers considering all the different car brands, the company can easily switch to or add another passenger car dealer to their supplier portfolio.

5.1.5 The condition of the factors 'nature of interdependence', 'source of power', 'switching costs', 'type of conflict' and 'available alternatives' are considered influencing factors regarding the application of the 'coalition' strategy

The fifth strategic option that was discussed concerns 'coalition'. In this case, four company informants were able to identify a situation wherein they applied this strategic option to counteract the power dominance of a stronger business partner. An overview of the findings regarding this strategic option can be found in figure 5 of the appendix. A good example of a situation where 'coalition' is applied, can (for instance) be derived from the information shared by company V's informant. As stated by the informant, the relationship in which the 'coalition' strategy is applied concerns once more the relationship with Volvo Trucks. As stated before, Volvo Trucks sets individual targets for their dealers that need to be achieved before a certain bonus will be entitled. Last January, company V was negotiating about the terms and conditions of these targets and during those negotiations Volvo Trucks again demanded according to company V unattainable targets for the upcoming year. This made the company decide to start looking for colleague truck dealers to combine forces with and to purchase certain items together somewhere else in order to reduce the dependence on Volvo Trucks. Besides this example, the company informant came up with another situation in which they decided to apply this option. During winter months it turns out that a lot of truck batteries will break. Last years, it appeared that Volvo Trucks faced difficulties with the supply of these parts. Therefore, during summer months all truck dealers combine forces and come up with one total order that indicates how many batteries they will need in total. With this information the truck dealers approach towards Volvo Trucks and demand better price and delivery conditions. In this case, reducing the power dominance of the supplier is besides the economic/financial advantages the main cause for the selection of this option.

In terms of the factors influencing the choice for the strategic option 'coalition', it is observed that the 'nature of interdependence' is considered an influencing factor by all the company informants. Company Y's informant elaborated for instance on this statement that their organization was responsible for a part of a supplier's total sales that was considered too small to be able to exert influence on the supplier (stronger actor) and that the firm (among others) therefore decided to apply the 'coalition' strategy.

Second, considering the factor 'relationship governance', most of the company informants proclaimed that formal contracts were into play but that there did not exist a causal relation between the fact that their firm selected the option 'coalition' to decrease the dependence on the supplier and the presence of these formal contracts. Company Y's informant for instance supported this statement by stating that in the company's relationship with a stronger supplier in case the 'coalition' strategy was applied formal, volume contracts exist. However, as mentioned by the informant, these contracts do not influence the choice for this specific strategic option. The incentive to select this strategic option had nothing to do with the existence or nonexistence of contracts. The incentive was to obtain the supplier's products for the best price conditions as possible. By applying this strategic option the company was able to reduce the asymmetric dependence and hence was offered good price conditions.

In case of the third factor 'sources of power', the same situation is noticed as for the factor 'relationship governance'. All informants indicated that when the strategic option 'coalition' is applied, mediated power sources are present. However, most informants state that the 'sources of power' factor does not directly influence the choice for the strategic option 'coalition'. As illustrated by the informant of company Y, the company first sealed deals directly with a certain supplier. In return they got offered discounts, promotions and other special offers indicating that reward power tactics are used. However, due to the company joined a purchasing organization, the supplier's powerful position came under pressure which made him less satisfied with the relationship and hence the supplier started using coercive power tactics like withholding discounts, promotions, etc. Therefore the use of power sources is in this case rather a consequence than an influencing factor.

Next, the factor 'switching costs' was discussed. Regarding these type of costs it is observed among all case companies that these costs are high and that 'switching costs' are considered an influencing factor with regards to the strategic option 'diversification'. As explained by the informant of company Y, switching to another brand/type will cost a lot of work and money. Additionally, because of the fact that company Y's customers have sealed agreements directly with company Y's supplier of that specific brand/type as well switching costs can be determined as high.

Regarding the next factor, 'type of conflict', different results are observed. The informants of company V and W state that the level of both functional and dysfunctional conflict is considered high in the relationship with their stronger business partner and that the presence of these conflicts directly influences the choice of their firm to select the strategic option 'coalition'. On the other hand, the informants of company Y and Z deny the existence of a causal relation between the factor 'type of conflict' and the 'coalition' strategy. Besides that, the latter mentioned firms argue that conflicts rarely occur or that they are only present at a moderate level in case the 'coalition' strategy is applied.

While discussing the factor 'relationship closeness' in the context of the strategic option 'coalition', most of the company informants proclaimed that the 'relationship closeness' was of a high level but that there did not exist a causal relation between the fact that their firm selected the option 'coalition' to decrease the dependence on the supplier and a high level of 'relationship closeness'. Company Y's informant for instance supported this statement by arguing that in the company's relationship with a stronger supplier in case the 'coalition' strategy was applied the level of information sharing or trust was overall 'just good'; neither considered high nor low.

Finally, with regards to the factor 'available alternatives' in case the option 'coalition' is applied, a dichotomy is observed. There where the informants of company V and W argue that the number of available alternatives are low and hence influence the choice to apply the 'coalition' strategy, the informants of company Y and Z state that the number of available alternatives are high and do not influence the choice for the option named 'coalition'.

5.1.6 The condition of the factors 'nature of interdependence', 'source of power', 'switching costs', 'type of conflict', 'relationship closeness' and 'available alternatives' are considered influencing factors regarding the application of the 'exit' strategy

The penultimate and most rigorous option that was discussed concerns the 'exit' strategy. All company informants were able to identify a situation wherein they applied this strategic option to counteract the power dominance of a stronger business partner. An overview of the findings regarding this strategic option can be found in figure 6 of the appendix. A good example of a situation where the 'exit' option is applied, can (for instance) be derived from the information shared by company V’s informant. The informant stated that the company selected this option to decrease the dependence on a customer who’s core business is the worldwide transportation of customers' goods and documents. At one of the company’s plants, the firm is already doing business for many years with this large international fleet owner whereby company V takes care of the repair and maintenance activities of their trucks. The work deriving from this relationship is worth 70 percent of the specific establishment’s total sales. Now, it occurred that the supplier appointed a new fleet manager who demanded all kind of personal favors company V had to comply with if they wanted to keep the business offered by the supplier. First, company V accepted these favors and provided the fleet manager with the requested goods and services, but after a while these favors reached unacceptable heights and therefore company V ended the relationship with this particular supplier. Another example provided by the informant concerns the relationship with their supplier of small materials. Annually, company V orders small materials worth hundred thousand euro. This whole package was delivered by only one supplier. After a while, company V decided to accept another supplier to do an offer and it turned out that this new supplier could make an offer including the same products with the same conditions for more than a 50 percent cheaper price. This resulted in a huge conflict between the existing supplier and company V and, eventually, this caused the fact that the relationship came to an end.

Speaking in terms of the conditions of underpinning factors, it is observed that in most cases all company informants agree upon the influence of a certain factor with regards to the ‘exit’ strategy. In case of the factor ‘nature of interdependence’ the informants of company W, X and Z state that low asymmetric interdependence between their organization and a considered stronger supplier underpins the choice for the ‘exit’ strategy. Contrary, company V and Y indicate that it is high asymmetric interdependence that underpins this choice whereby company Y even suggests that the factor ‘nature of interdependence’ has no influence at all on the company’s choice to apply the ‘exit’ strategy.

Second, considering the factor ‘relationship governance’, it can be derived from the information shared by the company informants that there does not exist a causal relationship between the condition of the factor ‘relationship governance’ (nor formal, nor informal) and the choice for the ‘exit’ strategy. For instance, company V indicated that only informal agreements with the concerning stronger parties about the delivery of products and services are made, but that the agreements are nothing more than agreements made in good faith. Hence, this makes it equally easy for both parties to violate the agreements if they want to and/or exit the relationship (i.e. equal exit pathways). Therefore this factor does not influence the choice for the 'exit' strategy.

In line with previous factor discussed, in case of 'source of power', the company informants argue that there does not exist a causal relationship between the condition of the factor 'source of power' and the choice for the 'exit' strategy. Most informants proclaim that there do exist mediated power sources in the relationship with a considered stronger supplier, but that these mediated power sources do not result in the selection of the 'exit' strategy.

Regarding the next factor: 'switching costs' it is observed among all case companies that these costs are low and that these low 'switching costs' are considered an influencing factor with regards to the strategic option to 'exit' the relationship.

While discussing the factor 'type of conflict' it is found that all company informants mentioned the same with regards to the condition of the factor and the influence it had on the firm's choice to apply the 'exit' strategy. In all cases, functional conflict was not present when the 'exit' strategy was applied. However, speaking in terms of dysfunctional conflict, a high level of this type of conflict did play a remarkable role in the choice for the 'exit' strategy. As indicated by the company V's informant: "the reason to exit a relationship is in most cases not based on price conditions, but is based on conflict. The arrogance of suppliers." Additionally it is noticed that whenever a supplier misuses the 'goodness' of the company, the relationship will come to an end as well. Considering these statements, it is justifiable to conclude that the level of dysfunctional conflict is of a very high level.

In line with the previous discussed factors, all company informants agree with each other regarding the factor 'relationship closeness'. They mentioned that a low level of 'relationship closeness' is a significant influencer of the choice for the 'exit' strategy. Company V's informant explained his statement by arguing that in case the 'exit' strategy is applied, the level of the relationship can be described in terms of trust and information sharing as very low. Furthermore, whenever a business partner feels the need to misuse the trust of company V, they will be deleted form the firm's supplier/customer base and never be served again.

Finally, the number of 'available alternatives' was discussed. This factor is considered by all company informants as a significant influencer of the choice for 'exit' strategy as well. All informants indicate that first a new supplier need to be found before the relationship with their current supplier can be ended which implicates that the number of alternative suppliers in the market needs to be high.

5.1.7 The condition of the factors 'nature of interdependence', 'source of power', 'switching costs', 'type of conflict', and 'relationship closeness' are considered influencing factors regarding the application of the 'attractiveness' strategy

The final strategic option that was discussed concerns 'attractiveness' and is added to the existing list with strategic options identified by Habib et al. (2015). Again, all company informants were able to identify a situation wherein they applied this strategic option to counteract the power dominance of a stronger business partner. An overview of the findings regarding this strategic option can be found in figure 7 of the appendix. A good example of a situation where the 'exit' option is applied, can (for instance) be derived from the information shared by company Y's informant. The company informant came up with two examples of situations from practice in which they applied this option. One of these examples is about the relationship between company Y and one of their suppliers of Independent Aftermarket (IAM) Parts, i.e. the products that are not delivered by Volvo Trucks. The other example is about the company's relationship with an international operating supplier of tank- and toll boxes. Company Y suggests that every organization wants a partner that can be trusted and has added value to them. Company Y always pays on time (preferably as soon as possible), makes profit every year and shows growth rates all the time. Regarding the supplier of tank- and toll boxes for instance, as soon as contracts with this party are signed, a shift in dominance and dependence in the relationship can be observed. Before a relationship is established, company Y holds the dominant position since they decide whether or not the supplier will be selected as a partner. However, when a tank- and toll boxes supplier is selected, i.e. when contracts are signed and the delivered products are installed, switching costs immediately increase to a high level – and the supplier is aware of that – making company Y more dependent on the supplier than vice versa. In order to limit asymmetric dependence and/or to return the balance in the relationship after contracts are signed, company Y demands volume/quantity discounts. By doing so, the company presents itself as a constantly growing organization and hence makes itself more attractive to the supplier resulting in the fact that the supplier will not (mis)use their power.

In terms of the conditions of underpinning factors, ‘nature of interdependence’ is discussed first. This factor is considered by all company informants as a significant influencer of the choice for the strategic option to increase the firm’s attractiveness. Company Y for instance explained – as stated in previous paragraph as well – that before contracts are signed, the company is considered the more dominant party. However, once agreements are sealed and both parties are committed to each other, the dominant position is shifted towards the supplier. Since the company informant stated that company Y is especially eager to emphasize the aspects of the organization considered as attractive for the supplier whenever the supplier is in a more dominant position, the nature of dependence is in this case is considered as asymmetric.

Second, in terms of the factor ‘relationship governance’, most of the company informants indicated that formal relationship governance mechanisms are into play instead of informal mechanisms in case the option to increase a firm’s attractiveness is applied. Only the informant of company V indicated the opposite. However, besides this small difference, the company informants agree that none of the conditions of ‘relationship governance’ factor influence the firm’s choice to apply the ‘attractiveness’ strategy.

Third, regarding the factor ‘source of power’, all company informants argue that mediated power sources are exercised by the stronger business partner when the strategic option ‘attractiveness’ is used. However, only the informants of company X and Z state that the presence of mediated power sources influence the choice to apply the ‘attractiveness’ strategy. The informants of company V and Y deny the existence of a causal relationship. As explained by the informant of company Y, the firm is awarded with discounts if they purchase above a certain agreed upon quantity, but there is no reason to believe that the presence of mediated power sources influences the choice of company Y to select the ‘attractiveness’ strategy.

Regarding the factor ‘switching costs’, the informants of company V and Y indicate that these type of costs are high and that they directly influence the choice of the firm to apply the option ‘attractiveness’ and hence decrease the power dominance of a stronger business partner. The informants of company X and Z argue the opposite. They state that in case the firm increases its attractiveness with the aim to counteract the power dominance of a business partner, ‘switching costs’ are considered low, but that these costs did not influence the choice for the ‘attractiveness’ strategy. Company Y’s informant elaborated on the relation between the option ‘attractiveness’ and the factor ‘switching costs’ by mentioning that company Y invested a lot in a certain relationship with a supplier (stronger actor) of tank- and toll boxes (i.e. the company invested several months of time in building the relationship) which made it difficult for them to switch to another supplier. The informant empowered this by stating that if company Y has to switch to another supplier tomorrow, this would be very difficult since they have to demolish the old tank- and toll boxes and reinstall new ones for all trucks of the company’s fleet which entails high costs.

While discussing the factor ‘type of conflict’ it is found that all company informants mentioned the same with regards to the condition of the factor and the influence it had on the firm’s choice to apply the ‘attractiveness’ strategy. In all cases, dysfunctional conflict was not present when the ‘attractiveness’ strategy was applied. Opposite, when speaking in terms of dysfunctional conflict, the company informants mentioned that a high level of this specific type of conflict did play a remarkable role in the choice for the ‘attractiveness’ strategy. As indicated by the company V’s informant.

Next, considering the factor ‘relationship closeness’, all company informants argue that the relationship closeness between the stronger business partner and their company is of a high level in case the ‘attractiveness’ option is applied. Most of the informants also indicate that a high relationship closeness is an influencing factor regarding the choice for the ‘attractiveness’ strategy. Only company Y’s informant states that the latter is not true and that the factor ‘relationship closeness’ does not influence a firm’s choice to increase its attractiveness. In case of company Y the relationship was overall neither considered high nor low.

Finally, the number of ‘available alternatives’ is discussed. All company informants agree that this factor does not really influence the choice for the strategic option called ‘attractiveness’ despite they all state that a high number of available alternatives exist in the market. Company Y’s informant explained that the firm is aware of the fact that there are other suppliers in the market that can deliver the same products for the same conditions. However, as stated before, switching from supplier implies high costs and is therefore not desirable.

5.2 Limitations to the generalizability and external validity of the research findings have led to the development of a survey that can be used as a 'start-of' for additional quantitative research

As stated by Thomas (2003), quantitative research seek explanations and predictions that will generalize to other persons and places.[239] Similar, Netemeyer et al. (2003) denoted that quantification enhances communication and generalizability of results. When the same, standardized measures are used across scientific applications, results have common meaning across researchers. This enhances both the communication of results and generalizability of findings.[240] Since this research has been focusing only on qualitative measurements to explore the what, how, when, where, and why of the study's objective; its essence and ambience, there still exist a need for additional quantitative research that allows other researchers to make findings generalizable during further research. In order to heed on this need, a measurement tool, i.e. a self-administered questionnaire with likert scale items, that is able to capture what combination of underpinning factors makes a weaker actor eager to select a specific strategic option to mitigate (potential) negative effects deriving from asymmetric power dominance in a buyer-supplier relationship, is introduced. This tool can be used as a 'start-of' for quantitative researchers to empower the findings of this qualitative case study. There were the focus of this master thesis has been on depth rather than on breadth, follow-up research is able to focus on the latter by using the proposed questionnaire.

In this subsection a detailed description of the included scale items is provided. The complete questionnaire can be found in the appendix. The proposed survey is built on pre-existing and validated scales for measuring the influence of an underpinning factor on the choice of an organization to apply a certain strategic option. Advantages of using validated scales is that these items are already checked for many types of validity and reliability. The questionnaire contains questions for each of the by Habib et al. (2015) identified underpinning factors – including attractiveness. These items were sorted per factor or per feature of a certain factor, resulting in 18 different item scales. In this case step two of the approach described by Netemeyer et al. (2003) about generating judging measurement items was used to develop the measurement scale. Eventually, an eight-

[239] See Thomas (2003), p. 2.
[240] See Netemeyer, et al. (2003), p. 4.

page questionnaire consisting of a 70-item scale – of which two items contain several subitems – was developed to measure to what extent a (combination of) factor(s) has influence on a weaker actor's choice. In order to find the right balance between fatigue and brevity a limited amount ranging from one to seven questions were chosen for each item scale. Too many questions would induce non-cooperation and distortion of data while a narrow approach amount could be a threat to reliability.[241] Therefore, each underpinning factor could only be covered by a limited amount of questions. Furthermore, all items can be scored on a 5-point scale, ranging from "strongly disagree" to "strongly agree". Conceptually, a researcher could argue for collecting data about buyer-seller relationships from the supplier's perspective, the customer's perspective, or both. However, it is usually the customer that ultimately makes the decision of whether to purchase from a supplier. Thus, even if the supplier and customer have different views regarding relationships, it is the customer's view that is likely to be determinant.[242] Therefore, this survey is designed to derive data from the customer's vantage point.

The items of Heide & John (1988) were used for the first underpinning factor named: nature of interdependence. As already stated in the literature section of this paper, a firm's dependence on a partner traditionally has been defined in channels as the firm's need to maintain a relationship with the partner to achieve its goals. Although there are a number of means by which a channel firm may become dependent, the firm's inability to replace a partner has been considered an indication of the firm's dependence on its partner. Therefore, replaceability of a firm's existing partner can be used as a measure of the firm's dependence.[243] By trying to fit this into the survey, theory of Kumar et al. (1995) can be used. These scholars measured a company's perception of its own dependence and its supplier's dependence separately using three parallel items adapted from Heide & John's (1988) replaceability scale. These items capture the opportunity costs of the value that would be lost if the relationship ended and the switching costs associated with termination and replacement.[244] On first notice it is arguable that only the questions of Kumar et al. (1995) pertaining a firm's dependence on a supplier need to be include. However, since the factor is about the interdependence between two organizations, a supplier's

[241] See Netemeyer et al. (2003), p. 14.
[242] See Cannon & Perreault Jr. (1999), p. 445.
[243] See Kumar et al. (1995), p. 349.
[244] See Kumar et al. (1995), p. 350.

dependence on a buying firm (case company) needs to be investigated as well. Therefore both item scales are included.

The items of Cannon & Perreault Jr. (1999) were used for the second underpinning factor named: relationship governance. As stated in the literature part of this paper, a distinction can be made between formal- (i.e. legal contracts) and informal (i.e. norms) relationship governance. As denoted by Cai & Yang (2008), norms are typically ambiguous and informally codified, while legal contracts can explicitly define the obligations of trading partners in a relationship.[245] Regarding formal/legal contracts, that are detailed and binding contractual agreements that specify the obligations and roles of both parties in the relationship[246], Cannon & Perreault Jr. (1999) identified three items. Although formal, detailed contracts are common business practice, many firms prefer to operate with a "handshake" agreement. However, there is no need to include specific statements in the survey pertaining this type of relationship governance. Due to the non-existence of legal contracts, i.e. no mechanisms are involved to safeguard any investment made by an actor, it can be implied that only informal, handshake agreements are into play.

Regarding the third identified underpinning factor, i.e. source of power, as stated before, there can be distinguished between mediated and non-mediated power. Coercion, reward and legal legitimate power can be referred to as mediated types of power, while expertise, referent, information and traditional legitimate power can be considered as non-mediated types of power.[247] In line with this theory, Park et al. (2017) came up with the operational definition of variables, i.e. types of power, and with measurement items based on preceding research. For the creation of an item scale related to mediated power sources, these scholars used theory developed by Maloni & Benton (2000), Benton & Maloni (2005), Flynn et al. (2008) and Ke et al. (2009). Second, in terms of non-mediated power sources, research of Sahin & Robinsonet (2002), Ke et al. (2009), Zhao et al. (2013) underpinned the establishment of the item scale.[248] In order to make these items useful in a supply chain context, Park et al. (2017) revised and reconstructed the definitions.

[245] See Cai & Yang (2008), p. 60.
[246] See Cannon & Perreault (1999), p. 443.
[247] See Johnson et al. (1993), p. 2; as well as Johnson et al. (1995), p. 336.
[248] See Park et al. (2007), p. 135.

Eventually, a 22-item scale was developed, whereby ten questions pertained to mediated power and twelve to non-mediated power.

The items of Lam et al. (2004) were used for the fourth underpinning factor named: switching costs. As explained by Heide & Weiss (1995), the domain of switching costs encompasses both monetary expenses and nonmonetary costs (e.g. time spent and psychological effort).[249] Furthermore, the domain could include the loss of loyalty benefits as a result of ending the current relationship. Therefore, these scholars developed measures reflecting various aspects of this construct, covering both types of costs and including items related to time, money, effort, and risk associated with change of technology. The measures identified by Lam et al. (2004) are based on measures developed by Ping (1993) and conceptual insights gleaned from Liljander & Strandvik (1995).[250]

As explained in the literature section of this paper, the fifth underpinning factor, i.e. type of conflict, is comprised of dysfunctional- and functional conflict. The items of Frazier et al. (1989), Jaworski & Kohli (1993) and Kumar et al. (1995) were used to measure the level of dysfunctional conflict, while the items established by Menon et al. (1996) covered the aspect of functional conflict. Frazier et al. (1989) state that channel conflict can be defined as "the degree of tension or frustration in the channel relationship arising from the incompatibility of actual and desired responses".[251] It was measured on the basis of the dealer's extent of agreement with each of two statements. By examining the nature of these statements it is justifiable to conclude that Frazier et al. (1989) in this case established more dysfunctional- rather than functional conflict questions. Several years later Kumar et al. (1995) were able to add another statement by introducing the term 'hostility'. Hostility reflects a firm's current negative affect toward their business partner. Hostility may be either expressed or repressed, recently formed or retained from a previous conflict episode; but whatever its genesis, its existence indicates that some level of conflict presently exists between the channel partners. Kumar et al. (1995) measured hostility by a four-item scale assessing the dealer's anger, frustration, hostility, and

[249] See Heide & Weis (1995), p. 32-33.
[250] See Lam et al. (2004), p. 299.
[251] Frazier et al. (1989), p. 60.

resentment toward the supplier.[252] The conflict items as defined by Jaworski & Kohli (1993) pertained to the extent to which the goals of the different departments were incompatible and tension prevailed in interdepartmental interaction.[253] Since this research is about exchange relationships between buyers and sellers and not between the departments of one organization, Massey & Dawes' (2007) theory is followed. These scholars were able to transform four of the Jaworski & Kohli (1993) questions into dysfunctional conflict statements relevant and useful for this research. Eventually, the by Frazier et al. (1989), Jaworski & Kohli (1993) and Kumar et al. (1995) identified questions/statements are combined to cover the aspect dysfunctional conflict in the survey. Regarding functional conflict between business partners, the item scale of Menon et al. (1996) is used who adopted Barclay's (1991) conceptualization of substantive or task-related conflicts. Functional conflict is considered to have beneficial effects which flow from the consultative interactions that occur when functional conflict is present. Where functional conflict is present, people feel free to express their opinions, and to challenge others' ideas, beliefs, and assumptions. Therefore, functional conflict can be seen as an antidote to 'groupthink'.[254] Menon et al. (1996) excluded items that relate to personality-related conflicts which makes the four item scale especially useful for this research.[255]

The items of Kumar et al. (1995) and Morgan & Piercy (1998) were used for the sixth underpinning factor named: relationship closeness. As explained in the literature section of this paper, relationship closeness is comprised of the level of trust and the level of information sharing. Following the research of Kumar et al. (1995) it is argued that trust encompasses two essential elements. First, trust in the partner's honesty, i.e. the belief that the partner stands by its word, is sincere, and fulfills promised role obligations. The second element is the trust in the partner's benevolence, i.e. the belief that the partner is interested in the firm's welfare and will not take unexpected actions that will negatively affect the firm. Therefore, trust exists when a firm believes its partner is honest and benevolent.[256] Supplier honesty was measured by five items assessing the extent to which the supplier was honest, truthful, and reliable. Additionally, a five-item supplier benevolence scale captured the dealer's belief that the supplier considers the company's

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[252] See Kumar et al. (1995), p. 350.
[253] See Jaworski & Kohli (1993), p. 59.
[254] See Dawes & Massey (2004), p. 6.
[255] See Menon et al. (1996), p. 305.
[256] See Kumar et al. (1995), p. 350-351.

interests or welfare. These two elements combined cover the 'trust aspect' of the factor relationship closeness. Regarding the level of detail and frequency of information exchange between business partners, theory of Dawes & Massey (2007) is followed. These scholars state that in order to provide a multidimensional view of inter-organizational communication, communication frequency, bidirectionality, and quality needs to be addressed.[257] Communication frequency is widely regarded as a key dimension of communication, and relates to the intensity of information flow through media such as e-mail, memos, and face-to-face meetings.[258] Additionally, there is found that bidirectionality is at least as important as communication frequency in generating positive outcomes. Therefore, also this form of communication is taken into account and is defined as the degree to which communication between two organizations is a two-way process. Finally, items related to communication quality, i.e. the extent to which information provided is useful, credible, and relevant to an organization are listed in the survey as well.[259]

In order to measure the final underpinning factor, that is, available alternatives, once more the items of Cannon & Perreault Jr. (1999) can be used. Availability of alternatives is simply the degree to which a buying firm has alternative sources of supply to meet a need.[260] Additionally, resource dependency theory suggests that dependence will increase when fewer alternative or potentially alternative sources of exchange are available.[261] In order to investigate to what extent an organization has alternative suppliers for a particular good or service, Cannon & Perreault Jr. (1999) created a 5-item scale that has been adopted 'one-on-one' in the proposed survey.

6. Conclusion: By comparing the results of all (micro-)cases involved is per strategic option determined what role an underpinning factor eventually plays in a weaker actor's decision to apply a certain strategy

Based on the influence of conditions of factors that are identified and provided for each case company individually in figure 1 to 7 of the appendix, is a 'final, overall level of influence' determined for all of the conditions; i.e. features of underpinning factors, under

[257] See Dawes & Massey (2004), p. 6.
[258] See Morgan & Piercy (1998), p. 193.
[259] See Dawes & Massey (2007), p. 1120-1122.
[260] See Cannon & Perreault Jr. (1999), p. 444.
[261] See Cai & Yang (2008), p. 58.

which a weaker actor applies what strategic option(s) towards another actor in case former mentioned holds the weaker position in buyer-supplier relationships that are characterized by asymmetric power dominance. Table 1 of the appendix is used to develop the final, overall influence of the conditions of factors. This table shows how often and in what capacity a certain condition is observed considering all information shared during the discussion of example relationships of all interviews combined. Eventually, it is decided that the capacity of a certain condition of an underpinning factor that is most often observed – marked in yellow – can be considered as the ‘true value’ for that specific factor’s feature regarding the concerning strategic option. However, sometimes the number of observations of different conditions of an underpinning factor were equal regarding a specific strategy. In that case a combined final, overall level of influence is developed. Additionally, regarding the factor mediated sources of power approached in an exit context, it is found that besides one specific capacity of an factor’s condition is most often observed, it depends on the situation whether or not it can be considered as an influencing factor. Eventually, based on this data, a schematic representation of the final results could be provided. The matrix can be found in figure 11 below. The corresponding legend is attached and includes more specific descriptions on the figure. Again, similar as to the schemes that can be found in figure 1 to 7 of the appendix, the matrix is designed in accordance to fsQCA theory.

	High Asymmetric Dependence	High Formal Relationship Governance	High Informal Relationship Governance	Mediated Sources of Power	High Switching Costs	High Level Functional Conflict	High Level Dys-functional Conflict	High Relationship Closeness	High Available Alternatives
Dyadic Collaboration	●			●		●		●	⊗
Network Collaboration	•				●	●		(●)	⊗
Compromise	●	●		●	●		●		⊗
Diversification	⊗				⊗			(•)	●
Coalition	●			(●)	●	●	(●)		⊗
Exit	⊗			●	⊗		●	⊗	●
Attractiveness	●			(●)	(●)	●		●	

Note: Black circles (●) indicate the presence of a condition; circles with “x” (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs). Large circles indicate core influencing conditions; small ones indicate peripheral influencing conditions. Circles between brackets indicate the presence of a condition, but it depends on the situation whether the condition influences the choice for a strategic option. Blank spaces indicate the absence of causal relation between factor and strategic option.

Figure 11 Final model: conditions of underpinning factors that are found to influence a weaker actor’s choice to select a specific strategic option with the aim to counteract the power dominance of a stronger business partner

7. Discussion, Implications and Limitations: Empirical validation of the theoretical framework proposed by Habib et al. (2015) is provided and research limitations and 'follow-up' research ideas are discussed

7.1 Result analysis: A brief explanation of the influence of underpinning factors on a chosen strategy

As stated before, the aim of this research is to provide a clear understanding about under which conditions of underpinning factors certain strategic options are chosen by a weaker actor to counteract the power dominance of a more powerful business partner within different contexts (dyadic or network). Based on the results of all cases it was possible to develop a matrix that displays for each underpinning factor whether its condition influences a weaker actor's choice to select a specific strategic option or not.

The circumstances in which certain options are chosen differ depending on the context. Within a dyad, the option 'dyadic collaboration' is favored whenever asymmetric dependence is high and mediated power sources in the form of reward power are exercised by a supplier. Furthermore, it is derived from the shared information of several company informants that in case of high relationship closeness and high levels of properly handled functional conflict this will result in the selection of this option as well. Finally, the fact that no other alternative business partners exist in the market results in a weaker actor's choice to apply the strategic option 'dyadic collaboration'.

Regarding the other option applicable in a dyadic context, i.e. 'compromise', it is found that this strategy will be selected when a weaker actor feels 'pressured' by its business partner. In terms of underpinning factors this indicates that whenever dependence on a vendor is high, coercive power tactics are into play, and the company is not able to switch to another supplier since they are bounded by formal contracts, the option 'compromise' will be selected. As a consequence, relationship closeness and available alternatives are perceived as of a lower level by implementing the 'compromise' strategy.

'Attractiveness' is considered to be the third possibility in a dyadic context. This option is selected once the relationship between both actors is of a very high level. Due to properly handled functional conflicts the relationship even strengthens which makes weaker actors (among others) eager to invest (even more) in the relationship. Hence, switching costs run high resulting in a high dependence on their partner. In order to reduce the potential negative effect of a business partner (mis)using its stronger position the weaker actor tries to increase its attractiveness.

Within a network context, it is concluded that, overall, the underpinning factors: nature of interdependence, switching costs, (properly handled) functional conflict and the number of available alternatives influence a weaker actor's choice to apply a collaboration strategy. For all these factors except the factor available alternatives counts that when present at a moderate to high level, 'network collaboration' is applied to counteract the power dominance of a firm's stronger partner. Additionally, the opportunities to establish relationships with other vendors is considered low. Regarding the factor relationship closeness it depends on the situation whether its presence can be considered as an influencing factor.
The second option available that is discussed in a network context is 'diversification'. 'Diversification' is only selected whenever available alternative companies exist in the market that can provide the company with similar products. Furthermore, the costs of switching to or adding one of these suppliers to the company's supplier base are considered low. Finally, the focal company does not feel more dependent on its business partner than vice versa. Because of the inter- or independence, a weaker actor is more eager to go beyond the focal relationship and try to establish new relationships with other parties.
Regarding the 'coalition' strategy, the existence of all type of conflicts are considered to be a big influencing factor which makes a weaker actor decide to apply the 'coalition' option. Once conflicts arise, a weaker actor is eager to combine forces with other parties to enlarge their power position. Furthermore, it is observed that if this strategy is chosen, there do not exist many available alternative vendors in the market. Besides that, the presence of high switching costs in combination with high dependence on a stronger partner, makes a less powerful firm feel to be even more bounded to the existing relation.

'Exit' is considered to be the least favorable option. Many case companies indicate that ending the relationship with a partner is only selected when is argued that no other choice is left. The relationship in this case is of a very low level and characterized by high levels of dysfunctional conflict and by the supplier exercised coercive power tactics.

Furthermore, a suitable alternative needs to be available in combination with low costs of switching to this new identified vendor.

7.2 This research contributes to theory in several ways: 'attractiveness' is added to the existing list of strategic options, a quantitative measurement tool is developed, and strategic options available to a weaker actor are for the first time investigated with regards to the transportation sector.

In this section the theoretical framework of Makadok et al. (2018) is used in order to make a theoretical contribution. These scholars developed a taxonomy that presents specific opportunities and approaches for making a contribution to theory. Hence, their proposed framework provides a guide for creating such contributions. By systematically going through the different component ingredients of theory and exploring simple ways that these components may be adjusted, improved, and recombined, a researcher can make a contribution to theory. By breaking down theories into eight constituent elements and then examining how these eight elements can be combined in various ways, underexplored areas where there is a substantial opportunity to make new theoretical contributions can be identified. The first of these (i.e. the research question) represents the primary input into the theorizing process; the last of these is its primary product; and the remaining six can be considered as adjustable levers of the theorizing process that correspond to the classic "five W's and an H" of journalism and rhetoric.[262] An overview of the levers of the theorizing process that are one-by-one reviewed while constructing this section about the study's contribution to theory, can be found in figure 12 below.

[262] See Makadok et al. (2018), p. 1530-1533.

Modes of Theorizing (How?)

- Shift between inductive and deductive modes
- Shift between process-based and variance-based modes
- Shift between static and dynamic modes
- Shift between formal and informal modes
- Shift between analytical and numerical modes

Levels of Analysis (Who?) or Phenomena (Where?)

- Intorduce (or import) a new or previously overlooked phenomenon or level of analysis
- Apply an existing theory to a different phenomenon or level of analysis
- Question the validity or utility of applying a theory to a particular phenomenon or level of analysis

Causal Mechanisms (Why?)

- Introduce (or import) a new causal mechanism
- Question an exisiting causal mechanism's validity or utility
- Articulate similarities or differences between causal mechanisms
- Synthesize multiple causal mechanisms for mediating or moderating effects

Constructs/Variables (What)

- Introduce (or import) a new construct as antecedent, focal phenomenon, outcome, mediator, or moderator.
- Question an existing construct's validity or utility
- Redefine, clarify, broaden, or narrow an existing construct
- Change a construct's role: Is it an antecedent, focal phenomenon, outcome mediator, or moderator?

Boundary Conditions (When?)

- Expose a theory's hidden assumptions
- Expose a theory's internal consistencies
- Identify logical inconsistencies between theories
- Relax a theory's assumptions for broader application
- Restrict a theory's assumptions for more specific implications

Figure 12 Levers of the theorizing process (Makadok et al. (2018), p. 1532)

Before relating to the component ingredients of theory, a first theoretical contribution can already be identified. Habib et al. (2015) proposed a framework consisting of five strategic options that are available to a weaker actor to counteract a dominant stronger actor. Their initiated framework however, required empirical validation. By collecting and exploring data within a real-life dyadic and network context from the perspective of the weaker actor, this study responded to the need of empirical validation. Eventually, practical usage/empirical support for the theory proposed by these scholars was found which marks the research' first theoretical contribution.

Next, the levers of the theorizing process are discussed. The first lever of the theorizing process is about making a contribution to theory by changing the mode of theorizing along any of the five different dimensions as shown in the *modes of theorizing* box in figure 12 above. However, in case of this research, no significant change(s) can be found.

Regarding the second lever, i.e. the level of analysis, that defines who there is been theorizing about, multiple contributions are noticed. There were Habib et al. (2015) have focused on power dominance issues in general, this research marks an in-depth investigation on the customer perspective in particular and hence distinguishes itself from previous studies. Furthermore, as stated by Makadok et al. (2018), it would be extraordinarily rare for a theory developed at one level of analysis to apply equally well, without any adaptation, to a different level of analysis. Blindly applying an unaltered theory to a different level of analysis in this way may require inappropriate assumptions and/or generate implausible results.[263] Since the transportation sector is an industry that has not been investigated in terms of causals relations between underpinning factors and the strategic options available for a weaker party to counteract the power dominance of a stronger business partner, this study contributes to theory by providing specific insights into the phenomenon based on a buyer perspective from firms operating in the transportation industry. Furthermore, the introduction of the proposed model, that is recommended for weaker actors to follow in order to adequately response to the power dominance of its business partner, is likely to affect the purchasing department of organizations. The prescriptive model offers purchasers handles to effectively deal with and respond to power dominance of a stronger partner.

The fact that the research findings affect organizations and its employees brings us to the third lever that defines where this study's theory is relevant. Due to organizations, markets and industries are multifaced complex systems with parts that connect to each other in a variety of different ways, forces that affect one part are likely to affect at least some of the other parts as well.[264] Therefore the exercise of the proposed strategies by (weaker) purchasers will (probably) affect the sales department of the selling company since the behavioral change of a buyer requires a certain action of its counterpart, i.e. the supplier. Hence, one potentially interesting and important research question for further research that can be derived from this statement is how the proposed strategies affect other parts of an (different) organization.

Next, the fourth lever proclaims that contributions to theory can be made by focusing on causal mechanisms. More specific, it means that by introducing or importing a causal mechanism that has not previously been recognized as relevant to the research question

[263] See Makadok et al. (2018), p. 1535.
[264] See Makadok et al. (2018), p. 1536.

researchers can contribute to theory.[265] This study goes beyond the work of Habib et al. (2015) who only identified and proposed assumptions about underpinning factors that can possibly influence the choice of a weaker actor for an individual strategy. However, these scholars did not provide an in-depth analysis about the causal relation between the conditions of underpinning factors and the by a weaker actor chosen strategic option to counteract power dominance. In order to overcome this limitation, this research contribute to theory by presenting a prescriptive model that displays the relations between the conditions of underpinning factors and the chosen strategic option. However, a comment must be placed here that the goal of the presented prescriptive model is rather to serve as a strategy that can be used by less powerful firms to effectively counteract power dominance of a stronger business partner than as a model displaying causal relationships.

Additionally, by jumping towards the next lever, i.e. the lever about constructs and variables, this research contributes to theory by introducing/importing a new construct. As stated by Makadok et al. (2018), constructs and variables can be introduced, imported, questioned, removed, etc.[266] In line with their suggestions, this study extends current literature by considering the utilization and exploitation of a firm's attractiveness as an additional strategic option. In addition is for this strategy also determined what conditions of underpinning factors will result in a weaker actor's choice to select this specific option. Furthermore, regarding the final lever, i.e. boundary conditions, that defines when this theory does or does not work, a contribution is made by restricting Habib's et al. (2015) theory's assumptions for more specific implications. As indicated by Makadok et al. (2018) it is possible to derive additional predictions from a theory, or prediction of greater specificity, when its boundary conditions are restricted.[267] Regarding this research it means that new predictions from existing theory found in a variety of disciplines (including marketing, supply chain, strategy and organizational behavior)[268] are derived by applying the theory (of the literature review) of Habib et al. (2015) more narrowly to the special case of organizations operating in the transportation sector. However, while the predictive power in this case increases, it (probably) comes at the expense of reduced generality.[269] Therefore, in order to counteract the generality problem – as explained in

[265] See Makadok et al. (2018), p. 1536.
[266] See Makadok et al. (2018), p. 1537.
[267] See Makadok et al. (2018), p. 1538.
[268] See Habib et al. (2015), p. 184.
[269] See Makadok et al. (2018), p. 1538.

chapter 5 – this research marks a first attempt to develop a quantitative measurement tool that is able to capture what combination of underpinning factors makes a weaker actor eager to select a specific strategic option to mitigate (potential) negative effects deriving from asymmetric power dominance in a buyer-supplier relationship. Finally, in addition to the development of a measurement tool, this study's output marks another important contribution to theory. The research findings pertaining the conditions; i.e. features of underpinning factors, under which a weaker actor applies what strategic option(s) towards another actor in case former mentioned holds the weaker position in buyer-supplier relationships that are characterized by asymmetric power dominance, created the possibility to develop a scheme displaying the influence of factors regarding a weaker actor's choice to select a certain strategy. Since this study marks a first attempt to present such a scheme, it provides new insides to existing literature and therefore contributes to theory.

7.3 Managerial recommendations: systematically analyzing the power and dependence situation to derive adequate reaction tactics by following the proposed model

As stated before in previous section(s), the research findings pertain to the conditions; i.e. features of underpinning factors, under which a weaker actor applies what strategic option(s) to counteract the power dominance of a stronger business partner. These findings created the possibility to develop a scheme displaying the influence of factors regarding a weaker actor's choice to select a certain strategy. This proposed model allows practitioners, i.e. key-actors and decision makers (in the field of procurement) on the side of a weaker actor in buyer-seller relationships, to select a suitable option to mitigate potential negative effects arising from the relationship's asymmetric power dominance. As elaborated/explained in the result analysis section of this paper, depends a firm's choice to apply a certain strategic option on the conditions of several factors. For instance, as indicated by the informant of company Y and explained in more detail in the appendix, the firm's relationship with a considered stronger supplier was characterized by low levels of trust and information sharing (i.e. a low level of relationship closeness) in combination with high levels of dysfunctional conflicts. Furthermore, due to switching costs are low and many other vendors exist in the market, company Y selected the 'exit' strategy to reduce the power dominance of the business partner that is considered stronger/more powerful. For other managers, that have to deal with a situation were similar conditions

of factors are observed as sketched above, the prescriptive model offers handles for managers to respond in the right way to the power dominance of the firm's business partner and hence reduce the power dominance of this stronger partner. In general, from a managerial perspective, understanding that there exist strategic options for a weaker actor to counteract the power dominance of a more powerful business partner is important. Hence, by amassing a comprehensive understanding about which conditions of factors will lead to the application of certain options can be an advantage for managers. This understanding allows managers to applying the correct, prescribed strategy in order to reduce the power position of their business partner. By doing so, as a result, potential negative effects that (might) arise from the relationship that is characterized by a asymmetric power distribution can be mitigated, which of course is an advantage.
Finally, regarding the stronger actor, the proposed strategies show that power dominance is a temporary state rather than a permanent and therefore, if a stronger actor wants to remain its more powerful position, it's constant attention is required.

7.4 Interviewees often used the same relationship as an example to explain multiple strategic options

The outcome of the interviews, that were performed with the key-actors and decision makers on the buyer side of the exchange relationships, illustrated the complexity of the subject and the subjective interpretation of the definitions given regarding the strategic options. This complexity and subjectivity is highlighted by the fact that several interviewees used one and the same relationship as an example for several different strategic options. However, these different outcomes for one relationship were expected since research done by Yin (2003) indicates that by analyzing different subunits within one case, an objective (in this case supplier dominated relationships) can be examined within different contexts and different views. [270] Eventually, the observed differences in the findings between case companies can (among others) be explained by this fact as well.

[270] See Yin (2003), p. 46

7.5 There are several limitations to the results derived from the semi-structured interviews: no data is derived from stronger actors, the link between factors is not extensively researched, and interpersonal factors and an additional factor named 'expanding scope business activities' are not considered

First of all, Habib et al. (2015) recommended to collect data in the dyadic context from both the weaker and stronger actor. Additionally, regarding the network context, they proclaimed that collecting data from at least three actors would provide most satisfying results. In this case data should be derived from the weaker and stronger actors and from the weaker actor's new network partner.[271] However, this research only focused on the weaker actors and did not include empirical evidence derived from any other (stronger) business partner. Therefore researchers are encouraged to extend this study by involving data derived from situations as proposed by Habib et al. (2015) as well.

Second, investigating the influence of factors regarding every single strategic option turned out to be an overwhelming and almost even unfeasible task. After having dealt with a number of strategic options, it was noticed that the company informants involved in this study got considerably bored and hence the quality of shared information reduced. In order to overcome this challenge and makes sure that the quality of shared information as the interview progresses will remain of a high level, additional studies should focus on relationships either within one of the three main identified contexts. More specific, underpinning factors and strategic options should be explored for several actors within a network, or within a dyad or related to the exit option.

Third, it is observed that in various buyer-supplier relationships that are characterized by asymmetric power dominance other than the already by Habib et al. (2015) identified underpinning factors influence the choice of a weaker actor to apply a certain strategy. For instance, Habib et al. (2015) only consider firm/organizational factors (such as reputation and competencies of a partner) but do not recognize the influence of interpersonal factors (such as effective communication, cultural sensitivity and likability of a partner). Therefore, researchers are encouraged to include these factors as well in further studies to sketch an as complete as possible picture of reality.

On top of that, it is found that besides 'attractiveness' at least one more strategic option should be considered as an additional strategic option with regards to the theoretical framework of Habib et al. (2015). The informant of company V noticed that a certain

[271] See Habib et al. (2015), p. 199.

truck dealer expanded the scope of its business activities and hence accomplished to reduce their own dependence and the power position of their (previously) biggest supplier named Volvo Trucks. Therefore, further research should investigate whether 'Expanding Scope Business Activities' should be approached as a strategic option to counteract the power dominance of a stronger business partner.

Second-last should be addressed that this study barely considers the links between underpinning factors. To strengthen the results of comparable, comprehensive studies, researchers should explore the links, i.e. the interplay between the underpinning factors in more depth.

Finally, the last identified limitation of this study concerns the generalizability and external validity of the findings. The fact that the micro-cases, i.e. the researched buyer-supplier relationships, are all investigated within one sector, i.e. the transportation sector, makes that in terms of external validity and generalization of the results, some caution is required. Further research within several sectors could help to gain a more complete perspective on the role of underpinning factors related to the choice of a strategic option.

8. Acknowledgements

I would like to express my gratitude for company V to Z and their representatives who supported my research and reserved, despite their (over)packed agenda's, some time for me to give in-depth interviews. Furthermore, my special thanks go to my internal supervisors dr. F.G.S. Vos & prof. dr. H. Schiele from the University of Twente, who constantly provided me with valuable feedback in the progress of writing this paper.

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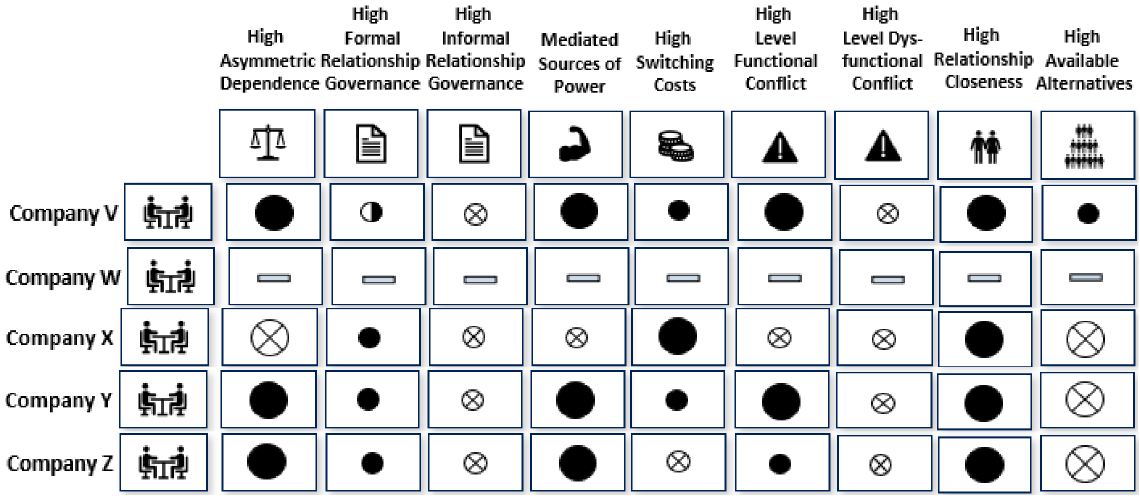
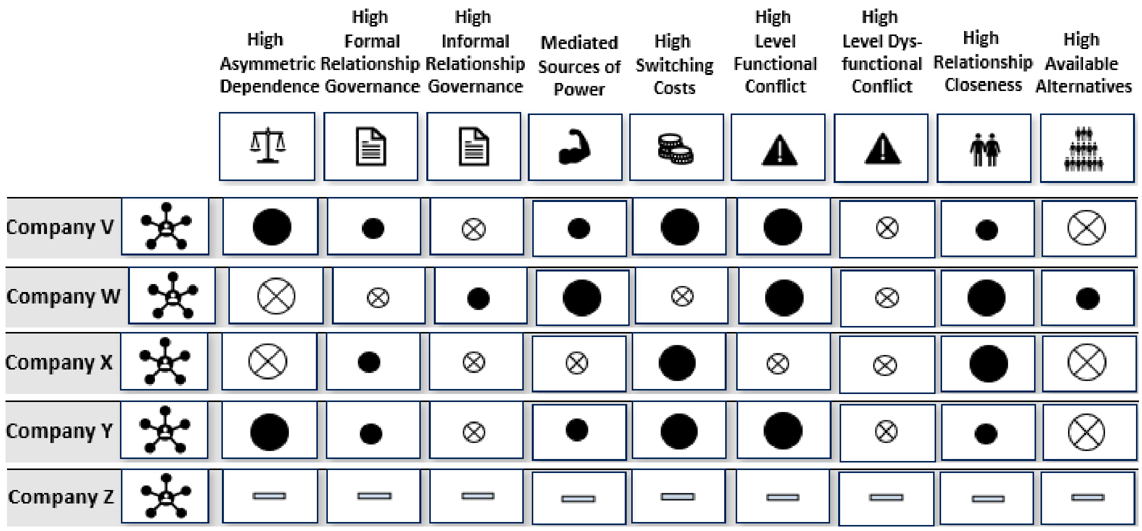
10. APPENDIX

10.2 Matrixes sorted per strategic option for all case companies



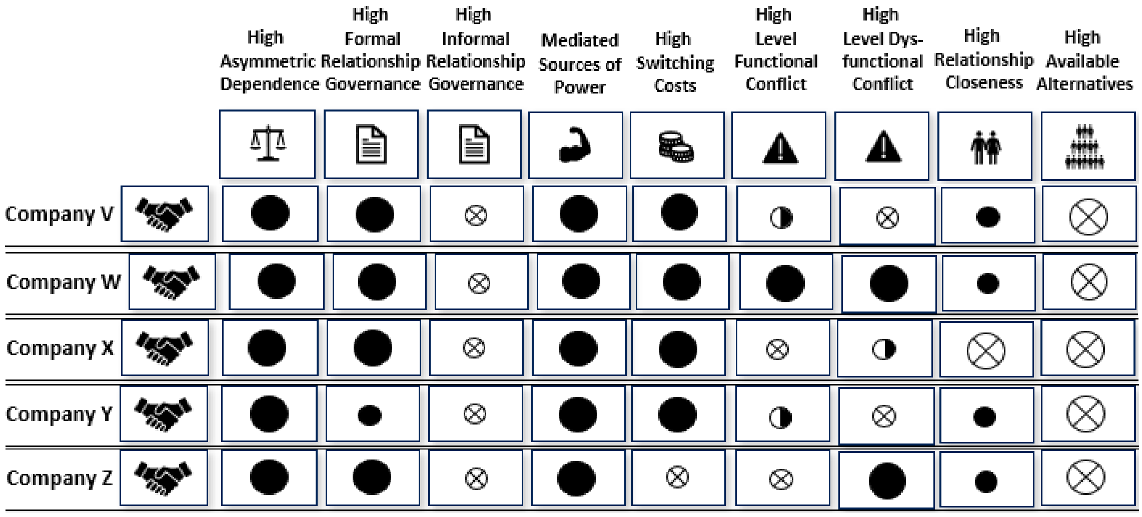
Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs); half colored circles (◐) indicate the presence of a condition at a moderate level. Large circles indicate core influencing conditions; small circles indicate non-influencing conditions.

Figure 1: Dyadic Collaboration



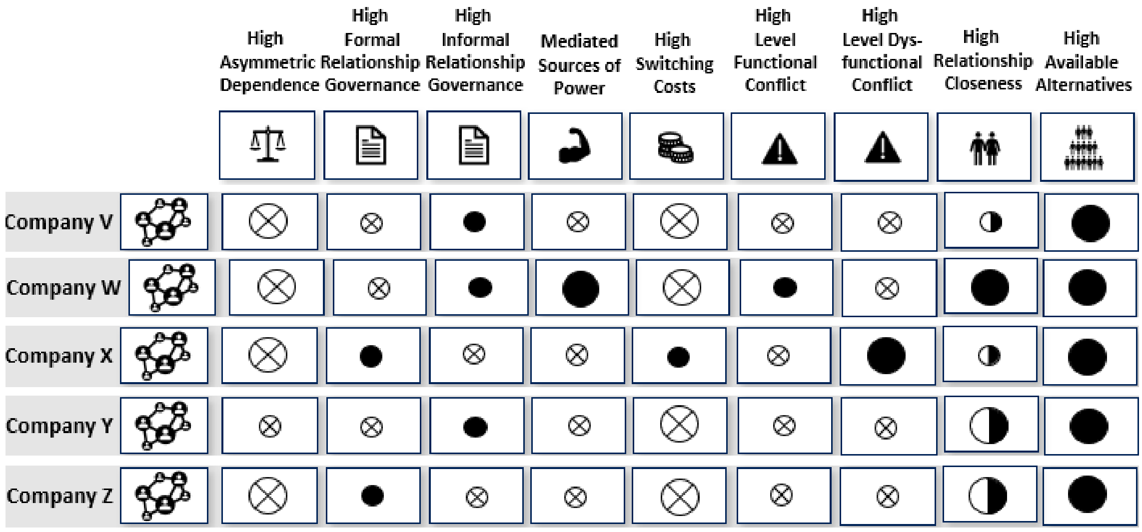
Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs); half colored circles (◐) indicate the presence of a condition at a moderate level. Large circles indicate core influencing conditions; small circles indicate non-influencing conditions.

Figure 2: Network Collaboration



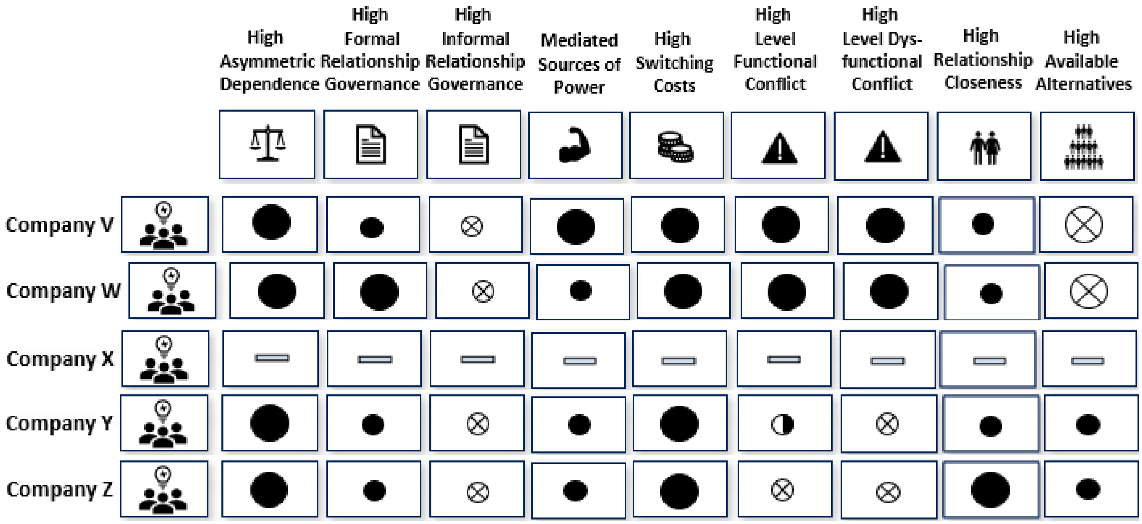
Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs); half colored circles (◑) indicate the presence of a condition at a moderate level. Large circles indicate core influencing conditions; small circles indicate non-influencing conditions.

Figure 3: Compromise



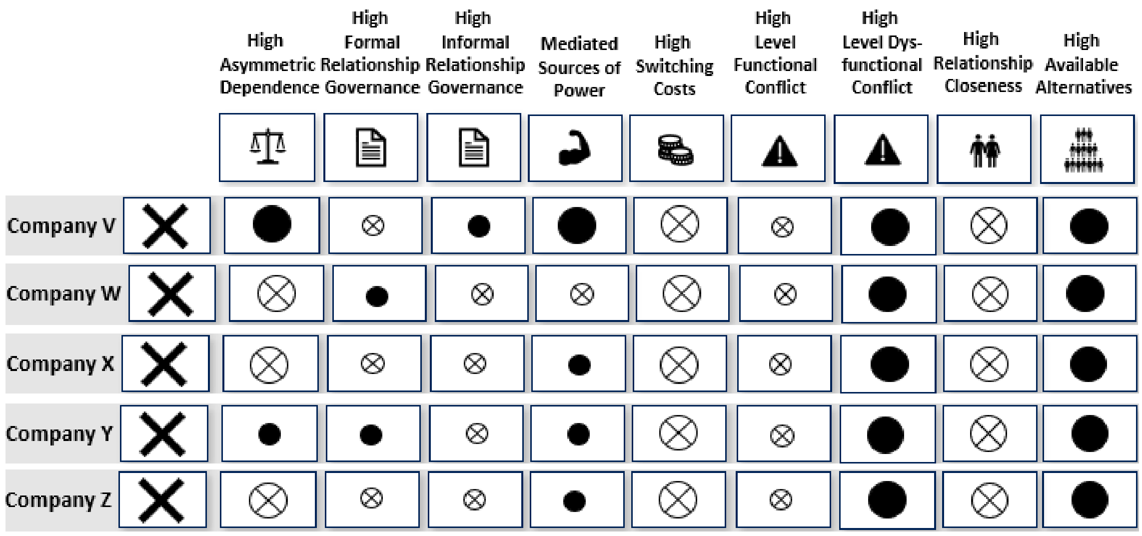
Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs); half colored circles (◑) indicate the presence of a condition at a moderate level. Large circles indicate core influencing conditions; small circles indicate non-influencing conditions.

Figure 4: Diversification



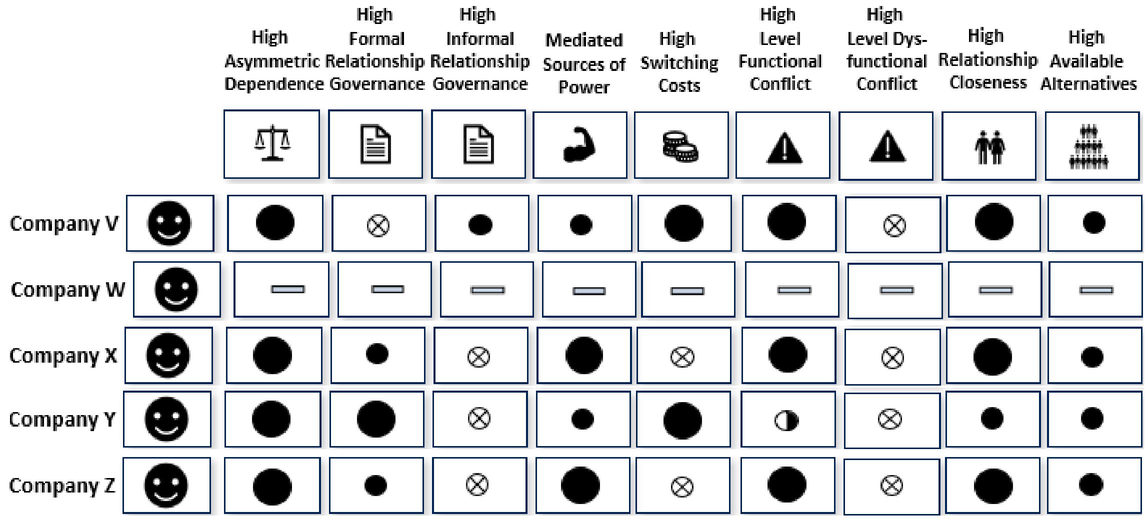
Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs); half colored circles (◑) indicate the presence of a condition at a moderate level. Large circles indicate core influencing conditions; small circles indicate non-influencing conditions.

Figure 5: Coalition



Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs); half colored circles (◑) indicate the presence of a condition at a moderate level. Large circles indicate core influencing conditions; small circles indicate non-influencing conditions.

Figure 6: Exit



Note: Black circles (●) indicate the presence of a condition; circles with "x" (⊗) indicate the presence of a reversed condition (e.g. ***low*** switching costs); half colored circles (◑) indicate the presence of a condition at a moderate level. Large circles indicate core influencing conditions; small circles indicate non-influencing conditions.

Figure 7: Attractiveness

10.3 Table identifying the determination of a factor's influence on a strategic option

	●	⊗	◑	●	⊗	◑
HIGH ASSYMETRIC DEPENDENCE						
Dyad. Col.	3	1				
Netw. Col.	2	2				
Comprom.	4					
Diversific.		3			1	
Coalition	4					
Attractiv.	4					
Exit	1	2		1		
HIGH FORMAL RELATIONSHIP GOVERNANCE						
Dyad. Col.				3		1
Netw. Col.				3	1	
Comprom.	4			1		
Diversific.				2*	3*	
Coalition	1			3		
Attractiv.	1			2	1	
Exit				2	2	
HIGH INFORMAL RELATIONSHIP GOVERNANCE						
Dyad. Col.					4	
Netw. Col.				1	3	
Comprom.					5	
Diversific.				3*	2*	
Coalition					4	
Attractiv.				1	3	
Exit				2	2	
MEDIATED SOURCES OF POWER						
Dyad. Col.	3				1	
Netw. Col.	1			2	1	
Comprom.	5					
Diversific.	1				4	
Coalition	2			2		
Attractiv.	2			2		
Exit	2			1	1	
HIGH SWITCHING COSTS						
Dyad. Col.	1			2	1	
Netw. Col.	3				1	

Comprom.	4				1	
Diversific.		4		1		
Coalition	3				1	
Attractiv.	2				2	
Exit		4				
HIGH LEVEL FUNCTIONAL CONFLICT						
Dyad. Col.	2			1	1	
Netw. Col.	3				1	
Comprom.	1				2	2
Diversific.				1	4	
Coalition	2				1	1
Attractiv.	3					1
Exit					4	
HIGH LEVEL DYSFUNCTIONAL CONFLICT						
Dyad. Col.					4	
Netw. Col.					4	
Comprom.	2				2	1
Diversific.					3*	2*
Coalition	2				2	
Attractiv.					4	
Exit	4					
HIGH RELATIONSHIP CLOSENESS						
Dyad. Col.	4					
Netw. Col.	2			2		
Comprom.		1		4		
Diversific.	1		2			2
Coalition				4		
Attractiv.	3			1		
Exit		4				
HIGH AVAILABLE ALTERNATIVES						
Dyad. Col.		3		1		
Netw. Col.		3		1		
Comprom.		5				
Diversific.	5					
Coalition		4				
Attractiv.				4		
Exit	4					

Table 1: Justification of the proposed matrix

10.4 Interview guide

A few days prior to the interview, an overview with the different available strategic options for a weaker party to counteract the power dominance of a stronger actor as identified by Habib et al. (2015) is sent to the interviewee per email, so they could already think of examples of (past) relationships whereby they applied a specific option and hence be as complete as possible in their information sharing during the interview.

Before starting the interview; i.e. asking questions pertaining the actual purpose of this research, a token of appreciation is expressed to the company representative for his/her participation in this study. Furthermore, an oral informed consent will be given, indicating that the shared information will not be shared with or passed on to any third party. Furthermore, the goal and objectives of this research will (once more) be explained to the participants.

10.4.1 General questions

- How many employees has the company?
- What divisions exist within the company?
- What is the turnover of the company approximately?
- What are the activities the company essentially performs?
- How does the company differentiate itself from its competitors? Where is the company's focus within the industry?
- ……….

10.4.2 Strategic options

For each strategic option, an explanation and definition will once again be given to ensure that the interviewee has a clear understanding of the terminology used in this study.

- *Additional question:* In general, what would you consider to be the main reasons for power imbalance in buyer-supplier relationships?

10.4.2.1 Research questions for every individual strategic option as identified by Habib et al. (2015)

- Definition and description of the strategic option.

- Did you apply this strategic option already in a relationship or are you aware of this option being applied in the organization?
    - If yes:
        - Who is/was the counterparty in this relationship? *[name company]*
        - Is this specific relationship with the supplier still ongoing? Or are both companies no business partners anymore?
            - In case of the latter; why did the relationship come to an end?
        - Is/was the company in this case the buyer or supplier?
            - How long are/were the actors in question engaged in this relationship?
            - How would you describe the importance of this relationship based on the share of revenue?
            - Does the relationship in question, affect the whole group, or only a part; i.e. a (couple of) specific establishment(s) of the organization or specific departments?
        - Why did you or someone else in the organization chose this specific option?
        - What were the consequences resulting from this decision?
        - Would you say these consequences were satisfying and provided the organization with the expected results?
        - Would you again choose the same strategic option or, with the information you have now, opt for another choice?
    - If negative:
        - Go over to the next strategic option.
- How would you describe the 'nature of interdependence' in the relationship?
    - Would you say that this factor made the difference in the choice you (or the firm) have/has made?
- Are there contracts or other safeguards within the relationship?
    - Would you say that this factor made the difference in the choice you (or the firm) have/has made?
- Are there penalties and/or some other kind of incentive if you/they do or do not perform according to the contract?

  - Would you say that this factor made the difference in the choice you (or the firm) have/has made?
- Which assets are used and necessary in the relationship?
  - Would you say that this factor made the difference in the choice you (or the firm) have/has made?
- Are there currently or were there any differences or conflicts that you know of?
  - Can you elaborate further on this conflict? *[functional/dysfunctional conflict]*
  - Would you say that this factor made the difference in the choice you (or the firm) have/has made?
- How would you describe the communication in the relationship?
  - What kind of information is shared?
  - Do you have confidence in the partner?
  - Would you say that this factor made the difference in the choice you (or the firm) have/has made?
- Are there available alternative partners from where the exchanged asset(s) can be deployed that you know of or were there any options at the time?
  - Would you say that this factor made the difference in the choice you (or the firm) have/has made?

10.4.3 Research questions regarding strategic option 'attractiveness'

- Do/did you consider taking steps to offer the supplier in question significant growth opportunities? For instance: *[Attractiveness – Growth Opportunity]*
  - Being a constantly growing company so the supplier can grow together with your organization due to the high number of parts your organization purchase from them.
  - Offering possibilities to get access to other customers as well.
- Do/did you consider to increase the perception that your organization's operations are handled in a sorrow and efficient way? For instance: *[Attractiveness – Operative Excellence]*
  - Providing exact and in time forecasts about future demand.
  - Providing forecasts the supplier can rely and plan on.

- Increasing the level of simple and transparent internal processes for the supplier.
- Increasing short decision-making processes.

- Do/did you consider improving your behaviour towards the supplier (in terms of solidarity, mutuality and/or flexibility)? For instance: *[Attractiveness – Relational Behaviour]*
  - Making improvements that may benefit the relationship as a whole and not only your organization.
  - Being more flexible when dealing with this supplier.
  - Make adjustments to help the supplier out if special problems/needs arise.

10.4.4 Interview closure

- Did you share all information you wanted to share regarding power differences in buyer-supplier relationships or do you have any other interesting theories, stories and/or examples on your mind that are in your opinion interesting to share?

Thanking the participant for sharing information and ensure them once more that the shared information will be threatened confidentially.

10.5 QUESTIONNAIRE UNDERPINNING FACTORS

Nature of Interdependence – Buyer Dependence	**1**	**2**	**3**	**4**	**5**
1. It would be difficult for our firm to replace the sales and profits generated from this supplier's line.	☐	☐	☐	☐	☐
2. Our total costs of switching to a competing manufacturer's line would be prohibitive.	☐	☐	☐	☐	☐
3. There are other suppliers who could provide us with comparable product lines. (R)	☐	☐	☐	☐	☐
Nature of Interdependence – Supplier Dependence					
1. In our trade area, there are other firms that could provide the supplier with comparable distribution. (R)	☐	☐	☐	☐	☐
2. In our trade area, the supplier would incur minimal costs in replacing our firm with another customer. (R)	☐	☐	☐	☐	☐
3. It would be difficult for the supplier to replace the sales and profits our customer ship generates.	☐	☐	☐	☐	☐
Relationship Governance					
1. We have specific, well-detailed agreements with this supplier.	☐	☐	☐	☐	☐
2. We have formal agreements that detail the obligations of both parties.	☐	☐	☐	☐	☐
6. We have detailed legal contractual agreements with this supplier.	☐	☐	☐	☐	☐

Sources of Power – Mediated - Coercion	**1**	**2**	**3**	**4**	**5**
1. I will be in a bad situation if I do not comply with the partner company's suggestions.	☐	☐	☐	☐	☐
2. I will be in an undesirable situation if I do not accept the partner company's requests.	☐	☐	☐	☐	☐
3. I will be at a business disadvantage if I do not accept the partner company's requests.	☐	☐	☐	☐	☐
Source of Power – Mediated – Reward					
1. It is difficult to receive incentives if I do not accept the partner company's suggestions.	☐	☐	☐	☐	☐
2. It is difficult to receive financial benefits if I do not accept the partner company's suggestions.	☐	☐	☐	☐	☐
3. It is difficult to take part in new businesses if I do not accept the partner company's suggestions.	☐	☐	☐	☐	☐
Source of Power – Mediated – Legitimate					
1. The contract states that I must accept the partner company's suggestions.	☐	☐	☐	☐	☐
2. I am obligated to accept the partner company's suggestions.	☐	☐	☐	☐	☐
3. We have established a relationship whereby I must accept the partner company's requests.	☐	☐	☐	☐	☐
4. I am obligated to accept the partner company's requests.	☐	☐	☐	☐	☐

Source of Power – Non-mediated – Information	**1**	**2**	**3**	**4**	**5**
1. The partner company can offer knowledge that is beneficial to our company.	☐	☐	☐	☐	☐
2. The partner company can offer experience that is beneficial to our company.	☐	☐	☐	☐	☐
3. The partner company can offer advice that is beneficial to our company.	☐	☐	☐	☐	☐
4. The partner company can offer judgments that are beneficial to our company.	☐	☐	☐	☐	☐
Source of Power – Non-mediated – Expert					
1. The partner company can offer useful information to our company.	☐	☐	☐	☐	☐
2. The work method that the partner company desires can be helpful to our company.	☐	☐	☐	☐	☐
3. The partner company's judgments are reflected in our company's work because they are reasonable.	☐	☐	☐	☐	☐
4. The partner company offers information that our company can trust.	☐	☐	☐	☐	☐
Source of Power – Non-mediated – Reference					
1. The partner company's values are exemplary.	☐	☐	☐	☐	☐
2. The partner company's decisions are exemplary.	☐	☐	☐	☐	☐

	1	2	3	4	5
3. The partner company’s operational methods are exemplary.	☐	☐	☐	☐	☐
4. Assuming a similar culture to that of the partner company is advantageous.	☐	☐	☐	☐	☐

Switching Costs

1. It would cost my company a lot of money to switch from this supplier to another supplier.	☐	☐	☐	☐	☐
2. It would take my company a lot of effort to switch from this supplier to another supplier.	☐	☐	☐	☐	☐
3. It would take my company a lot of time to switch from this supplier to another supplier.	☐	☐	☐	☐	☐
4. If my company changed from this supplier to another supplier, some new technological problems would arise.	☐	☐	☐	☐	☐
5. My company would feel uncertain if we have to choose a new supplying firm.	☐	☐	☐	☐	☐

Type of Conflict - Dysfunctional

1. A high degree of conflict exists between the supplier and our firm.	☐	☐	☐	☐	☐
2. The supplier and our firm often disagree to a great extent on certain key issues thereby creating a great deal of frustration for us.	☐	☐	☐	☐	☐

	1	2	3	4	5
3. When your firm reflects on the relationship with the supplier, does your firm feel:					
A. Anger?	☐	☐	☐	☐	☐
B. Frustration?	☐	☐	☐	☐	☐
C. Resentment?	☐	☐	☐	☐	☐
D. Hostility?	☐	☐	☐	☐	☐
4. When the two of us got together in group meetings, tensions between the two of us frequently ran high.	☐	☐	☐	☐	☐
5. During this project, I generally disliked having to work with the supplier.	☐	☐	☐	☐	☐
6. There were no disagreements between myself and the supplier over the running of this project. (R)	☐	☐	☐	☐	☐
7. Throughout the project, there was little interpersonal conflict between myself and the supplier. (R)	☐	☐	☐	☐	☐

Type of Conflict – Functional

1. During this project, there was consultative interaction and useful give-and-take.	☐	☐	☐	☐	☐
2. During this project there was constructive challenge of ideas, beliefs, and assumptions.	☐	☐	☐	☐	☐
3. During this project even people who disagreed, respected each others' viewpoints.	☐	☐	☐	☐	☐

Relationship Closeness – Trust – Honesty

	1	2	3	4	5
1. Even when the supplier gives us a rather unlikely explanation, we are confident that it is telling the truth.	☐	☐	☐	☐	☐
2. The supplier has often provided us information that has later proven to be inaccurate. (R)	☐	☐	☐	☐	☐
3. The supplier usually keeps the promises that it makes to our firm.	☐	☐	☐	☐	☐
4. Whenever the supplier gives us advice on our business operations, we know that it is sharing its best judgment.	☐	☐	☐	☐	☐
5. Our organization can count on the supplier to be sincere.	☐	☐	☐	☐	☐

Relationship Closeness – Trust – Benevolence

1. Though circumstances change, we believe that the supplier will be ready and willing to offer us assistance and support.	☐	☐	☐	☐	☐
2. When making important decisions, the supplier is concerned about our welfare.	☐	☐	☐	☐	☐
3. When we share our problems with the supplier, we know that it will respond with understanding.	☐	☐	☐	☐	☐
4. In the future, we can count on the supplier to consider how its decisions and actions will affect us.	☐	☐	☐	☐	☐
5. When it comes lo things that are important to us, we can depend on the supplier's support.	☐	☐	☐	☐	☐

Relationship Closeness – Information Sharing – Frequency	1	2	3	4	5
1. We frequently communicate with the supplier by:					
A. Written memo's	☐	☐	☐	☐	☐
B. Written reports	☐	☐	☐	☐	☐
C. Fax machine	☐	☐	☐	☐	☐
D. Scheduled one-to-one meetings	☐	☐	☐	☐	☐
E. Impromptu face-to-face conversations	☐	☐	☐	☐	☐
F. Scheduled one-to-one phone conversations	☐	☐	☐	☐	☐
G. Impromptu one-to-one phone conversations	☐	☐	☐	☐	☐
H. Informal face-to-face conversations in non-work setting	☐	☐	☐	☐	☐
I. Voice mail	☐	☐	☐	☐	☐
J. Teleconferencing	☐	☐	☐	☐	☐
K. E-mail	☐	☐	☐	☐	☐

Relationship Closeness – Information Sharing – Quality					
1. The information provided by the supplier was very useful for my work on this project.	☐	☐	☐	☐	☐
2. I was very satisfied with the content of the information provided by the supplier on this project.	☐	☐	☐	☐	☐
3. The information provided by the supplier was highly relevant to my work on this project.	☐	☐	☐	☐	☐
4. The information provided by the supplier was very credible.	☐	☐	☐	☐	☐

	1	2	3	4	5
5. The form and presentation of the information provided by the supplier was very satisfactory.	☐	☐	☐	☐	☐
Relationship Closeness – Information Sharing – Bidirectionality					
1. The supplier always responds to our communication.	☐	☐	☐	☐	☐
2. The supplier provides our company with a lot of feedback.	☐	☐	☐	☐	☐
3. There is a lot two-way communication between the company and the supplier.	☐	☐	☐	☐	☐
Available Alternatives					
1. This supply market is very competitive.	☐	☐	☐	☐	☐
2. Other vendors could provide what we get from this firm.	☐	☐	☐	☐	☐
3. This supplier almost has a monopoly for what it sells. (R)	☐	☐	☐	☐	☐
4. This is really the only supplier we could use for this product. (R)	☐	☐	☐	☐	☐
5. No other vendor has this supplier's capabilities. (R)	☐	☐	☐	☐	☐

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*Items marked (R) are reversed scaled.

1 = strongly disagree	*2 = disagree*
3 = nor agree nor disagree	*4 = agree*
5 = strongly agree	

10.6 Detailed description on how IRR is achieved

Intercoder Agreement for Project:	**Master Thesis BA**					
Agreement Coefficient:	**Percent Agreement**					
Legend						
Applied*	**number of times the code has been applied**					
Units*	**number of units* the code has been applied**					
Total Units*	**total number of units* across all selected documents**					
Total Coverage*	**% coverage within the selected documents**					
Coders						
	Jurriaan					
	Matthijs					
Interview Maarten Harbers - Thesis Uitgetypt						
Semantic Domain:	**Attractiveness - Available Alternatives, Attractiveness - Nature of Interdependence...**					
Code	**Coder**	**Applied ***	**Units ***	**Total Units ***	**Total Coverage ***	
Attractiveness - Available Alternatives						
	Jurriaan	**1**	**967**	**58290**	**2,00%**	
	Matthijs	**1**	**968**	**58290**	**2,00%**	
Attractiveness - Nature of Interdependence						
	Jurriaan	**2**	**1680**	**58290**	**3,00%**	
	Matthijs	**2**	**1680**	**58290**	**3,00%**	
Attractiveness - Relationship Closeness						
	Jurriaan	**1**	**303**	**58290**	**1,00%**	
	Matthijs	**2**	**382**	**58290**	**1,00%**	
Attractiveness - Relationship Description						
	Jurriaan	**5**	**3305**	**58290**	**6,00%**	
	Matthijs	**4**	**3969**	**58290**	**7,00%**	

Attractiveness - Relationship Governance						
	Jurriaan	**1**	**679**	**58290**	**1,00%**	
	Matthijs	**3**	**1369**	**58290**	**2,00%**	
Attractiveness - Sources of Power						
	Jurriaan	**2**	**656**	**58290**	**1,00%**	
	Matthijs	**2**	**615**	**58290**	**1,00%**	
Attractiveness - Switching Costs						
	Jurriaan	**2**	**827**	**58290**	**1,00%**	
	Matthijs	**2**	**827**	**58290**	**1,00%**	
Attractiveness - Type of Conflict						
	Jurriaan	**1**	**1316**	**58290**	**2,00%**	
	Matthijs	**1**	**1316**	**58290**	**2,00%**	
Coalition - Available Alternatives						
	Jurriaan	**1**	**611**	**58290**	**1,00%**	
	Matthijs	**1**	**611**	**58290**	**1,00%**	
Coalition - Nature of Interdependenc e						
	Jurriaan	**1**	**220**	**58290**	**0,00%**	
	Matthijs	**2**	**220**	**58290**	**0,00%**	
Coalition - Relationship Closeness						
	Jurriaan	**1**	**466**	**58290**	**1,00%**	
	Matthijs	**2**	**1467**	**58290**	**3,00%**	
Coalition - Relationship Description						
	Jurriaan	**3**	**818**	**58290**	**1,00%**	
	Matthijs	**1**	**2237**	**58290**	**4,00%**	
Coalition - Source of Power						
	Jurriaan	**2**	**1507**	**58290**	**3,00%**	
	Matthijs	**2**	**1507**	**58290**	**3,00%**	
Coalition - Type of Conflict						

	Jurriaan	**3**	**1289**	**58290**	**2,00%**	
	Matthijs	**3**	**1289**	**58290**	**2,00%**	
Coalition 2.0 - Relationship Description						
	Jurriaan	**1**	**991**	**58290**	**2,00%**	
	Matthijs	**1**	**991**	**58290**	**2,00%**	
Compromise - Available Alternatives						
	Jurriaan	**2**	**779**	**58290**	**1,00%**	
	Matthijs	**2**	**853**	**58290**	**1,00%**	
Compromise - Nature of Interdependence						
	Jurriaan	**2**	**1921**	**58290**	**3,00%**	
	Matthijs	**2**	**1921**	**58290**	**3,00%**	
Compromise - Relationship Closeness						
	Jurriaan	**1**	**102**	**58290**	**0,00%**	
	Matthijs	**0**	**0**	**58290**	**0,00%**	
Compromise - Relationship Description						
	Jurriaan	**3**	**2522**	**58290**	**4,00%**	
	Matthijs	**3**	**3796**	**58290**	**7,00%**	
Compromise - Relationship Governance						
	Jurriaan	**1**	**181**	**58290**	**0,00%**	
	Matthijs	**1**	**181**	**58290**	**0,00%**	
Compromise - Sources of Power						
	Jurriaan	**2**	**1344**	**58290**	**2,00%**	
	Matthijs	**2**	**1344**	**58290**	**2,00%**	
Compromise - Type of Conflict						
	Jurriaan	**3**	**1997**	**58290**	**3,00%**	
	Matthijs	**3**	**1997**	**58290**	**3,00%**	
Diversification - Available Alternatives						
	Jurriaan	**1**	**388**	**58290**	**1,00%**	
	Matthijs	**1**	**388**	**58290**	**1,00%**	

Diversification - Nature of Interdependence						
	Jurriaan	**2**	**1439**	**58290**	**2,00%**	
	Matthijs	**1**	**837**	**58290**	**1,00%**	
Diversification - Relationship Closeness						
	Jurriaan	**1**	**589**	**58290**	**1,00%**	
	Matthijs	**2**	**748**	**58290**	**1,00%**	
Diversification - Relationship Description						
	Jurriaan	**1**	**1150**	**58290**	**2,00%**	
	Matthijs	**1**	**2193**	**58290**	**4,00%**	
Diversification - Relationship Governance						
	Jurriaan	**1**	**990**	**58290**	**2,00%**	
	Matthijs	**1**	**990**	**58290**	**2,00%**	
Diversification - Switching Costs						
	Jurriaan	**1**	**421**	**58290**	**1,00%**	
	Matthijs	**1**	**421**	**58290**	**1,00%**	
Dyadic Collaboration - Nature of Interdependence						
	Jurriaan	**1**	**514**	**58290**	**1,00%**	
	Matthijs	**1**	**514**	**58290**	**1,00%**	
Dyadic Collaboration - Relationship Description						
	Jurriaan	**1**	**1964**	**58290**	**3,00%**	
	Matthijs	**2**	**2472**	**58290**	**4,00%**	
Dyadic Collaboration - Relationship Governance						
	Jurriaan	**1**	**921**	**58290**	**2,00%**	
	Matthijs	**1**	**921**	**58290**	**2,00%**	
Exit - Available Alternatives						
	Jurriaan	**2**	**2625**	**58290**	**5,00%**	
	Matthijs	**2**	**4015**	**58290**	**7,00%**	
Exit - Nature of Interdependence						
	Jurriaan	**2**	**1507**	**58290**	**3,00%**	
	Matthijs	**2**	**1019**	**58290**	**2,00%**	
Exit - Relationship Closeness						
	Jurriaan	**3**	**3601**	**58290**	**6,00%**	

	Matthijs	**3**	**3601**	**58290**	**6,00%**	
Exit - Relationship Description						
	Jurriaan	**2**	**2331**	**58290**	**4,00%**	
	Matthijs	**3**	**2863**	**58290**	**5,00%**	
Exit - Source of Power						
	Jurriaan	**3**	**2564**	**58290**	**4,00%**	
	Matthijs	**2**	**1925**	**58290**	**3,00%**	
Exit - Type of Conflict						
	Jurriaan	**4**	**3804**	**58290**	**7,00%**	
	Matthijs	**4**	**5116**	**58290**	**9,00%**	
Interpersonal Relationship						
	Jurriaan	**4**	**3162**	**58290**	**5,00%**	
	Matthijs	**3**	**2813**	**58290**	**5,00%**	
Network Collaboration - Available Alternatives						
	Jurriaan	**3**	**730**	**58290**	**1,00%**	
	Matthijs	**4**	**2326**	**58290**	**4,00%**	
Network Collaboration - Nature of Interdependence						
	Jurriaan	**3**	**1409**	**58290**	**2,00%**	
	Matthijs	**2**	**561**	**58290**	**1,00%**	
Network Collaboration - Relationship Closeness						
	Jurriaan	**2**	**1012**	**58290**	**2,00%**	
	Matthijs	**1**	**850**	**58290**	**1,00%**	
Network Collaboration - Relationship Description						
	Jurriaan	**2**	**2555**	**58290**	**4,00%**	
	Matthijs	**2**	**2555**	**58290**	**4,00%**	
Network Collaboration - Relationship Governance						
	Jurriaan	**1**	**464**	**58290**	**1,00%**	
	Matthijs	**1**	**464**	**58290**	**1,00%**	
Network Collaboration - Source of Power						
	Jurriaan	**3**	**1575**	**58290**	**3,00%**	
	Matthijs	**2**	**1527**	**58290**	**3,00%**	
Network Collaboration - Switching Costs						
	Jurriaan	**1**	**1884**	**58290**	**3,00%**	
	Matthijs	**2**	**1797**	**58290**	**3,00%**	

Network Collaboration - Type of Conflict						
	Jurriaan	3	1298	58290	2,00%	
	Matthijs	2	1639	58290	3,00%	
			Reliability Coefficient			
			Percent Agreement: 70.0			

10.7 Company V identified for each strategic option a current or past relationship with a stronger business partner whereby they decided to apply the specific option

10.7.1 Company V's daily business is to a large extent dependent on one big supplier

In this case, the 'big' supplier is Volvo Trucks and they are responsible for the delivery of between 60 or 70 percent of the company's business. Since Volvo Trucks is responsible for such a big part of the cake, company V recognizes the existence of a relationship with Volvo Trucks that is characterized by asymmetric dependence. In this situation, company V is highly dependent on Volvo Trucks' resources. Of course, speaking in terms of company performance, the supplier depends – to a smaller extent – on company V as well, but whenever Volvo Trucks decides to 'pull out the plug' and end the firm's dealership status, company V's business would be over. While the relationship with their main supplier used to be of a tremendous level, in the last couple of years, the excellent status of the relationship has come under pressure. First, both organizations considered each other as 'partners in business', while lately, it is observed that Volvo Trucks is (mis)using its stronger position more and more.

10.7.2 The application of 'dyadic collaboration' is influenced by several factors

The first strategic option being discussed concerns 'dyadic collaboration'. As mentioned by the company informant, they selected this option to decrease the dependence on the bank who provided them with a loan to pay off their outstanding debt with the previous company. The bank is considered in most cases the more powerful actor since they are the financer of a lot of organizations. By selecting this strategic option company V was able to decrease their dependence on the bank and become more of a business partner. Besides the fact that first the company only needed the bank, the bank now recognizes the need to consider company V as a partner as well. Due to the company exceeded its outstanding debt with the bank by three million euros, company V made this supplier more dependent on them in terms of receiving principal- and interest payments. So, by enhancing the importance of their resources, i.e.

loan/outstanding debt, the company was able to increase their position in terms of dependence.

In terms of the conditions, i.e. features of the factors underpinning the choice of this specific option, the first factor being discussed is the nature of interdependence. As stated before, before selecting this option, company V was more dependent on the resources of the bank than vice versa. The informant added that because of their choice for ‘dyadic collaboration’ the asymmetric dependence is reduced and that the bank has become more dependent on the resources and performance of company V. Therefore can be concluded that before this option was selected, the relationship is considered rather asymmetric in terms of dependence. Second, the factor relationship governance was discussed. As denoted by the informant, in general, there do not exist any long-term contracts with the bank. Only for specific loans contracts with equal exit pathways are drawn up. Therefore can be considered that there do exist formal contracts. However, these formal contracts only come into play if loans are issued by the supplier and therefore the presence of formal contracts is considered as ‘partly’. Third, regarding source of power, mediated power tactics can be observed. As stated by the informant, once company V cannot meet the established interest and redemption payment terms, the supplier has the ability to stop the provision of money. This indicates the presence of coercive power tactics exercised by the supplier. Regarding switching costs, they can be considered high. As stated by Matthews (2013), switching banks is very difficult because of direct debits, automatic payments, and the form-filling involved in switching.[272] Following these statements it is justifiable to conclude that switching costs in a relationship with a bank can be considered high. Controversially, in terms of the factor type of conflict, there is not any type of conflict observed in the relationship between company V and their supplier and hence no evidence can be found for the fact that this factor did influence the choice for this specific strategic option. Concerning the relationship, before, company V did not need the bank as a supplier of liquid assets very often. However, the moment they requested a loan from the bank, their relationship

[272] Matthews (2013), p. 25.

with the supplier completely changed. Currently, both parties meet on regular base to discuss company performance, to share (market) information, etc. Therefore can be concluded that in terms of relationship closeness, the relationship with the supplier can be considered as pretty good. Consequently, the same can be observed when speaking in terms of type of conflict. Last years no conflicts were observed since contact between both organizations was reduced to the minimum. However, lately, intensive contact between the actors has increased and hence the level of functional conflict as well.

10.7.3 The application of 'network collaboration' is influenced by several factors

For the second strategic option, i.e. 'network collaboration', the company informant came up with a situation in which they applied this option as well. They applied this option in their relationship with Volvo Trucks, the firm's main supplier of Original Equipment (OE) Parts. At one of the company's establishments, the firm is already doing business for many years with a large international fleet owner operating in the waste management market. For this customer, the company takes care of the repair and maintenance activities of their trucks. Because of the size of this customer and hence the foreseen business potential, Volvo Trucks is eager to do business with this company. By using their specific market knowledge and experience, company V was able to involve Volvo Trucks in the relationship with the large fleet owner and to develop a plan together with this supplier on how to approach the specific customer and make deals regarding sales and aftersales. Eventually, Volvo Trucks sealed the deal and was able to sell and deliver 40 trucks to the client. Therefore, because company V created an entrance for Volvo Trucks, this supplier was very satisfied and hence company V decreased the supplier's will to (mis)use their power. Conversely, company V increased their position in terms of dependence.

Again, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated before, 70 percent of company V's business is coming from Volvo Trucks. Additionally, the informant indicates that Volvo Trucks can be seen as their 'bread lord'. By stating so, the company indicates that without their relationship with Volvo Trucks, their right to exist cannot be guaranteed. Second, considering the factor relationship governance, the informant stated that there do exist formal contracts between the company and the supplier. More specific, company V has a dealer contract with Volvo Trucks. However, there cannot be found any causal relation between the fact that company V selected this specific option to decrease the dependence on the supplier because of the presence of formal contracts. The company is also not afraid of losing their dealership status because of the asymmetric dependence. The same situation is applicable for the third factor that was discussed: source of power. The supplier promises bonuses and other rewards when company V performs according to, and meets, the prospected targets. This indicates the presence of mediated power sources, or more specific, reward power. However, as stated by the informant, this does not result in the selection of this specific strategic option in order to decrease the supplier's more powerful position. Regarding the next factor, switching costs, it is observed that they are very high for company V. Considering the fact that the company is an official Volvo Truck dealer it is almost impossible to end the relationship with them. In other words, the break-off costs are huge. Since these costs are considered almost inescapable, it increases the dependence of company V on their supplier and hence has played a significant role in the choice of the company to apply this strategic option. The next factor that played a remarkable role in the choice for this option is type of conflict. As indicated by the company informant, in the last two years the relationship with Volvo Trucks has hardened often resulting in conflicts. Especially the frequency of functional conflict about targets, realization and bonusses between both parties has increased. In line with this underpinning factor, the relationship closeness has changed in the last couple of years as well. Still, overall, the level of the relationship can be described in terms of trust and information sharing as high, but before the relationship hardened this was even better. Finally, the number of available alternatives does influence the choice for this option as well. Company V has no other choice than to stay in this dyadic relationship since there are no alternatives for the supplier that are suitable for the company. As the informant mentioned, this would mean that they have to get rid of their Volvo Trucks dealership status and become dealer of another truck-selling brand. However, in practice this is not possible.

10.7.4 The application of 'compromise' is influenced by several factors

For the third identified strategic option, i.e. 'compromise', the company informant was able to come up with multiple situations from practice in which they applied this option. The first relationship under investigation is again the one between company V and their main supplier: Volvo Trucks. Again, the company informant refers to conflicts arising from negotiations regarding targets that must be obtained before any bonus or other reward is exercised by the supplier. Company V chose in this situation to accept the conditions proposed/offered by the supplier so the relationship would not be harmed. Hence, they were hoping that by accepting the conditions of the supplier now, it would result in future benefits that would arise from the ongoing, continuous relationship with the supplier. Two other examples provided by the informant concern company V's relationship with their supplier of the so called 'break benches' and one with their 'truck cabin furniture' supplier. The owners of these companies show such a negative attitude that company V prefers to never do business with both suppliers again. However, due to the fact that there do not exist any alternative suppliers that can deliver similar products under the same conditions, especially regarding quality, company V is left with no other choice than to compromise, i.e. to accept the conditions offered by the suppliers.

In case of the factors underpinning the choice of this strategic option, the same conditions are observed as in case the choice is made by company V to apply the option 'network collaboration' except for the factors sources of power, type of conflict, relationship governance and relationship closeness. Additionally, the nature of dependence plays a significantly more prominent role in the choice for this specific option. Due to company V is highly dependent on their suppliers' resources, there exist a need to maintain the relationship with them. Similar, in terms of power sources, mediated power tactics are observed and considered as an influencing factor of the choice for this strategic option. Both coercive- and reward power are observed. In case of Volvo Trucks, the company is awarded with a bonus once they meet a certain objective while the 'break bench' supplier threatens company V by stating that they will not receive any updates of the machinery if they don't comply with the supplier's demands. Regarding type of conflict, as can be deducted from the paragraph above, it is dysfunctional conflict instead of functional conflict that lies at the basis of the choice for this option. In case of the first example provided by the informant, i.e. the relationship with Volvo Trucks, it was the exercise of mediated power tactics by the supplier that resulted in dysfunctional conflicts between both parties. In order to make sure the relationship would not come to an end, company V agreed upon the proposed conditions. In case of the latter provided example by the informant, the situation was similar, however interpersonal factors – that are excluded from this research – play a significant role as well. Speaking in terms of relationship governance, i.e. whether there are formal or informal contracts into play, the answer is both. With company V's main supplier Volvo Trucks and the 'break benches' supplier agreements are sealed in the form of contracts, while in the relationship with the truck cabin furniture supplier there are no contracts involved. However, as can be derived from the shared information, the presence of formal contracts does influence the choice of this strategic option whilst when no contracts are involved no causal relation can be found. Considering relationship closeness, in this case high levels as well as low levels of trust and information sharing are observed. However, the cause for the situation in which the relationship shows high levels of 'closeness' is that it is observed in the relationship with company V's main supplier who is responsible for more than 60 á 70 percent of its business. The other two relationships show low levels of relationship 'closeness', so it is likely that the relationship closeness factor in this case is affected by a supplier's influence on the daily business of the organization. Therefore it can be assumed that in case of company V, the option 'compromise' is selected in case of low relationship closeness. So, summarizing: the nature of interdependence can be considered as highly asymmetric, the relationship governance consist of both formal contracts as informal relationship mechanisms, the source of power used is considered mediated, switching costs are high, the level of dysfunctional conflict is tremendously high, the relationship closeness is characterized by low levels of trust and information sharing, and there are no suitable available alternatives to replace the current supplier.

10.7.5 The application of 'diversification' is influenced by several factors

For the fourth strategic option, i.e. 'diversification', the company informant came up with one situation in which they applied this option. Again it is about a relationship with a Volvo company, but this time it concerns a local Volvo passenger car dealer instead of Volvo Trucks. Before this strategic option was applied, all employees (including the management) who are driving a company car, were driving a Volvo car. However, company V is not able to purchase Volvo passenger cars directly from Volvo, but needs to go to the local Volvo passenger car dealer in order to get one. Since it is common that these cars are purchased from the dealer that is operating in the same rayon/district as company V, this particular dealer had a monopoly position when it came to the supply of Volvo passenger cars. So, in order to decrease the power position of this supplier deriving from its monopoly position, the management of company V changed their policy and started driving BMW passenger cars. Eventually this resulted in better price conditions offered by the Volvo passenger car dealer due to the supplier lost their monopoly position and the competition increased. By doing so company V established another relationship beyond the current dyadic buyer-supplier relationship with the Volvo passenger car dealer without actually doing harm to that relationship. In other words, company V applied the option 'diversification'.

Again, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated before, it is common that passenger cars are purchased by truck dealers from the passenger car dealer that is operating in the same rayon/district as themselves. Therefore in case of company V, the particular Volvo passenger car supplier had a monopoly position when it came to the supply of cars. However, there must be added that before selecting this strategic option, company V depended to a large extent on the supplier's resources, but for the supplier it would be difficult to replace the sales and profits generated from company V as well. Therefore nature of interdependence can more or less be considered as balanced. Second, considering the factor relationship governance, the informant stated that there do not exist any formal contracts between the company and the supplier. More specific, company V has no agreements sealed in form of contracts. The company purchases every car themselves, so that that car is after the actual purchase immediately 'off the balance sheet'. The same situation is applicable for the third factor that was discussed: source of power. In this case, the supplier was not able to exercise any mediated power tactics since there were no contracts into play. Additionally, non-mediated power tactics were also not observed. However, as can be deducted from the shared information by the company informant, the absence of any source of power exercised by the supplier does not result in the selection of this specific strategic option in order to decrease the supplier's stronger position. Regarding the next factor, switching costs, it is observed that they are very low for company V. Given the fact that the relationship between company V and the passenger car supplier can be considered as rather transactional and there are not made any (huge) investments in this relationship by any of the involved parties, switching costs are low. Another factor that did not play a remarkable role in the choice for this option is type of conflict. As indicated by the company informant, there were not any conflicts faced and the relationship overall could be considered as 'just fine'. This brings us to the next factor: relationship closeness, which condition is similar as in regards to source of power, not resulting in the selection of this specific strategic option in order to decrease the supplier's stronger position. As stated by the company informant, the relationship closeness can be considered as average. There was not really that much confidence or information sharing between both companies, but still it could be considered as of a decent level. Finally, the number of available alternatives does influence the choice for this option and can be considered as the number one cause for company V to do so. Since there exist a wide range of passenger car dealers considering all the different car brands, the company can easily switch to or add another passenger car dealer to their supplier portfolio.

10.7.6 The application of 'coalition' is influenced by several factors

For the fifth identified strategic option, i.e. 'coalition', the company informant again provided an example of a relationship in which they applied this option. Once more, the relationship in which this option is applied concerns the one with Volvo Trucks. As stated before, Volvo Trucks sets individual targets for their dealers that need to be achieved before a certain bonus will be entitled. Last January, company V was negotiating about the terms and conditions of these targets and during those negotiations Volvo Trucks again demanded according to company V unattainable targets for the upcoming year. This made the company decide to start looking for colleague truck dealers to combine forces with and purchase certain items together somewhere else in order to reduce the dependence on Volvo Trucks. Besides this example, the company informant came up with another situation in which they decided to apply this option. During winter months a lot of truck batteries will break. Last years, it has turned out that Volvo Trucks faced difficulties with the supply of these parts. Therefore, during summer months all truck dealers combine forces and come up with one total order that indicates how many batteries they will need in total. With this information they approach towards Volvo Trucks and demand better price and delivery conditions. In this case, reducing the power dominance of the supplier is besides the economic/financial advantages the main cause for the selection of this option.

In case of the factors underpinning the choice of this strategic option, the same conditions are observed as in case the choice is made by company V to apply the option 'network collaboration'. However, controversially to the situation in which the choice is made by company V to apply 'network collaboration', the factor source of power is with regards to the choice for 'coalition' the main underpinning factor resulting in the choice for this specific option. The mediated power tactics exercised by their supplier, i.e. company V will only obtain the bonus offered by the supplier in case they meet the – by company V considered unfeasible – target, made them decide to start looking for colleague truck dealers to combine forces with. Additionally, besides functional conflict, dysfunctional conflict is observed as well as a cause regarding the choice for the strategic option 'coalition'. This indicates that the condition of the underpinning factor 'type of conflict' differs as well compared to when there is made a choice for 'network collaboration'. So, summarizing: the nature of interdependence can be considered as asymmetric, the relationship governance consist of formal contracts, the source of power used is considered mediated, switching costs are high, all types of conflict are observed, i.e. both functional and dysfunctional conflict, relationship closeness is characterized by high levels of trust and information sharing, and there are no suitable available alternatives to replace the current supplier.

10.7.7 The application of 'attractiveness' is influenced by several factors

For this option, i.e. 'attractiveness', that is added to the existing list with strategic options as identified by Habib et al. (2015), the company informant came up with several examples of situations from practice in which they applied this option. One of these examples is about the relationship between company V and their supplier of 'trailer parts'. Usually truck dealers have multiple suppliers for these kind of products, but company V has decided to offer this specific supplier the opportunity to deliver all these products to them. This means the whole package of one million euro. However, by accepting the offer the supplier had to agree that they would not serve any other non-brand truck garage located in the same rayon/district. Company V demanded so, because those garages where considered 'hijackers of work'. So, if the supply of certain parts would come under pressure for those little garages, they are not able to do their job appropriately and hence company V would face less competition and increase their own position in the market. For the supplier the offer was very attractive as well in terms of sales since they were guaranteed sales of at least one million euro and probably more as company V is a continuous growing organization. As expected the supplier did accept the offer, with the result that they became more dependent on company V and would not (mis)use their power since in this new situation company V is assigned to a significant bigger part of the supplier's sales.

Once more, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated by the company informant, company V used to be dependent on their supplier's resources and business activities. He supported this by stating that the main cause can be derived from the fact that the supplier also delivered products to other (non-brand) dealers in the rayon/district resulting in reduced sales for company V. Second, considering the factor relationship governance, the informant stated that there do not exist formal contracts between the company and the supplier. More specific, company V only made informal agreements with their supplier about the 'one million euro deal' and the attached 'you only deliver to us deal'. The agreements are nothing more than agreements made in good faith making it equally easy for both parties to violate the agreements if they want to. Controversially, in case of the next factor being discussed, source of power, there do exist mediated power sources in this relationship. The supplier promises a discount of ten percent when company V exceeds the agreed upon sales target of one million euro. This indicates the presence of mediated power sources, or more specific, reward power. There is no further question of coercive power tactics. Regarding the next factor, switching costs, it is observed that they are very high for company V. Considering the fact that the company invested a lot in the relationship (e.g. investing time and effort in multiple meetings between both companies to create a best way of working and to discuss conditions about delivery times and locations) makes it difficult for them to switch to another supplier. The informant empowered this by stating that if company V has to switch to another supplier tomorrow, this would be very difficult since they have to go through the whole process again. The next factor, type of conflict, did play a remarkable role in the choice for this option. As indicated by the company informant, there did and still do occur conflicts between both parties about e.g. delivery conditions and communication, but in most cases, the outcome of these conflicts are contributing to the relationship. Only a conflict about reciprocity is not solved and still bothers company V, but this conflict cannot be judged as dysfunctional. In line with this underpinning factor, relationship closeness was a significant influencer of the choice for this specific strategic option as well. Overall, the level of the relationship can be described in terms of trust and information sharing as very high. Both on the management as well as on the operational level there is a lot of communication between both parties. Finally, the number of available alternatives is discussed. This factor does not really influence the choice for this option. Company V is aware of the fact that there exist other suppliers that can deliver the same products for the same conditions. Furthermore, the firm even has contact with one of these parties on a regular base. However, as stated before, switching towards such a supplier implies high costs and is therefore not desirable.

10.7.8 The application of 'relationship closure', i.e. 'exit', is influenced by several factors

For the last and most rigorous strategic option, 'exit', the relationship where the company informant thought of as an example in which they applied this option was company V's relationship with a customer who's core business is the worldwide transportation of customers' goods and documents. At one of the company's plants, the firm is already doing business for many years with this large international fleet owner whereby company V takes care of the repair and maintenance activities of their trucks. The work deriving from this relationship is worth 70 percent of the specific establishment's total sales. Now, it occurred that the supplier appointed a new fleet manager who demanded all kind of personal favors company V had to comply with if they wanted to keep the business offered by the supplier. First, company V accepted these favors and provided the fleet manager with the requested goods and services, but after a while these favors reached unacceptable heights and therefore company V ended the relationship with this particular supplier. Another example provided by the informant concerns the relationship with their supplier of small materials. Annually, company V orders small materials worth hundred thousand euro. This whole package was delivered by only one supplier. After a while, company V decided to accept another supplier to do an offer and it turned out that this new supplier could make an offer including the same products with the same conditions for more than a 50 percent cheaper price. This resulted in a huge conflict between the existing supplier and company V and eventually this caused the fact that the relationship came to an end.

Again, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated by the company informant, company V used to be dependent on their supplier's resources and client's business activities. He supported this by stating that the main cause can be derived from the fact the work coming from the relationship with this specific customer is worth 70 percent of one specific location of company V's total sales. The informant added that without this client, their operational personnel would not have any work. Second, considering the factor relationship governance, it can be derived from the information shared by the informant that there do not exist formal contracts between the company and the supplier and/or customer. More specific, company V only made informal agreements with the concerning parties about the delivery of products and services. The agreements are nothing more than agreements made in good faith making it equally easy for both parties to violate the agreements if they want to. Controversially, in case of the next factor being discussed, source of power, there do exist mediated power sources in this relationship. More specific, there is observed that there exist coercive power tactics that are exercised by the more dominant party. Company V had for instance to deal with a fraudulent and corrupt fleet manager demanding 'special personal favors' that had to be completed before both companies could do business. Additionally was noticed that whenever a business partner is misusing their power position, company V is eager to end the relationship with them. Regarding the next factor, switching costs, it is observed that they are very low for company V. The next factor, type of conflict, did play a remarkable role in the choice for this option. As indicated by the company informant: "the reason to exit a relationship is in most cases not based on price conditions, but is based on conflict. The arrogance of suppliers." Additionally it is noticed that whenever a supplier misuses the 'goodness' of the company, the relationship will come to an end as well. Considering these statements, it is justifiable to conclude that the level of dysfunctional conflict is of a tremendously high level. In line with this underpinning factor, the relationship closeness factor was a significant influencer of the choice for this specific strategic option as well. Overall, the level of the relationship can be described in terms of trust and information sharing as very low and whenever a business partner feels the need to misuse the trust of company V, they will be deleted form the firm's supplier/customer base and never be served again. Finally, the number of available alternatives is discussed. This factor is considered a significant influencer of the choice for this specific strategic option as well. Company V is aware of the fact that there exist other suppliers in the market that can deliver the same products for the same conditions. Furthermore, the company has already found another supplier. This was necessary since the company ended the relationship with their previous supplier.

The matrix is designed in a way that the different colors indicate the 'level of influence' a certain feature of an underpinning factor has on the choice of a specific strategic option. A legend including more specific descriptions can be found in figure 31 of the appendix. Until further notice, the same legend is applicable for the upcoming figures as well.

10.8 Company Y identified for each strategic option a current or past relationship with a stronger business partner whereby they decided to apply the specific option

10.8.1 Company Y especially focuses on the diversification of their supplier portfolio

Similar as for company V, company Y's daily business is to a large extent dependent on one big supplier: Volvo Trucks. Since the company is an official Volvo and Renault Truck dealer, they have to comply to the demands of the supplier in order to keep their dealership license. Due to this, a lot of freedom has been taken away from the company with regards to their choice for specific products, suppliers, etc. Furthermore, company Y recognizes the opportunity to apply 'diversification' as an option to counteract the power dominance of a business partner on forehand. Additionally, the company proclaims to apply the Kraljic model in order to differentiate between products and to explore what is the best suitable supplier for a specific product based on its position in the Kraljic model. In this case, dependence and power issues are taken into account as well.

10.8.2 The application of 'dyadic collaboration' is influenced by several factors

The first strategic option being discussed concerns 'dyadic collaboration'. As mentioned by the company informant, they selected this option to decrease the dependence on Volvo Trucks, their supplier of most Original Equipment (OE) Parts. Currently, company Y is working on a new innovation. This – at the moment still secret – innovation will be available for other Volvo Trucks dealers soon and company Y will become the preferred supplier of this product. By introducing the innovation, company Y takes the seat of Volvo Trucks since normally this organization is responsible for the introduction of new innovations. By doing so, company Y wants to trigger Volvo Trucks and show them that they are not fully dependent on them and that Volvo Trucks can profit from their work in the field of Research & Development as well. So, by enhancing the importance of their own resources and capabilities, company Y tries to reduce the power dominance of their supplier.

In terms of the conditions, i.e. features of the factors underpinning the choice of this specific option, the first factor being discussed is the nature of interdependence. As stated before, Volvo Trucks is company Y's main supplier and the company has to agree with the conditions and targets offered/determined by them in order to keep their dealership status and hence their business going. The informant mentioned that besides looking for opportunities to stand out in the market, the possibility to decrease the dependence on this supplier was a motive to apply this specific strategic option as well. Second, considering the factor relationship governance, the informant stated that there do exist formal contracts between the company and the supplier. More specific, company Y has a dealer contract with Volvo Trucks. However, there cannot be found any causal relation between the fact that company Y selected this specific option to decrease the dependence on the supplier because of the presence of formal contracts. In case of the third factor that was discussed: source of power, its condition directly influenced the choice for this specific option. As stated by the informant, the supplier promises bonuses and other rewards when company Y performs according to, and meets, the prospected targets. This indicates the presence of mediated power sources, or more specific, reward power. Regarding the next factor, switching costs, it is observed that they can be considered high for company Y due to they are an official Volvo Trucks dealer and hence their business is to a high extent interwoven with the supplier. Because of that, switching costs are considered almost inescapable and increases the dependence of company Y on their supplier. However, as stated by the informant, this does not result in the selection of this specific strategic option in order to decrease the supplier's stronger position. He add to that stating that company Y also owns non-brand truck garages where they serve clients driving all kind of trucks (not only Volvo). By doing so, the company shows to their supplier that 'they are not married' and that in the future, it is possible to switch from supplier despite the high switching costs. The next factor that played a remarkable role in the choice for this option is type of conflict. As indicated by the company informant, there exist many examples of situations characterized by functional conflict. Especially when it comes to 'healthy discussions' about innovations, trust, targets, maintenance, etc. conflicts arise between both parties. Besides that, the informant argues that Volvo Trucks can be considered as a bit 'old-fashion'. The applications offered by them are far from modern/up-to-date and their attitude can be considered hesitant/expectant which causes conflicts as well. In line with this underpinning factor, the relationship closeness plays a significant role in the choice for this strategic option as well. Overall, the level of the relationship can be described in terms of trust and information sharing as high. Especially when it comes to the level of communication. Both organizations are constantly in contact with each other and do exchange personnel. Finally, the number of available alternatives does influence the choice for this option as well. Company Y has no other choice than to stay in this dyadic relationship since there are no alternatives for the supplier that are suitable for the company. As the informant mentioned, sometimes other Volvo Trucks dealers try to go beyond the supplier and develop e.g. programs or applications for themselves, but in practice this is not preferable and often results in fragmentation among the dealer companies rather than that it is beneficial.

10.8.3 The application of 'network collaboration' is influenced by several factors

The second strategic option that was discussed with the company informant is called 'network collaboration'. The interviewee came up with an example from his previous job where he worked as a strategic purchaser for a large, international organization operating in the food industry. With this company they joined a purchasing organization in the first place to buy products against better conditions (e.g. price, delivery), but also to be able to create a private label together with their partners. It is only possible to create and maintain such a private label if the purchase volume is considered high enough by the supplier. Since company Y on its own could not achieve the necessary volume in order to get their private label products produced, the company needed their partners who were assigned to that same purchasing organization. However, due to bankruptcy of one of these partner companies, the critical volume necessary to maintain the private label products could not be achieved anymore. This resulted in the fact that company Y ordered the purchasing organization to search for other firms willing to participate so the private label could be maintained. Eventually, additional partners were found and hence the private label could be maintained resulting in a very satisfied supplier because his sales did not decrease and products could be delivered against the same conditions. So, taken all these actions into account, company Y was able to tackle a potential problem for the supplier by involving other parties into the relationship.

In case of the factors underpinning the choice of this strategic option, the first one discussed concerns the ‘nature of interdependence’ between company Y and the supplier. As stated by the informant, company Y was much more dependent on the resources of the supplier that vice versa. He continued that company Y was in desperate need for the private label products due to the price benefits compared to A-label products while their influence on the supplier’s business could be considered as minimal. Second, by looking at the ‘relationship governance’, it is found that there do exist formal, volume contracts. However, as mentioned by the informant, these contracts do not influence the choice for this specific strategic option. It is the need for the supplier’s products that made them select this option. The third factor under investigation, source of power, is discussed next. Due to company Y is forced to buy at least the quantity equal to the critical purchasing volume that is defined by the supplier if they want to maintain their private label and hence the products they desperately need, it is justifiable to state that coercive power tactics are exercised by the supplier. If company Y does not purchase more than the required minimum they will be punished by discontinuation of their private label. There do also exist bonusses in this relationship, however, as indicated by the informant, these rewards are negligible. In case of the fourth factor that was discussed: switching costs, its condition did not directly influence the choice for this specific option. Company Y made costs during the development of their private label, however, these costs have nothing to do with investments related to the relationship with the supplier. Regarding the next factor, type of conflict, it is observed that the level of conflict can be considered high for company Y. As stated by the informant, conflicts were common between both parties in this relationship. These conflicts were often about why company Y wanted their private label products instead of the A-label products since the difference was so small, but the existence of the relationship came never under pressure. Therefore these conflicts can be interpreted as functional. Next, considering the factor relationship closeness, it can be derived from the information shared by the informant that there do not exist any causal relationship between the condition of this factor and the choice for this specific strategic option. The relationship overall was neither considered high nor low. Controversially, the condition of number of available alternatives can be considered as the main reason why company Y selected this strategic option. In this situation, the number of available alternatives are limited. Due to mergers and acquisitions there do (almost) not exist any alternatives able to provide company Y with the required products. Especially not when it comes to the quality of these products.

10.8.4 The application of 'compromise' is influenced by several factors

For the third strategic option, i.e. 'compromise', the company informant came up with one situation in which they applied this option. In this case the relations under investigation is the one between company Y and a supplier who manufactures/produces bulk trucks for animal feeds, flour products, granulates, grains, etc. Company Y is service partner of this supplier, so they perform a lot of contracts for them. Besides that, the company possesses trailers of this supplier themselves as well. Since only 'official products' fit on these trailer that can exclusively be delivered by this supplier, company Y is dependent on them regarding their resources. Furthermore, the demand for their trailers is so high that it exceeds the supplier's production capacity. There are (almost) no more 'free spots' left for the upcoming two years. Additionally, Statements made by the supplier like: "I don't care if you purchase a trailer from us or not" or "If you can get the same products against better price conditions from another supplier, go ahead!" even strengthens the conclusion made by the company informant that the supplier has obtained a monopoly position in this specific market. Since company Y recognizes the need to remain service partner of this supplier, because it results in the fact that they can serve much more clients, the company sees no other option than to accept the conditions offered by the supplier, i.e. to compromise.

Again, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated by the company informant, company Y depends highly on their supplier's resources. Additionally, the business opportunities arising from this relationship make company Y even more dependent on them. He supported this by stating that the main cause can be derived from the fact that the supplier does not necessarily need company Y as a business partner. They can easily survive without them as a customer. As can be derived from the statements of the company informant, this relationship can be considered as rather one-sided in terms of dependence. Second, considering the factor relationship governance, the informant stated that lately, company Y has made some steps in sealing conditions regarding prices and purchase quantities in the form of contracts indicating that there do exist formal contracts between the company and the supplier. However, there cannot be found any causal relation between the fact that company V selected this specific option to decrease the dependence on the supplier because of the presence of formal contracts. The same situation is applicable for the third factor that was discussed: source of power. The supplier threatens company Y by stating that if the company does not act as agreed upon, they will not be assigned to a place in the production scheme and hence not be served. This indicates the presence of mediated power sources, or more specific, coercive power. From that can be concluded that these threats exercised by the supplier do result in the selection of this specific strategic option in order to decrease the supplier's stronger position. Regarding the next factor, switching costs, it is observed that they are very high for company Y. Considering the fact that the company did many investments in the field of Research & Development in collaboration with the supplier and invested in a showroom consisting of products manufactured by the supplier, makes it difficult for company Y to switch. Another factor that did not play a remarkable role in the choice for this option is type of conflict. As indicated by the company informant, he is sure about the fact that conflicts did occur in this relationship, however he cannot think of an example. Regarding the type of conflict, they can be considered functional as dysfunctional conflicts did not arise in the long-term relationship between both parties yet. This brings us to the next factor: relationship closeness, which condition is not resulting in the selection of this specific strategic option in order to decrease the supplier's stronger position. However, as stated by the company informant, the relationship closeness can be considered as very high. Both parties exchange a lot of information on a daily base, especially during the design stage of new product development programs and both parties have confidence in each other. Finally, the number of available alternatives is discussed. This factor does influence the choice for this option. Company Y has no other choice than to stay in this dyadic relationship since there are no alternatives for the supplier that are suitable for the company. As the informant mentioned, this would mean that they have to get rid of their dealer/service contract, but this will not happen in practice since company Y would lose a lot of customers if they did so.

10.8.5 The application of 'diversification' is influenced by several factors

The fourth strategic option being discussed concerns 'diversification'. As mentioned by the company informant, company Y selected this option multiple times to decrease the dependence on several different organizations. Company Y's Original Equipment (OE) parts are to a large extent delivered by Volvo Trucks. However, the supply of the remaining part of these products is assigned to local suppliers. Especially regarding latter kind of suppliers, the choice for this strategic option is observed. The company decided to enter into long-term relationships with multiple suppliers because of three reasons. The first reason is about the fact that company Y requires a 'continuous benchmark' for the organization. Second, the company believes that their affiliates located in different regions can be best served by a supplier that is located nearby the different plants and therefore multiple suppliers are needed. Finally, the third argument provided for the selection of this strategic option is to decrease the dependence on only one supplier. The aim of the organization is to have for every product at least two suppliers. At this moment, company Y is not satisfied yet with the obtained results, however, they expect and believe to profit from the application of this strategic option on very short notice.

Once more, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As can be derived from the information shared by the company informant, before, the company assigned the supply of the 'whole product package' worth one million euro to one specific supplier making them more dependent on the supplier than vice versa. Company Y recognized the potential pitfalls of this structure (e.g. what if the supplier goes bankrupt) and therefore decided to enter into long-term relationships with other suppliers as well. Due to this, company Y was able to decrease their dependence on the supplier. At the moment, both companies rely to a similar extent on each other's resources. The supplier has a large share in the delivery of products to the organization, but company Y is still responsible for a big part of the supplier's sales as well. Comparing this to the situation a couple of years ago, makes that both parties have become equally dependent on each other in terms of resources. However, this factor did not result in the selection of this specific option. Second, considering the factor relationship governance, it can be derived from the information shared by the informant that there do not exist formal contracts between the company and the supplier. More specific, company Y only made informal agreements with the concerning parties about conditions related to prices and discounts. These agreements are nothing more than agreements made in good faith making it equally easy for both parties to violate the agreements if they want to. The same situation is applicable for the third factor that was discussed: source of power. In this case, the supplier was not able to exercise any mediated power tactics since there were no contracts into play. Additionally, non-mediated power tactics were also not observed. However, as can be deducted from the shared information by the company informant, the absence of any source of power exercised by the supplier does not result in the selection of this specific strategic option in order to decrease the supplier's stronger position. Regarding the next factor, switching costs, it is observed that they are very low for company Y. Given the fact that company Y states that they will switch from supplier immediately as they get shortened on the offered price condition benefits, switching costs are considered low. Another factor that did not play a remarkable role in the choice for this option is type of conflict. As indicated by the company informant, there were not any conflicts faced and the relationship overall could be considered as 'just fine'. This brings us to the next factor: relationship closeness, which condition is controversially to the previous factor, resulting in the selection of this specific strategic option in order to decrease the supplier's stronger position. As stated by the company informant, overall, the relationship closeness can be considered as good. Especially the level of trust between company Y and the supplier could be considered as of a decent level. However, in the past, the supplier faced some difficulties regarding staff turnover that resulted in the disappearance of certain product knowledge. Because of that, the level of detail and frequency of information exchange became less than company Y got used to and hence negatively influenced the relationship closeness which led the company to tap into other supplier channels as well. Finally, the number of available alternatives does influence the choice for this option and can be considered as the number one cause for company Y to do so. Since there exist a wide range of wholesalers operating in the automotive aftermarket, the company can easily switch to or add other suppliers to their supplier portfolio.

10.8.6 The application of 'coalition' is influenced by several factors

For the fifth identified strategic option, i.e. 'coalition', the company informant was not able to come up with an example for company Y. He indicated that – undisputable – local transport companies will combine forces whenever necessary, but that he could not think of an actual situation wherein this had occurred. However, during his time as a strategic purchaser for an international food supplier, he did apply this option, so therefore this situation is brought under investigation. With this company they joined a purchasing organization. This was necessary in order to buy products against better conditions (e.g. price, delivery) and to get special offers and promotions. On its own, the company could not obtain these sharp conditions since they were considered too small to be able to negotiate the same beneficial agreements as if they would form a coalition with other parties. So, as concluded by the informant, due to combining forces with other organizations which resulted in higher volume purchase orders, made that the power dominance of the supplier could be decreased and hence the relationship became more balanced.

Again, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated by the company informant, the company used to be more dependent on their supplier's resources than vice versa. The company's part of the supplier's total sales was too small to be able to exert influence on the supplier. Second, by looking at the 'relationship governance', it is found that there do exist formal, volume contracts. However, as mentioned by the informant, these contracts do not influence the choice for this specific strategic option. The incentive to select this strategic option had nothing to do with the existence or nonexistence of contracts. The incentive was to obtain the supplier's products for the best price conditions as possible. By applying this strategic option the company was able to reduce the asymmetric dependence and hence was offered good price conditions. The third factor under investigation, source of power, is discussed next. Before the strategic option is applied by the organization, the company made deals directly with the supplier. In return they got offered discounts, promotions and other special offers indicating that reward power tactics are used. However, due to the company joined a purchasing organization, the supplier's powerful position came under pressure which made him less satisfied with the relationship and hence the supplier started using coercive power tactics like withholding discounts, promotions, etc. Regarding the next factor, switching costs, it is observed that they are very high for the company. Considering the fact that the company delivers a specific brand/type of e.g. milk to all its customers (hospitals, prisons, care homes, etc.) and they all have to switch to another brand/type, this will cost a lot of work and money. Also because of the fact that customers do have sealed agreements directly with the supplier of that specific brand/type switching costs can be determined as high. In terms of the type of conflict, this factor did not play a remarkable role in the choice for this option. During the interview the company informant never mentioned any kind of conflict that did arise between customer and supplier. Next, considering the factor relationship closeness, it can be derived from the information shared by the informant that there do not exist any causal relationship between the condition of this factor and the choice for this specific strategic option. The relationship overall was neither considered high nor low. Controversially, the condition of number of available alternatives can be considered as a significant influencing factor of why the company selected this strategic option. In this situation, the number of available alternatives are limited. At first sight it seems there exist one or two alternative suppliers, but at the back all organizations are connected and therefore there is actually no alternative available.

10.8.7 The application of 'attractiveness' is influenced by several factors

For this option, i.e. 'attractiveness' that is added to the existing list with strategic options identified by Habib et al. (2015), the company informant came up with two examples of situations from practice in which they applied this option. One of these examples is about the relationship between company Y and one of their suppliers of Independent Aftermarket (IAM) Parts, i.e. the products that are not delivered by Volvo Trucks. The other example is about the company's relationship with an international operating supplier of tank- and toll boxes. Company Y believes that every organization wants a partner that can be trusted and has added value to them. Company Y always pays on time (preferably as soon as possible), makes profit every year and shows growth rates all the time. Regarding the supplier of tank- and toll boxes for instance, as soon as contracts with this party are signed, a shift in dominance and dependence in the relationship can be observed. Before a relationship is established, company Y holds the dominant position since they decide whether or not the supplier will be selected as a partner. However, when a tank- and toll boxes supplier is selected, i.e. when contracts are signed and the delivered products are installed, switching costs immediately increase to a high level – and the supplier is aware of that – making company Y more dependent on the supplier than vice versa. In order to limit asymmetric dependence and/or to return the balance in the relationship after contracts are signed, company Y demands volume/quantity discounts. By doing so, the company presents itself as a constantly growing organization and hence makes itself more attractive to the supplier resulting in the fact that the supplier will not (mis)use their power.

In terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated in previous paragraph, before contracts are signed, company Y is considered the more dominant party. However, once agreements are sealed and both parties are committed to each other, the dominant position is shifted towards the supplier. Since the company informant stated that company Y is especially eager to emphasize the aspects of the organization considered as attractive for the supplier whenever the supplier is in a more dominant position, the nature of dependence is in this case is considered as asymmetric. Second, in terms of relationship governance, this buyer-supplier relationship is characterized by formal contracts, i.e. there are mechanisms involved to safeguard any investment made by the weaker actor (company Y). Once the company made its choice regarding the supplier of tank- and toll boxes and contracts have been signed, they have to ensure that the contracts are drawn up in such a way that the company 'will not be screwed' afterwards. Therefore, the presence of contracts plays a significant role in the choice of the company to apply this strategic option. Third, regarding the factor source of power, the company is awarded with discounts if they purchase above a certain agreed upon quantity, but there is no reason to believe that the presence of mediated power sources influences the choice of company Y to select this strategic option. Controversially, pertaining switching costs, it is observed that it was one of the main reasons for the company to select this option. Because of the fact that the company Y invested a lot in the relationship (i.e. the company invested several months of time in building the relationship) makes it difficult for them to switch to another supplier. The informant empowered this by stating that if company Y has to switch to another supplier tomorrow, this would be very difficult since they have to demolish the old tank- and toll boxes and reinstall new ones for all trucks of the company's fleet which entails high costs. Another factor that – similar to sources of power – did not play a remarkable role in the choice for this option is type of conflict. As indicated by the company informant, there were not many conflicts faced and the conflicts that did arise could easily be solved. Next, considering the factor relationship closeness, it can be derived from the information shared by the informant that there do not exist any causal relationship between the condition of this factor and the choice for this specific strategic option. The relationship overall was neither considered high nor low. Finally, the number of available alternatives is discussed. This factor does not really influence the choice for this option. Company Y is aware of the fact that there are other suppliers in the market that can deliver the same products for the same conditions. It does not matter to the company which supplier delivers the boxes. However, as stated before, switching from supplier implies high costs and is therefore not desirable.

10.8.8 The application of 'relationship closure', i.e. 'exit', is influenced by several factors

Concerning the last identified strategic option, i.e. 'exit' the company informant again referred to their relationship with the supplier of tank- and toll boxes. Before company Y's current supplier of these boxes entered the market, the company was assigned to another organization since this was the only available supplier. Once their current supplier came up with a business proposal, company Y immediately switched to them. Due to new innovations are introduced, all kind of new technologies and applications with regards to tank- and toll boxes are available and since company Y considers itself as a progressive organization they want to follow and implement these market trends. So, according to the business informant, whenever a supplier thinks that it is possible to neglect request to adapt and implement certain innovations and stay in business only because of a long-term relationship between both firms and due to switching costs are high, they are wrong. This made that company Y was eager to accept the offer of a new supplier and end the relationship with their previous partner when the possibility occurred.

Again, in terms of the conditions of underpinning factors, nature of interdependence is discussed first. As stated by the company informant, company Y used to be dependent on their supplier's resources due to there were no suitable available alternatives. This created asymmetry in the relationship as well, since the supplier served many businesses making them less dependent on a single party. Additionally, they were the only supplier of that quality product, making customers very dependent on them. However, once company Y's current supplier entered the market, the firm immediately switched to the new market entrance indicating that it is not the nature of interdependence that made the company apply this strategic option, but that it is the availability of other vendors that did so. Second, considering the factor relationship governance, it can be derived from the information shared by the informant that there do exist formal contracts between the company and the supplier, but that these contracts involved did not result in the selection of this strategic option. As the informant stated: "contracts can be cancelled/broken and that is what we did in this case". Furthermore, neither party was in the possession of contract modules which made it even easier to get rid of the contract(s). Third, regarding the factor source of power, the company is awarded with discounts if they purchase above a certain agreed upon quantity, but there is no reason to believe that the presence of mediated power sources influences the choice of company Y to select this strategic option. Regarding the next factor, switching costs, as stated before, company Y believed that they are very high because of the fact that the company invested a lot in the relationship (i.e. the company invested several months of time in building the relationship) what makes it difficult for them to switch to another supplier. The informant empowered this by stating that if company Y has to switch to another supplier tomorrow, this would be very difficult since they have to demolish the old tank- and toll boxes and reinstall new ones for all trucks of the company's fleet which entails high costs. However, once the company was investigating the opportunities to switch, they found out that the financial benefits would be higher than the costs when they would switch, so eventually these costs can be considered low. The next factor, type of conflict, did play a remarkable role in the choice for this option. Following the words of the company informant it is at first notice arguable to conclude that there did not exist any type of conflict. However, considering other statements like "the supplier neglected several times requests from our side to adapt and implement new innovations. Among others, we therefore ended the relationship" entails that there did exist dysfunctional conflict between both parties and that these conflicts did influence the choice of this specific strategic option. In line with this underpinning factor, the relationship closeness factor was a significant influencer of the choice for this strategic option as well. As stated by the informant, situations of information exchange were not observed and besides the fact that the supplier exercised as was agreed, they never showed to be an active, supportive and valuable business partner. Therefore relationship closeness is considered low. Finally, the number of available alternatives is discussed. This factor is considered a significant influencer of the choice for this specific strategic option as well. Company Y is aware of the fact that there exist other suppliers that can deliver the same products for the same conditions and has already found another supplier. Because there were other players in the market as well, the company ended the relationship with their previous supplier.

10.9 An overview containg the different available strategic options (including attractiveness) for a weaker party to counteract the power dominance of a stronger actor as identified by Habib et al. (2015) was sent to the interviewees per email as displayed below

1. **Dyadic Collaboration**

De negatieve gevolgen voor de organisatie in een (macht)asymmetrische koper-leverancier relatie verminderen door het belang van de *resources* van de organisatie (zwakkere partij) voor de leverancier (sterkere partij) te vergroten/te benadrukken.

- *Voorbeeld: Investeren in Research & Development waardoor de organisatie geregeld nieuwe innovaties (incl. patent) kan introduceren. Wil de leverancier de relatie voortzetten dan moet zij hierop inspelen (bijv. assortiment aanpassen/vergroten, meer onderdelen op voorraad leggen) waardoor zij uiteindelijk afhankelijker wordt van de organisatie.*

2. **Network Collaboration**

De negatieve gevolgen voor de organisatie in een (macht)asymmetrische koper-leverancier relatie verminderen door het belang van de *resources* van de organisatie (zwakkere partij) voor de leverancier (sterkere partij) te vergroten middels het betrekken van één of meerdere andere partijen in de relatie.

- *Voorbeeld: Door faillissement van een zekere grote klant komt de relatie met bepaalde leveranciers in gevaar. Om de continuïteit van de relatie tussen de organisatie en deze leveranciers te waarborgen, heeft de organisatie intensief gezocht naar een nieuwe klant en heeft zij met deze partij en de leverancier een gezamenlijk programma opgezet om de betreffende producten voor alle partijen 'passend/geschikt (voor gebruik)' te maken. Hierdoor kan de leverancier haar producten/diensten onder dezelfde condities aan de organisatie leveren en is een potentieel probleem voor de organisatie en de leverancier getackeld. Hiermee toont de organisatie richting haar leverancier(s) aan een betrouwbare partner voor de toekomst te zijn.*

3. **Compromise**

De negatieve gevolgen voor de organisatie in een (macht)asymmetrische koper-leverancier relatie verminderen door 'gewoon' de voorwaarden van de leverancier te accepteren in de hoop dat er in de toekomst voordelen gehaald worden uit deze relatie. Met andere woorden: de organisatie heeft geen andere keuze dan het accepteren van de 'status quo' als het de relatie met de leverancier wil voortzetten.

4. **Diversification**

De negatieve gevolgen voor de organisatie in een (macht)asymmetrische koper-leverancier relatie verminderen door het aangaan van meerdere, extra, **lange-termijn relaties** met andere leveranciers zonder hierbij de relatie met de huidige leverancier te beschadigen. Met andere woorden: dezelfde producten ook bij andere leveranciers vandaan halen. De afhankelijkheid van één specifiek leverancier wordt hiermee verkleind en daarmee ook de macht van deze leverancier.

5. **Coalition**

De negatieve gevolgen voor de organisatie in een (macht)asymmetrische koper-leverancier relatie verminderen door de krachten te bundelen met een 'conculega' (concurrent/collega) om hierdoor gunstigere (leverings)condities te verkrijgen bij de leverancier. Hier geldt het motto: "samen sta je sterker dan alleen".

6. **Attractiveness**

De negatieve gevolgen voor de organisatie in een (macht)asymmetrische koper-leverancier relatie verminderen door de attractiviteit van de organisatie voor haar leveranciers te verhogen door middel van het leveren van een hogere toegevoegde waarde. Door het significant aantrekkelijk zijn voor leveranciers zal dit leiden tot het niet uitoefenen van bepaalde 'power tactics' door de leverancier.

- *Voorbeeld: Growth Opportunity – Door het constant groeiende karakter van de organisatie is het voor een leverancier aantrekkelijk om een zakenpartner te zijn omdat zij 'mee kan groeien' met de organisatie. Een voorbeeld hiervan kan zijn het vergroten van 'aftermarket' activiteiten door het aantal klanten, ongeacht de soort organisatie of het door haar gevoerde merk, etc., te vergroten.*
- *Voorbeeld: Operational Excellence – Het verzamelen van data op het gebied van onderdelenvoorraad/warehousing waardoor activiteiten van de organisatie 'gefinetuned' worden en 'future demand' beter voorspelt kan worden, wat het vervolgens voor een leverancier weer aantrekkelijker maakt om zaken met de organisatie te doen.*
- *Voorbeeld: Relational Behaviour – Om voordelen te halen uit inzichten op het gebied van klantgedrag en klantbehoeften, moeten leveranciers toegang hebben tot relevante data over eindgebruikers. Dit kan bijvoorbeeld verkregen worden via dealerbedrijven. Door het delen van deze informatie met de leverancier is het aantrekkelijker om zaken te doen met de organisatie.*

7. **Exit**

De negatieve gevolgen voor de organisatie in een (macht)asymmetrische koper-leverancier relatie verminderen door simpelweg de relatie met de huidige leverancier te beëindigen. Dit houdt in: het verbreken van de banden met de leverancier als het gaat om de levering van goederen/diensten, persoonlijke relaties, contracten, etc.). Het gaat hierbij om zowel gecommuniceerde beëindiging van de relatie als het stilzwijgend afscheid nemen van een leverancier. Vaak wordt hiervoor gekozen wanneer de voorspelde kosten hoger zijn dan de kosten voor het onderhouden van de relatie.