

**University of Twente**  
**Faculty of Behavioural, Management, and Social Sciences**

**Strategic Choices in Asymmetrical Buyer-Supplier Relationships:**  
The Influence of Relationship Characteristics on Small Shipping Companies' Decision-  
Making

Submitted by

Ruben Kamman

1<sup>st</sup> supervisor: Dr. A.M. von Raesfeld Meijer

2<sup>nd</sup> supervisor: Dr. Ir. N.J. Pulles

Date: 7-12-2023

Word count: 21322

## **Acknowledgements**

I would like to acknowledge and thank all the people who contributed in some way to this thesis. First and foremost, my first supervisor, Dr A.M. von Raesfeld Meijer, and my second supervisor: Dr Ir. N.J. Pulles. They have guided me through the process of finalizing this master's thesis, and I couldn't have done it without their expertise and feedback. Their high standards have helped me grow. I also would like to thank Dr T. Oukes for her mentorship in the first months of designing my thesis proposal.

Next, I would like to express my gratitude to the department of the master Business Administration. My experience advanced greatly from all the lectures. I would like to thank all the professors who shared their enthusiasm and knowledge with me during their inspiring lectures.

I am also grateful for the people closest to me, especially my parents, my sister, and my girlfriend. They supported me throughout this whole process. They believed in me since the beginning of this journey. Additionally, I would like to thank my classmates and friends with an academic background, who served as excellent sparring partners during the entire research process.

Lastly, the completion of this study could not have been possible without the great cooperation of the three CEOs, who devoted their valuable time to help me with my research. I would like to take this moment to thank them for their time, insights, and interviews.

## **Abstract**

The goal of this research was to understand what strategic options are available to small shipping companies in an asymmetrical relationship with a powerful supplier, and how relationship characteristics influence these options. To reach this goal, a multiple case study of three shipping companies was conducted, focusing on the characteristics of the relationship with their dominant supplier. In this study, qualitative data was collected in the form of both semi-structured- and structured interviews. The data from semi-structured interviews were then analysed using a template analysis, while the structured interviews were analysed deductively. The results revealed that dyadic dependency, relationship closeness, and network dependency significantly influenced strategic decisions. It showed an ambiguous impact of dyadic dependency on strategic decisions within the dyad, where increased dependency could either decrease the likelihood of exiting the relationship or motivate an exit, depending on the degree of dependence. Secondly, while relationship closeness significantly influenced decisions regarding exiting the relationship, it had minimal impact on other strategic choices within the network, where the supplier's use of power was more important. Thirdly, high network dependency appeared to positively affect strategic options within the network, indicating that companies might pursue diversification and collaboration to mitigate the power of dominant suppliers, despite a limited amount of available alternatives. Lastly, the research highlighted the importance of considering external factors, such as regulations, in choosing strategic options. In conclusion, the study contributes to the literature by empirically demonstrating how relationship characteristics in power-imbalanced buyer-supplier relationships affect small companies' choice of strategic options. It offers practical insights for small businesses in similar situations by providing a model that visualises the links between relationship characteristics and strategic options. This can help companies evaluate their relationship with their powerful partner and navigate them by choosing strategic options.

## Table of contents

1 Introduction .....	8
1.1 Situation .....	9
1.2 Complication .....	11
1.3 Research Question.....	13
1.4 The Contributions of this Research .....	13
2 Theoretical Framework .....	15
2.1 Power Dependency in Buyer-Supplier Relationships .....	15
2.2 Conflicts between Buyers and Suppliers in Power-Dependent Relationships.....	16
2.3 Relationship Characteristics and Strategic Options .....	17
2.4 The Links between the Relationship Characteristics and Strategic Options.....	21
3 Research Design.....	26
3.1 Research Context.....	26
3.2 Data Collection.....	27
3.3 Data Analysis .....	29
4 Results .....	33
4.1 Relationship Characteristics .....	33
4.2 Strategic Options .....	40
4.3 The Links between the Relationship Characteristics and the Strategic Options.....	42
5 Discussion .....	50
6 Conclusion.....	53
Theoretical contributions.....	53
Practical implications .....	54
7 limitations and Outlook.....	55
7.1 limitations.....	55
7.2 Outlook.....	55

Reference list.....	57
Appendix I: Systematic Literature Search about the Causal Relationship between Relationship Characteristics and Strategic Options. ....	63
Appendix II: Systematic Literature Search on the Relationship Characteristics .....	64
Appendix III: Systematic Literature Search on the Strategic Options .....	65
Appendix IV: Figure 1 .....	66
Appendix V: All the links between the relationship characteristics and the strategic options	67
1 Dyadic collaboration .....	67
2 Compromise .....	68
3 Exit .....	70
4 Network Collaboration .....	72
5 Diversification .....	73
6 Coalition .....	75

## List of Tables

Table 1: An overview of the three bicycle courier companies, including their operating areas and the status of their relationships with the supplier .....	9
Table 2 The daily volume, revenue, and expenses related to the last miles process of the shipping companies .....	11
Table 3: The relationship characteristics and their meaning according to the literature.....	18
Table 4: The relationship characteristics and their meaning according to the literature.....	19
Table 5 Literature on the links between relationship characteristics and strategic options .....	21
Table 6: The three rounds of interviews.....	28
Table 7: steps for the template analysis .....	29
Table 8: The assessed relationship characteristics .....	33
Table 9 The strategic options exercised by the companies .....	40
Table 10: The influence of the relationship characteristics and the strategic options within a dyad (simplified) .....	43

## List of Figures

Figure 1: The two main processes of the bicycle courier companies.....	10
Figure 2: “Factors underpinning the strategic options available to a weaker actor to counteract the dominance of a stronger actor in a buyer-supplier relationship” (Habib et al., 2015, p. 192) .....	17
Figure 3: Data structure after template analysis.....	31

## **List of abbreviations**

**CEO:** Chief Executive Officer, referring to the highest-ranking executive in a company.

**CLA:** Collective Labour Agreement, which is a written contract concerning the terms and conditions of employment agreed upon by an employer or employers' organization and a trade union or unions representing the employees.

**Package:** A shipping unit, used to denote a single unit or package for delivery purposes.

## 1 Introduction

Power imbalance: it is one of the critical characteristics of dyadic relationships between buyers and suppliers in supply networks (Bastl et al., 2013). A dyadic relationship with an imbalanced distribution of power can, depending on how the dominant actor uses its power, have benefits regarding the duration and stability of the relationship, since power-dependent relationships tend to last longer when the dominant actor uses its power responsible way (Pan et al., 2020). Entering a relationship with a powerful partner can also be helpful for the less powerful actor to accomplish common goals like entering a new market or doing joint research to develop a new product or service (Akpınar & Zettinig, 2008). Nonetheless, several issues will arise when the stronger actor starts using its power position in a way that disturbs the weaker actor's operations and business objectives (Caniëls & Gelderman, 2007). In this case, the relationship becomes less efficient, the innovation performance decreases, and the benefits for the weaker actor decline (Liu et al., 2018; Bobot, 2010). Ultimately, this leads to a damaged relationship and eventually to conflicts between the weaker- and the stronger actor (Bobot, 2010).

Three Dutch bicycle courier companies<sup>1</sup> recently experienced such a conflict with their common powerful supplier. Their biggest supplier was acquired by one of the biggest webshops in The Netherlands. Since the supplier got acquired by this webshop, it used its strong position by lowering the prices, making unreasonable demands and forcing its partners to ship many packages even though they have limited resources to do this, by imposing negative financial consequences when packages are not delivered or delivered late. In other words, the supplier uses its power position in a way that disturbs the weaker actor's operations and business objectives.

In the first quarter of 2023, this led to two out of three companies deciding to exit their relationship with the supplier. The third company decided to continue the relationship. The exact situation will be elaborated on in the next section to better understand the nature of this conflict between the three companies and their supplier. Table 1 gives an overview of the three bicycle courier companies, including information about their operating areas and the status of their relationships with the supplier.

---

<sup>1</sup> A 'bicycle courier company' is a shipping company that specializes in delivering packages, such as clothes, medication, documents, or other items, using bicycles as the primary mode of transportation.



Table 1: An overview of the three bicycle courier companies, including their operating areas and the status of their relationships with the supplier

Company name	Operating area	Continuation or exit
Company A	<p>City A, with 1.292 addresses per square kilometre.</p> <p>City policy <u>moderately</u> focused on sustainable urban logistics</p> <p>The city government consists of the following parties: VVD, Local party, GroenLinks, SGP and SP</p>	Exit
Company B	<p>City B, with 1.161 addresses per square kilometre.</p> <p>City policy <u>strongly</u> focused on sustainable urban logistics</p> <p>The city government consists of the following parties: Local party, PvdA, D66, and CDA.</p>	Exit
Company C	<p>City C, with 1.039 addresses per square kilometre</p> <p>City policy <u>strongly</u> focused on sustainable urban logistics</p> <p>The city government consists of the following parties: GroenLinks, PvdA, D66, and a local party.</p>	Continuation

## 1.1 Situation

A fundamental characteristic of this buyer-supplier relationship between the three individual bicycle courier companies, who will be called ‘shipping companies’, and their supplier, is that these companies ship packages for their supplier in two different ways.

To begin with, the shipping companies pick up Packages for their suppliers that must be distributed to other cities. This is called the ‘first miles process’.

Secondly, they deliver Packages to the end user. This is called the last miles process. A schematic overview of these processes can be found in Figure 1. In case this figure is difficult to read, a larger version of this figure can be found in Appendix IV.

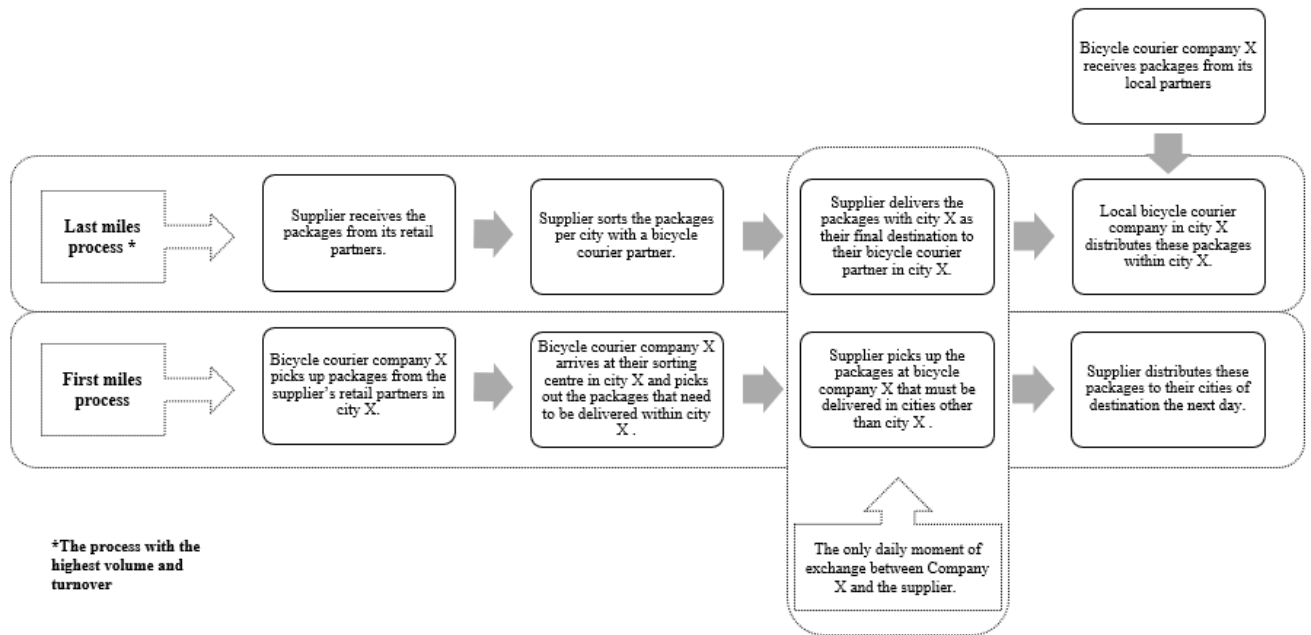


Figure 1: The two main processes of the bicycle courier companies

Although two of the three shipping companies abandoned their relationship with the supplier, the first miles process was quite lucrative for these shipping companies, and this is still the case for company C, which is still in business with the supplier. The supplier pays them about one euro per package they pick up at a supplier's local retail partner. This process breaks even when an average of six packages are collected per retail partner. Every additional package is almost pure profit, as the variable costs do not rise when more packages are collected from a retail partner. The three CEOs all stated that this process was, or is, profitable since they structurally collected an average of more than six packages per retail partner. This is still the case for company C which did not end the relationship with the supplier. Important to know is that this first miles process was not affected when the supplier was acquired by the webshop.

On the other hand, there is the last miles process in which the shipping companies deliver packages to the end users. In contrast to the first miles process, this last miles process was heavily impacted by the acquisition of the supplier. This last miles process was the process with the highest volume and turnover for the companies who left the relationship, and is still the process with the highest volume and turnover for company C. In this process, the supplier supplies its local bicycle courier partners (like companies A, B, and C) with packages from its retail partners that need to be delivered in the city their bicycle courier partner operates. After the acquisition of the supplier by the webshop, this accounted for about 25%- 50% of the packages within the last miles process, supplemented with packages from the shipping company's own local partners.

In this process, the shipping companies received about 3,00 per Package from the supplier and 4,50 per Package from their local partners. Because the acquisition by the webshop led to a significant increase in the number of packages subject to a compensation of 3 euros, the companies faced difficulties, especially since costs increased due to the substantial increase of packages that needed to be delivered. However, this has not always been this way. Before this acquisition, the last miles process was a sufficient and profitable process for the three shipping companies. In the next paragraph, the impact of the acquisition of the supplier on the last miles process of the shipping companies will be further elaborated.

## 1.2 Complication

When the webshop acquired the supplier in May 2022, the relationship negatively impacted the last miles process for the shipping companies. The table below visualises how the acquisition of the supplier affected the volume and revenue of the last miles process for each of the three shipping companies, alongside with a comparison of expenses related to the last miles process, which increased strongly compared to the revenue.

*Table 2 The daily volume, revenue, and expenses related to the last miles process of the shipping companies*

<b>Company name</b>	<b>Daily volume and revenue of the last miles process before the acquisition</b>	<b>Daily volume and revenue of the last miles process after the acquisition</b>	<b>Daily expenses on bikes and personnel regarding the last miles process before the acquisition (estimated)</b>	<b>Daily expenses on bikes and personnel regarding the last miles process after the acquisition (estimated)</b>
Company A	Packages: 186  Revenue: €837	Packages: 403 (+117%)  Revenue: €1488 (+78%)	€480	€1100 (+129%)
Company B	Packages: 269  Revenue: €1211	Packages: 443 (+64,7%)  Revenue: €1733 (+43,10%)	€550	€850 (+55%)

Company C	Packages: 93	Packages: 194 (+108%)	€250	€580 (+132%)
	Revenue: €419	Revenue: €722 (+72%)		

The change in revenue and costs of the last miles process is a result of two things. First, the supplier obliged the shipping companies to ship extra packages ordered on the website of the webshop. This resulted in an extreme increase in the number of packages the shipping companies had to deliver within their operating areas. This might seem beneficial for the shipping companies as they get paid per package; however, this abrupt increase demanded resources that the shipping companies did not have. They did not have the capacity to ship the increasing flow of packages and since they did not have the financial resources to buy new bikes, so they had to rent them which is relatively expensive. The increase in packages also led to a situation in which couriers could only ship some of the packages with one bike. Because of this, the couriers had to return to the distribution centre in the middle of their shift to pick up a new loading of packages, which is vastly ineffective according to the CEOs. Both effects of the obligation to ship the packages of the webshop hurt the profitability of the last miles process of the shipping companies.

Second, since the delivery companies receive less compensation per package for those they deliver for the major supplier compared to packages for local partners, and as the share of packages from the major supplier increased, the costs of the last miles process increased more than the turnover of the last miles process.

This led to a dilemma for the shipping companies; the profitability of their last miles process stood under pressure, and their trust towards the supplier declined, but breaking up with their supplier would mean the company drastically shrinks. Especially for companies A and C, since Table 2 shows they were most affected after the acquisition of the supplier, and became more dependent towards the supplier compared to company B.

The shipping companies therefore found themselves in a difficult situation. What are the strategic options for small buyers in such a situation? And which option aligns best with the companies based on their relationships with the strong supplier?

### **1.3 Research Question**

The CEOs responded differently in this situation. The CEOs of companies A and B decided to exit their relationships with the supplier. They made this decision even though they were aware that this had severe consequences for the company structure since their main business processes significantly depended on their relationships with the supplier. Nonetheless, they chose to do so after initially attempting to redesign the relationship in a way that was acceptable to both parties and by compromising. On the other hand, the CEO of company C made a different choice by holding on to the relationship with the supplier, but he also indicated that the relationship did not remain the same and that he chose to reconfigure the relationship and reduce his dependence on the supplier by collaborating with others. This indicates that ending the relationship or continuing in the same way are not the only two strategic options, but that there are multiple strategic options available to respond to the dominance of a powerful supplier.

Moreover, the decision of Company C to maintain its relationship with the supplier, as opposed to companies A and B choosing to exit the relationship, indicates that additional relationship characteristics are influencing the selection of strategic options, since companies A and C undergoing relatively similar changes in dependence, revenue, and costs following the supplier's takeover (see Table 2). This implies that relationship characteristics beyond supplier dependence and relationship profitability play a role in shaping strategic decisions.

Therefore, this research aims to understand what strategic options are available to small shipping companies when they experience the negative consequences of a strong and powerful supplier, and why these small shipping companies make these, sometimes different, choices, considering the characteristics of their relationships with their major supplier. This analysis will be executed based on the following research question: *Which strategic options does a small shipping company have in an asymmetrical relationship with a supplier, and how do the relationship characteristics influence the strategic options taken?*

### **1.4 The Contributions of this Research**

By analysing how relationship characteristics in power-imbalanced buyer-supplier relationships will affect the choice of strategic options for small companies, this study will contribute to the literature. Before this study, no published research explicitly mapped the links between relationship characteristics and strategic options, and how they relate to each other. By conducting a multiple case study involving three shipping companies and their powerful supplier, this research will provide a comprehensive overview of how relationship characteristics influence the choice of strategic options.

Moreover, this research will have practical value for small companies operating in power-dependent relationships. It will provide these companies with a model to understand the links between relationship characteristics and strategic options. This model will serve as a tool to identify which strategic options might best suit their specific situations, based on the characteristics of their relationship with their dominant partner.

## **2 Theoretical Framework**

This theoretical framework will discuss the theories, concepts and models related to the aim of this paper. This framework will therefore focus on what is known in the literature about power dependency, conflicts in power-dependent relationships and the links between relationship characteristics and the strategic options available to counteract the dominance of a powerful partner.

### **2.1 Power Dependency in Buyer-Supplier Relationships**

First, a literature search has been conducted to define what the recent literature says about power dependency, particularly about dependency in power-imbalanced relationships between buyers and suppliers.

To understand the concept of power dependency, it is important to know what the concept of 'power' means. In this research, power is defined as the ability of a company to influence other companies. Hence, if company X can influence company y more than company Y can influence company X, company X is considered the powerful/dominant actor in that relationship while company Y is considered the weaker actor. (Wilding et al., 2012; Rezaei Vandchali et al., 2021; Schwieterman et al., 2020). Two different kinds of power can be distinguished, these are structural- and behavioural power (Makkonen et al., 2021). Structural power means being able to shape and control the rules, institutions, and resources in a system, while behavioural power is about having the ability to influence others through personal actions, communication, and persuasion (Makkonen et al., 2021; Oukes et al., 2019).

Power dependency is a well-studied phenomenon in the field of supply chain management and many definitions of power dependency have been used over the years. When looking at some highly cited core papers in this field, it is interesting to see that they all refer to the leverage the more powerful company has towards the less powerful company. In other words, a power-dependent relationship seems to occur when one actor (the more powerful company) has something that the other actor (the less powerful company) needs (Gulati & Sytch, 2007).

For example, Cox (2004) explains power dependency as a situation that occurs when the circumstances allow one actor to use its leverage towards the other actor to benefit from the relationship. On the other hand, Sanzo et al. (2007) state that a power-dependent relationship can be defined as "a company's need to maintain a relationship with a partner to achieve its goals" (p.270). Thirdly, (Pfeffer & Salancik, 1978) applied the resource dependence theory, in which they argue that inter-organizational dependency is a phenomenon that "exists whenever

one actor does not entirely control all of the conditions necessary for the achievement of an action or for obtaining the outcome desired from the action” (Pfeffer & Salancik, 1978, p. 40). According to this definition, interdependence is closely associated with power (Gulati & Sytch, 2007).

Looking at more recent academic literature, the definition of power dependency has been further expanded, but the core of these definitions is still the concept of leverage. Based on this recent literature, a power-imbalanced relationship between a buyer and a supplier can be described as a situation where one actor has a significant advantage over the weaker actor when it comes to decision-making, controlling resources and negotiating because it has leverage towards the weaker actor, which leads to a situation in which the weaker actor starts depending on the stronger actor (Bhardwaj & Ketokivi, 2021; Meqdadi et al., 2017; Pan et al., 2020; Siemieniako et al., 2022; Wontner et al., 2020).

## **2.2 Conflicts between Buyers and Suppliers in Power-Dependent Relationships**

Since the definition of power dependency in buyer-supplier relationships is stated, it is important to understand how and why conflicts in power-dependent relationships arise.

Firstly, it is crucial to be aware that power-dependent relationships do not necessarily come with conflicts. In fact, power asymmetry can positively affect the relationship's efficiency (Pan et al., 2020).

However, the literature states that power imbalance in buyer-supplier relationships almost inevitably leads to a conflict when the more powerful actor starts using its power over the weaker actor in a way that disturbs the weaker actor's business operations and business goals (Caniëls & Gelderman, 2007; Makkonen et al., 2021). In these conflicts, the weaker actor often finds itself in a disadvantageous position, as it depends on the resources of the stronger actor (Siemieniako et al., 2022). This allows the powerful actor to use its power at the expense of the less powerful actor (Caniëls & Gelderman, 2007) The following section will discuss the options for the less powerful actor to counteract power abuse in a power-dependence relationship.



### 2.3 Relationship Characteristics and Strategic Options

Although a weaker actor seems to find itself in a disadvantageous position towards a more powerful partner, Habib et al. (2015) developed a conceptual model showing six strategic options available to a weaker actor to encounter the dominance of their powerful partner when the dominant actor abuses its power (see Figure 2). Additionally, the authors develop eight relationship characteristics, called underpinning factors in the model, that affect the choice between the available strategic options (Habib et al., 2015).

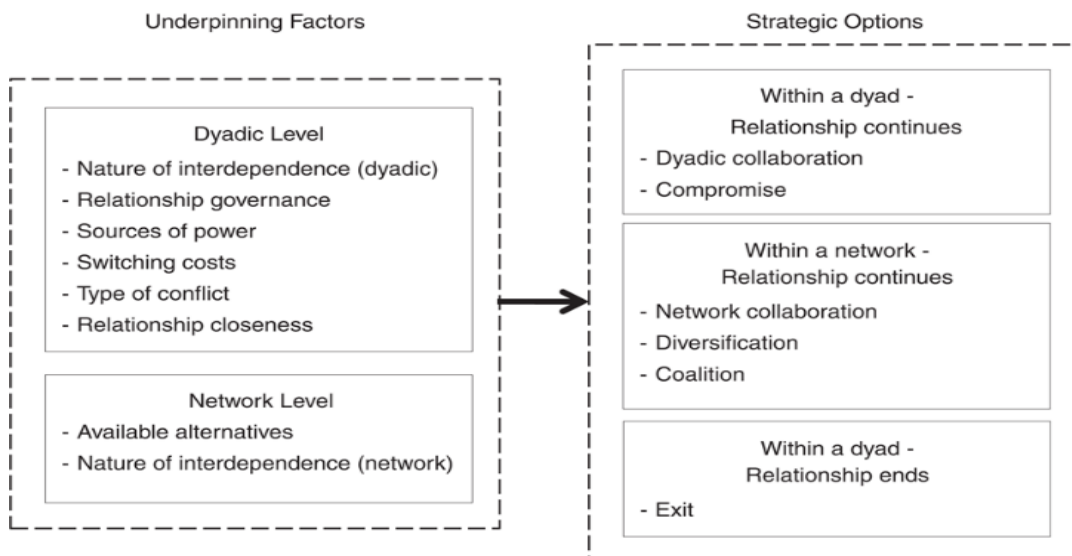


Figure 2: “Factors underpinning the strategic options available to a weaker actor to counteract the dominance of a stronger actor in a buyer-supplier relationship” (Habib et al., 2015, p. 192)

This research shows that relationship characteristics are essential in choosing strategic options to encounter the use of power by a powerful partner (Habib et al., 2015; Han et al., 2022; Skowronski et al., 2022; Tian et al., 2022).

However, the research conducted by Habib et al (2015) is not the only study focused on how relationship characteristics influence the choice between strategic options in asymmetric buyer-supplier relationships. Since 2015, much other research has been conducted on this topic and according to Ghauri et al. (2021), the relationship characteristics that influence the choice of strategic options might have changed since. Therefore, systematic literature searches have been conducted (see Appendix I & II) to create a comprehensive list of relationship characteristics that influence the choice of strategic options based on this systematic literature search and additional papers that have been found. This list can be found in Table 3.

Table 3: The relationship characteristics and their meaning according to the literature

Relationship characteristics	Meaning according to the literature
Nature of interdependence	To what extent do the firms need to maintain the relationship with their partner to achieve their organisational goals (both on a dyadic- and network level) (Habib et al., 2015; Tang et al., 2016).
Relationship governance	The formal, informal and institutional instruments buyers and suppliers utilise to ensure their relationship with another buyer or supplier (Bonatto et al., 2020, 2022; Habib et al., 2015).
Sources of power	The way the stronger actor uses its power. This can in a way helps the weaker actor or in a way it disturbs the weaker actor's operations and business objectives. (Caniëls & Gelderman, 2007; Habib et al., 2015; Makkonen et al., 2021). Power can be structural and/or behavioural. Structural power means being able to shape and control the rules, institutions, and resources in a system, while behavioural power is about having the ability to influence others through personal actions, communication, and persuasion (Makkonen et al., 2021; Oukes et al., 2019).
Switching costs	The costs and other difficulties involved when a firm wants to change its buyer or supplier (Crook & Combs, 2007; Habib et al., 2015; Pellegrino et al., 2019).
Type of Conflict	Functional conflicts are conflicts when both parties have different perspectives on their relationship. Dysfunctional conflicts arise when one of the parties thinks the other party acts dysfunctional (Amason, 1996; Habib et al., 2015; Newell & Ellegaard, 2022; Pfajfar et al., 2019).
Relationship closeness	The way the parties trust each other and share information with the other party (Bonatto et al., 2020; Habib et al., 2015; Newell & Ellegaard, 2022).
Longevity of the relationship	The total length of the relationship (Kim & Fortado, 2021; Ngouapegne & Chinomona, 2019; van der Werff et al., 2018)

Available alternatives	The quantity and quality of alternatives available within the
------------------------	---

As presented in Table 2, eight relationship characteristics that can influence the choice of a strategic option available to a weaker actor when counteracting the dominance of a powerful partner have been found in the literature search. network of the weaker actor (Caniëls & Gelderman, 2007; Ghauri et al., 2021; Habib et al., 2015; Makkonen et al., 2021; Oukes et al., 2019; Tang et al., 2016; Yamano & Sakata, 2023).

Additionally, a systematic literature search (appendix III) has been conducted to create a comprehensive list of strategic options available to a weaker actor in buyer-supplier relationships based on recent literature. This list can be found below in Table 4 and is based on the systematic literature search and additional papers that have been found about this topic.

*Table 4: The relationship characteristics and their meaning according to the literature*

<b>Strategic options available to the weaker actor</b>	<b>Meaning according to the literature</b>
Dyadic collaboration	Enhancing the importance of the weaker actor's resources for the stronger actor and finding a solution to continue the relationship in a way it fulfils both parties' needs (Habib et al., 2015; Jraisat et al., 2021).
Compromise	Finding a solution both actors (partially) agree to, requiring mostly the weaker actor to compromise in order to continue the relationship and benefit in the long term.(Habib et al., 2015; Huang et al., 2020; Vogel et al., 2022)
Network collaboration	Not only enhancing the importance of the weaker actor's resources for the stronger actor but also collaborating with other parties that possess needed resources for the stronger actor to increase leverage and power towards the stronger actor. The goal is to find a solution to continue the relationship in a way that fulfils the needs of all parties involved(Habib et al., 2015; Pateman et al., 2016; Touboulic & Walker, 2015).
Diversification	Creating new relationships with other partners without damaging the current relationship with the stronger partner, in order to create multiple options in the long term and decrease the dependency on the stronger

	actor (Habib et al., 2015; Niu et al., 2019; Wu et al., 2019).
Coalition	Establishing short-term, mainly unofficial agreements, with other parties that own resources the stronger actor needs in order to gain leverage and power towards the stronger actor that can be used to improve the terms of the relationship for the weaker actor (Habib et al., 2015; Wang et al., 2019).
Exit	The decision of the weaker actor to end the relationship because the disadvantages of the relationship outweigh the advantages of the relationship (Habib et al., 2015, 2020; Wagner et al., 2022).

As shown in Table 3, the recent academic literature distinguishes six strategic options available to a weaker actor. So far, this literature research has demonstrated that small businesses in asymmetric buyer-supplier relationships have various strategic options and that the choice between these options is influenced by different characteristics of the relationship. This confirms the expectation expressed in the introduction (chapter 1.3), namely that small buyers have different strategic options for responding to a powerful supplier, and that this choice is determined by various characteristics of the relationship.

However, how these relationship characteristics influence the choice of different strategic options is not yet clear. Therefore, the next paragraph explores what is known in the literature about the impact of relationship characteristics on the decisions that small buyers make when choosing whether or not to adopt strategic options.

## 2.4 The Links between the Relationship Characteristics and Strategic Options

Table 5 shows what the literature searches (Appendix I, II and III) showed about the links between the relationship characteristics and the strategic options.

*Table 5 Literature on the links between relationship characteristics and strategic options*

Relationship characteristics	Strategic options					
	Dyadic collaboration	Compromise	Diversification	Network collaboration	Coalition	Exit
<b>Nature of interdependence (dyadic level)</b>	A positive impact of high dyadic interdependence on dyadic collaboration (Jraisat et al., 2021; Touboulie & Walker, 2015)			A high level of interdependence has a positive influence on network collaboration (Pateman et al., 2016)		A high level of dyadic interdependence negatively impacts the choice to exit the relationship (Wagner et al., 2022; Habib et al., 2020)
<b>Relationship governance</b>		Positive impact of governance on compromising when the governance aligns with the relationship goals of both parties (Vogel et al., 2022)				A negative impact of good governance on the exit option (Habib et al., 2020)
<b>Sources of power</b>		Positive impact of non-hierarchical	High use of power by a supplier positively		High use of power by a supplier positively	

		use of power by the willingness to compromise by the weaker actor (Vogel et al., 2022)	impacts diversification by the buyer (Wu et al., 2019; Polyviou et al., 2023)		impacts forming coalitions by the buyer (Wang et al., 2019)	
<b>Switching costs</b>			Low switching costs positively impacts diversification (Wu et al., 2019)			
<b>Type of conflict</b>						A positive impact of dysfunctional conflicts on the exit option (Habib et al., 2020)
<b>Relationship closeness</b>	A high relationship closeness positively impacts dyadic collaboration (Alajoutsijärvi et al., 2000; Halinen & Tähtinen, 2002)	Positive impact of high relationship closeness on compromising (Alajoutsijärvi et al., 2000; Halinen & Tähtinen, 2002)				A negative impact of high relationship closeness on the exit option (Alajoutsijärvi et al., 2000;; Halinen & Tähtinen, 2002)

<b>Longevity</b>	The longevity of the relationship positively impacts dyadic collaboration (Alajoutsijärvi et al., 2000; Halinen & Tähtinen, 2002)					A negative impact of relationship longevity on the exit option (Habib et al., 2020)
<b>Available alternatives</b>	Few available alternatives negatively impacts new dyadic collaborations (Wagner et al., 2022)		A high number of available alternatives positively impacts diversification (Wu et al., 2019)	A high number of available alternatives positively impacts network collaboration (Pateman et al., 2016)		Few available alternatives negatively impacts the exit option (Wagner et al., 2022)
<b>Nature of interdependence (network level)</b>			A low level of network interdependence has a positive influence on diversification (Wu et al., 2019)			

First, Jraisat et al. (2021) argue that dyadic dependency has a positive impact on dyadic collaboration. They state that companies that depend on one another are more likely to have a sustainable relationship that works out for all parties involved. Moreover, they show that securing common goals and interests in contracts contributes to optimal cooperation and that a long and trustful relationship is more likely to benefit everyone. Touboulic & Walker (2015)

published a paper that showed similar links between these relationship characteristics and dyadic collaboration.

Second, Vogel et al. (2022) examined the key factors necessary to reach compromises within a relationship. Their research showed that when the governance logic matches the logic of the relationship goals, it is easier to reach a compromise that works for all parties involved. Moreover, Vogel et al. (2022) state that common value and mutual trust (relationship closeness), and a non-hierarchical use of power (sources of power) are relationship characteristics that positively impact compromises.

Third, Wu et al (2019) proved that a low network dependency and a high number of alternative suppliers make it financially more enforceable for a buyer to diversify the supplier base.

Fourth, Pateman et al. (2016) determined two key drivers of network collaboration. They showed that the choice of collaboration depends on the nature of interdependence and the presence of new possible partners to collaborate with (Pateman et al. 2016). Their research states that a high level of dyadic- and network interdependence with a current partner stimulates dyadic- and network collaboration, while the strategic necessity to collaborate with others, driven by factors such as economic considerations, is also a driving force for network collaboration (Pateman et al., 2016).

Fifth, Wang et al. (2019) made an interesting analysis of the role of power in forming coalitions. They argue that coalitions are usually a response to a powerful supplier and that the goal of a coalition is to counteract the dominance of the supplier. Wang et al. (2019) state that the success of such a coalition is determined by its size and the position of the suppliers in the coalition; when there are several buyers with a strong position relative to the supplier in the coalition, the coalition is more powerful.

Sixth, Wagner et al. (2022) focus on the impact of dependency on the exit option. They argue that the choice to stay in a buyer-supplier relationship depends on the dyadic dependency towards the other, as well as on the number- and quality of available alternatives (Wagner et al. (2022). Their research shows that a high dyadic dependency and a lack of sufficient alternatives increases loyalty and therefore negatively impacts the choice to exit the relationship. Habib et al. (2020) underscore the negative impact of interdependence on the exit option. They argue that parties who are less dependent towards each other are more likely to end their relationship (Habib et al. 2020). In addition to Wagner et al. (2022), Habib et al. (2020) determine additional relationship characteristics influencing the choice to 'a kind exit'. They argue that a long-term



relationship, trust, good governance, and the absence of dysfunctional conflicts positively impact a 'kind exit, which is an exit "where the risk of harm to the supplier as a result of the buyer's relationship termination is low" (Habib et al. 2020. P1). Habib et al (2020) do not specifically show if buyers are less likely to exit the relationship when these relationship characteristics are present. Nonetheless, Alajoutsijärvi et al. (2000) and Halinen & Tähtinen (2002) do show that these relationship characteristics lead the buyer to develop a more positive perception of the relationship, thereby reducing the likelihood of the buyer exiting the relationship.

In this thesis, these links between the relationship characteristics and the strategic options will be further examined with empirical data.

### 3 Research Design

Since the aim of this research is clear and the theoretical framework is developed, it is time to elaborate on how this case study will be designed. This section will discuss the research context, the data collection, and the data analysis.

#### 3.1 Research Context

Table 5, displayed at the end of the theoretical framework in chapter 2.4, shows that multiple strategic options are available to counteract a dominant partner. It suggests that the choice between the strategic options depends on the characteristics of the relationship, but it does not cover every link. Therefore, three bicycle courier companies are studied to examine how the relationship characteristics in this case are linked to the choice of the different strategic options that are available to a weaker actor, in order to counteract the powerful actor's dominance. By doing this, the aim was to answer the following research question: *Which strategic options does a small shipping company have in an asymmetrical relationship with a supplier, and how do the relationship characteristics influence the strategic options taken?*

The three companies that were studied to provide an answer to this question are three quite similar companies. They all experienced comparable issues with the dominance of their common, more powerful, supplier. However, the introduction and Table 2 also showed that company B was less affected by the acquisition of the supplier compared to companies A and C. Since the companies made different decisions throughout this process, these companies are suitable for the collection of empirical data to gain an understanding of their decision process regarding considering various strategic options based on the characteristics of their relationships with their powerful supplier and provide a comprehensive answer to the research question.

Nonetheless, the companies all operate in a slightly different context. Company A operates in a relatively more dense area, while companies B and C operate in relatively less densely populated areas. Moreover, company A also operates in an area where there is less attention to sustainable urban distribution, while companies B and C operate in areas where there is more political emphasis on sustainable urban distribution. These differences were included in this research.

Nonetheless, the companies are very similar regarding their number of employees, and most importantly, their company structures are almost identical which means they all have a

first miles- and a second miles process, of which the first last miles process was the most important in the period the supplier got acquired.

### **3.2 Data Collection**

During the first round of interviews, the data was collected by using semi-structured questions based on the relationship characteristics from the conceptual model. By using semi-structured interviews, the interviewer had the space to react to the interviewees' answers and some guiding questions to remain focused on the right subjects (Dundon & Ryan, 2010).

In the second and third rounds of interviews, the result of the template analysis that was used to analyse the data of the first round of interviews, which will be discussed later, was used as a foundation. By using the clusters and final themes of this template analysis, comprehensive and precise interview questions were made, resulting in more structured interviews (Dundon & Ryan, 2010).

The interviews with the three companies were held in the same setting, which means all the interviews were on location instead of online to increase the validity of this research (Dundon & Ryan, 2010). The audio of the interviews was recorded and transcribed afterwards.

The interviewee regarding company A was the founder and CEO of this company, CEO A. He is responsible for the company's strategic choices and he managed the relationship with the supplier. Since the company only has three management functions, no other employees of company A could provide helpful information.

In the case of company B, interviews were held with the CEO of company B since he was in charge of the negotiations with the supplier, which eventually led to their breakup. Just like in the case of company A, the company only has three management functions and no other employees could provide any relevant information.

The interviews with company C have been conducted with the founder and CEO of company C. He is in charge of maintaining the relationships with strategic partners including the relationship with the supplier. Therefore, he could provide the relevant information that was required for this research. Just like in the other cases, no other employees could provide relevant information about the relationship between company C and the supplier.

Table 6: The three rounds of interviews

<b>Interview round</b>	<b>The goal of the interviews</b>	<b>Length of the interviews</b>
Round one	The mapping and assessment of relationship characteristics.	CEO A 43 min CEO B 31 min CEO C 41 min
Round two	Gaining insight into how the relationship characteristics influence the CEO's decision-making process when choosing between the strategic options within a dyad	CEO A 18 min CEO B 14 min CEO C 23 min
Round three	Gaining insight into how the relationship characteristics influence the CEO's decision-making process when choosing between the strategic options within a network	CEO A 21 min CEO B 13 min CEO C 22 min

As shown in the table above, all the CEOs were interviewed three times, one time in each round of interviews. The first round aimed to map and assess the relationship characteristics in the relationships between the shipping companies and the supplier. The second and third rounds of interviews aimed to gain insight into the links between the relationship characteristics and the strategic options within a dyad and the network. Because at this point the relationship characteristics and the strategic options were already mapped and assessed, in these rounds of interviews, the CEOs could be specifically asked how the relationship characteristics influenced the choice of strategic options. Therefore, structured interviews were used in the second and third rounds of interviews.

An exception to this data collection method applies to the data that was used for the introduction. This data was collected during explorative talks with the CEOs before the actual research process. During these talks, notes were kept which were later used to write the introduction. Additionally, the database of the central bureau for statistics and the public websites of the three cities were consulted for information about the cities the companies operate in, which was used for creating Table 1.

Moreover, the CEOs were approached by email to provide information about the changes in volume, costs and revenue, this data was used for creating Table 2

### 3.3 Data Analysis

After the first round of interviews that aimed to map and assess the relationship characteristics, the data was analysed using the ‘template analysis’ method. This method is considered to be a good way of coding and analysing quantitative data and fits well with abductive coding (King et al., 2017) (Ciesielska & Jemielniak, 2017) By using template analysis and abductive coding, no categories need to be set up in advance. (Dubois & Gadde, 2002). This makes template analysis a very unrestricted method in which unexpected results are captured correctly (Ciesielska & Jemielniak, 2017).

However, according to King et al. (2017), one thing that is explicitly permitted within Template Analysis is the use of a priori themes. “These are themes which are defined in advance of the start of detailed analysis, often based on theoretical ideas that have guided a particular study, or on pragmatic concerns such as evaluation criteria. If a segment of text appears to relate to an a priori theme, you simply code it to it. It is important to note that a priori themes do not have any kind of ‘protected status’—they are just as much subject to revision or removal as analysis progresses as any other theme” (King et al., 2017, p. 188).

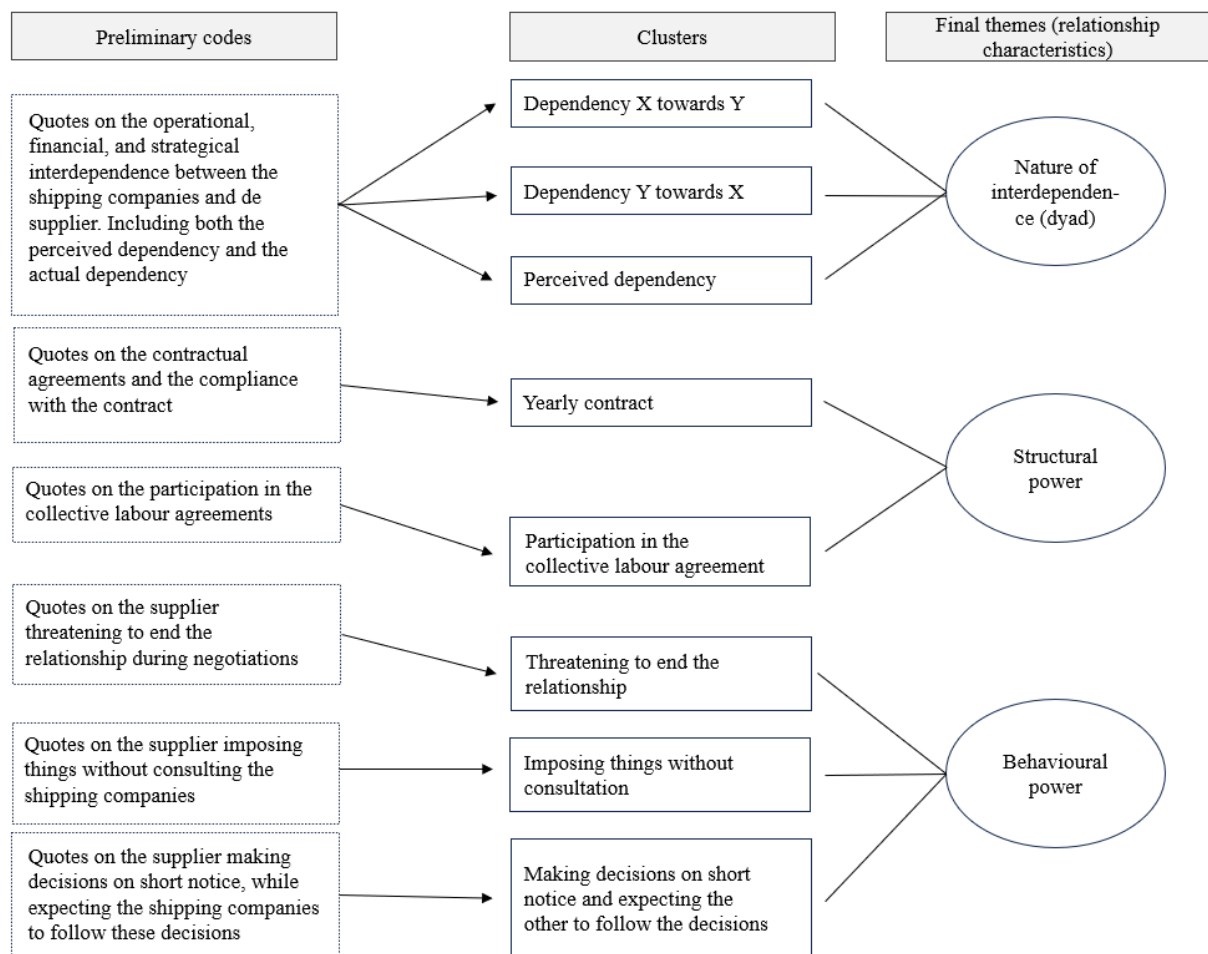
In the template analysis executed in this research, priori themes were predetermined before the analysis began. These priori themes were the nine relationship characteristics captured in the conceptual model. When a text segment that seemed to be related to an a priori theme was encountered, it was coded to that theme. Nonetheless, it is crucial to note that the priori themes didn't hold any special privilege and were subject to revision or removal as the analysis progressed, just like any other theme. The table below shows how the rest of the template analysis has been executed.

*Table 7: steps for the template analysis*

<b>Steps for template analysis (King et al, 2017)</b>	<b>The steps taken in this research</b>
Familiarization with the data	After the interview data was transcribed, the transcripts were read thoroughly to get a good understanding of the data. Furthermore, the audio recordings were listened to again in order to interpret the data as accurately as possible.
Preliminary coding	The first notes and comments were made to capture the initial thoughts, observations and potential emerging clusters.
Clustering	The preliminary codes from the last step were merged. This started by merging obviously duplicate and

	similar codes. The rest of the codes were clustered together based on shared characteristics.
Developing the initial template with themes	In this step, the clusters that relate to each other were grouped into overarching themes and an initial template was created.
Modifying the template and defining the final template	After the initial template was created, the data was analysed again and the template was modified based on new insights. After that, the final template was designed.
Using the template to interpret the data	The template was finalized and has been used to get a better understanding of the data, and was the foundation of the second and third rounds of interviews.

Figure 3 visualizes the final data structure after the template analysis is finalized. Chapter 5.1 further elaborates on the results of the template analysis, using the exact quotes by the CEOs.



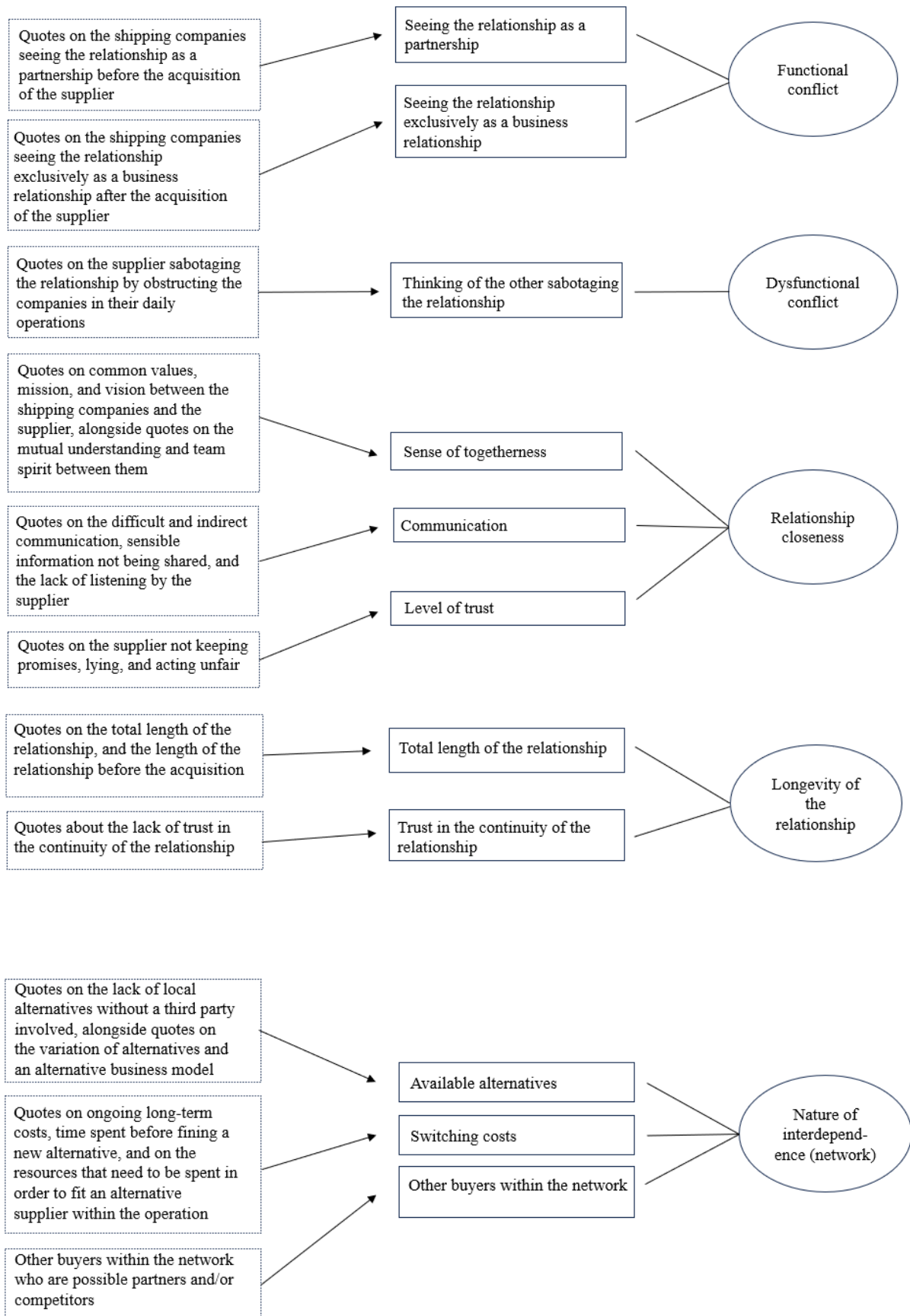


Figure 3: Data structure after template analysis

Since the relationship characteristics were defined and assessed during the first round of interviews, and the strategic options were already defined, the second and third rounds of interviews were very well-structured and the interviewees were asked very directly about the influence of the relationship characteristics on the strategic options. The data that emerged from the second-and-third round of interviews was therefore suitable to be analysed in a deductive way (Skjott Linneberg & Korsgaard 2019). This means that the data was categorized according to the relationship characteristics identified in the template analysis.



## 4 Results

### 4.1 Relationship Characteristics

In the introduction of this thesis, it became clear that dyadic dependency and changes in revenue and costs alone could not explain why the CEOs opted for different strategic options. Later on, the theoretical framework implied that several other relationship characteristics influence the choice of strategic options. The first round of interviews aimed to map and assess these relationship characteristics that are present in the relationship between the three companies and their supplier. After analysing the interview data, eight main themes, which are relationship characteristics in the context of this research, were distinguished. Besides that, the CEOs were asked to assess whether the relationship characteristic ‘increased’ or decreased’.

Table 8: The assessed relationship characteristics

Relationship characteristic	Overall assessment	Differences between the companies
Nature of interdependence (dyad)	Shipping companies' dyadic dependency towards the supplier <u>increased</u> , both the perceived dependency and the actual dependency. Supplier's dyadic dependency towards shipping companies <u>decreased</u> .	Companies A and C depend on the supplier for approximately 75% of their revenue. In the case of Company B, less than 50% of its revenue is dependent on the supplier.
Structural power	<u>Increased</u> use of structural power by the supplier in a way that disturbs the shipping companies in their operations and in the accomplishment of their goals.	No significant differences
Behavioural power	<u>Increased</u> use of behavioural power by the supplier in a way that disturbs the shipping companies in their operations and in the accomplishment of their goals.	No significant differences

Functional conflict	The amount of functional conflicts with the supplier <u>increased</u> .	Company A mainly experienced dysfunctional conflicts with the supplier, while companies B and C primarily experienced functional conflicts.
Dysfunctional conflict	The amount of dysfunctional conflicts with the supplier.	
Longevity of the relationship	Not applicable.	No significant differences
Relationship closeness	<u>Decrease</u> of relationship closeness	Company A, involved in an advisory group representing all bicycle courier partners of the supplier, highlights significant damage to their relationship with the supplier due to consistent broken promises and disregard for the interests of the courier partners.
Nature of interdependence (network)	Shipping companies' dyadic dependency towards the supplier <u>increased</u> . Supplier's dyadic dependency towards shipping companies <u>decreased</u> .	No significant differences

Since the interview questions were based on the model presented in the theoretical framework, it is no surprise that the relationship characteristics somewhat correspond to the relationship characteristics discussed in the theoretical framework. However, this analysis exposed some interesting and valuable insights that will be discussed in this section.

### *1 Nature of interdependence (within the dyad)*

The first relationship characteristic that shapes the relationship between the three companies and their biggest supplier is the nature of interdependence of the dyadic relationship. The CEOs of companies A and B stated that they both operationally and financially depended on the supplier and needed their supplier for strategic reasons because it allowed them to gain a severe market share and become an established shipping company in their area. For the CEO of company C, this is still the case, and it is why he is still in business with the supplier. CEO C described this dependency the following way: “Without the Packages we get from our supplier, we need to let employees go and would not be able to continue with our current business model and operational activities”. Since the amount of Packages extremely increased since the supplier was acquired, the CEOs agree on the fact that the dyadic dependency towards the supplier increased a lot.

However, the CEOs indicated that the supplier was also partially dependent on the shipping companies. Since the supplier's core message to its customers is “ We deliver all your mail and Packages by bike, throughout the Netherlands. Fast, sustainable and social”, they need local shipping companies to fulfil this promise. However, since the webshop acquired the supplier, they no longer rely on shipping companies for financial reasons and they do not seem to care about shipping Packages per bike as much as before. The dependency of the supplier towards the shipping companies therefore decreased.

Another important observation regarding the nature of interdependence is that the CEOs of companies A and B imply a difference between their perceived dependency and the actual dependency. The CEO of company A said: “Before we broke up with our supplier, we thought our operational and financial activities would decrease by 80%, but in reality, this was only 40-50%”. The CEO of company B made a similar statement, and it therefore seems important to make a difference between perceived dependency and actual dependency.

Lastly, it is important to know that companies A and C had a much bigger dependency towards the supplier when looking at their revenue. Company A and C would lose about 75% of their revenue when leaving the supplier, while Company B would lose less than 50% of its revenue.

### *2 Structural power*

The second theme distinguished during the data analysis is the so-called structural power. It became clear that the supplier used its powerful position towards the shipping companies

through contracts and by forcing them to participate in the Collective Labour Agreement (CLA). For example, the supplier used its powerful position by including things in the new contract that were perceived as unfair by the three companies. As mentioned earlier, this concerned an unequal distribution of earnings and an unreasonable amount of Packages the companies had to deliver daily. Moreover, the supplier demanded that the shipping companies had to participate in the CLA. This use of structural power was new to the shipping companies, as they never experienced such behaviour from the supplier before it was acquired.

As shown in the table at the beginning of the results section, the relationship governance' characteristic is absent compared to the conceptual model. The reason behind this is that the data indicated that relationship governance is a means through which the supplier exerts its structural power. Therefore, the data has been further analysed and evidence is found about a connection between structural power and relationship governance. For example, CEO C stated "They tell us the contractual conditions and we just have to stick with it" and CEO A said, "The rates were low and they simply did not come up with an acceptable contract proposal and there was no room for consultation." Both of these statements imply the way the supplier governed the relationship is the symptom of structural power, exerted by the supplier.

### *3 Behavioural power*

To start with, the supplier also used its power to informally suppress companies A, B and C. They imposed things without any consultation of the companies and informed them about impactful decisions on very short notice while they demanded the companies to commit to these decisions, even if they had a significant impact on the day-to-day operations of the companies. According to the CEO of company A, "At a certain point in time, the supplier even threatened to end the relationship immediately if we would not sign the contract and agree to certain agreements immediately." This manner of exercising power is also new to the companies, and they did not experience it before the supplier was acquired.

### *4 & 5 Functional and Dysfunctional Conflicts*

Zooming in on the conflict, a very interesting observation was made. It became clear that the companies had, and have, different types of conflicts with the supplier. Company A experienced the conflict with the supplier as dysfunctional since the CEO of company A felt like the supplier sabotaged the relationship by threatening to end the relationship since it was acquired.

On the other hand, Company B says the following about their past relationship with the supplier: “Before the webshop acquired the supplier, the relationship was a real partnership, after the acquisition, they saw it as a business agreement only while we still had the illusion it was a partnership which caused a lot of friction.” So apparently, both parties had a different perspective on the relationship that led to the conflict.

The same can be said about company C. The CEO of this company also noticed that after the supplier was acquired, the situation appeared in which both parties had a different perspective on the relationship. However, company C’s CEO stated that he could live with that situation by saying: “I understand why the supplier acts this way, and it is up to me to respond to it.”

Nonetheless, it is important to know that companies B and C also experienced dysfunctional behaviour from the supplier since it was acquired. They said the supplier did not consider the stability of the relationship, which caused some serious conflicts between them and the supplier. CEO C said the following about this: “There were indeed real problems in the relationship when the supplier started sending us large boxes at one point, even though we had agreed that it was not allowed. This put us and our couriers in trouble, but they didn't care. I think they do these kinds of things to eventually crush companies so that they can start their own.

### *6 Relationship closeness*

One of the most noticeable observations during the data analysis is the vast role of ‘closeness’ in a relationship. First, it became clear that companies A, B, and C had a great sense of togetherness with their supplier before the supplier was acquired. The CEOs indicated they shared their core values, mission, and vision with the supplier. The CEO of company A put this into words the following way, “we understood each other and we were on the same side by taking over the industry with our unique concept’. However, all three CEOs concluded that after the supplier was acquired, this feeling started to disappear and the communication and contact with their supplier became worse.

They stated that after the acquisition, communication was not nearly as smooth as before due to constantly changing contacts. They also indicated that the supplier started to share less sensible information and that they did not consider the ideas of their buyers anymore. In combination with the supplier not keeping its promises and acting “unfairly” according to the CEOs of the companies, this damaged the trust between the companies and the buyer. According to company A’s CEO, “This might have been the key factor in our decision to exit

the relationship with the supplier”. The CEO of company B stated that “the decreasing closeness of the relationship made it hard to have open discussions about important decisions”.

Important to mention is that Company A states they were part of an advisory group, where they, on behalf of all bicycle courier partners of the supplier, engaged in discussions and negotiations with the supplier. CEO A indicates that this has caused significant damage to the relationship closeness with the supplier because, according to him, the supplier consistently broke promises and did not consider the interests of the bicycle courier partners.

### *7 Longevity of the relationship*

The longevity of the relationships between the companies and the supplier also seemed to have impacted the decision-making process between the strategic options available. Companies A and B stated that the fact they had a relationship with the supplier for around six years made them stay longer than what might have been optimal for them. Additionally, the CEO of company C said: “I would not just leave this relationship since we have a long history together”.

Hence, the length of the relationship is considered to be a relationship characteristic that needs to be considered. However, the CEOs of companies A and B weighted the (lack of) future perspective higher than the current length of the relationship.

### *8 Nature of interdependence (network perspective)*

After discussing a variety of relationship characteristics within the dyadic relationship, the characteristics of the network around this relationship will be discussed.

The interview results showed an interesting difference compared to the theory discussed earlier. The CEOs indicated that the nature of interdependence within the network is determined by both the available alternatives within the network and the costs and difficulties that come with switching between suppliers, alongside possible partnerships on the buyer side.

There was consensus among the CEOs when it came to the importance of available alternatives. They all stated that the presence of potential alternatives significantly impacted their strategic decisions regarding the continuity of the relationship. Additionally, it also became clear that their supplier having possible alternatives influenced the CEOs’ decisions concerning the continuity of the relationship. For example, the CEO of company C stated: “Since the supplier could easily replace us, my priority is to build a strong local network of suppliers and diversify my network of suppliers”. Moreover, the CEOs of companies A and B indicated that when looking for alternative suppliers they now rather focus on ‘direct

relationships' in which they have direct connections with the stores and webshops instead of having a third party like the supplier in this case study.

The three CEOs also agreed on the role of switching costs that come with a change of suppliers. The CEOs of companies A and B both experienced serious difficulties when changing suppliers since the amount of Packages to be delivered decreased while they had a lot of fixed costs. The reason why these operational activities decreased so heavily is that it was hard to find the right alternatives. The CEO of company A stated, "The pressure the supplier put on us during the relationship made it very difficult to build a network of possible alternatives during the relationship." Additionally, the CEOs declared that since they operated in a niche market within the shipping industry, it was hard to find the right alternative suppliers that fit the companies' operations.

Moreover, the CEOs also indicated that having other buyers in your network can lead to collaborations in order to gain a stronger position towards the supplier or to search for a new supplier together.

Finally, the CEOs argued that their network dependency towards the supplier did not increase since the supplier was acquired because, due to the increasing volume since the acquisition, they were mainly busy with restructuring the organization so that they could handle the increasing volume, and as a result, the focus shifted away from maintaining and expanding their local network. They also said that the dependency of the supplier towards the shipping companies decreased since the webshop that acquired the supplier has an enormous network of shipping companies shipping Packages for them who can easily replace the bicycle courier companies.

## 4.2 Strategic Options

Now that the relationship characteristics of the three relationships have been described in detail, and the differences have been highlighted, the second step is to map out the strategic choices made by the CEOs of the companies. As stated in the introduction, CEOs A and B have both opted for the exit option, but they also indicated that they had already tried other ways to sustain the relationship before terminating it. Additionally, CEO C mentioned that he made specific strategic choices that changed his relationship with the supplier, which was necessary to sustain the relationship with the supplier.

Therefore, this paragraph will describe all the strategic options chosen by the CEOs from the moment the supplier was acquired until April 2023, which marked the point when companies A and B decided to exit the relationship. The table below already shows that, except for the exit option, all companies have exercised each strategic option at least once. The content of the table will be further explained below.

*Table 9 The strategic options exercised by the companies*

<b>Strategic Option</b>	<b>Company A</b>	<b>Company B</b>	<b>Company C</b>
Dyadic collaboration	Yes	Yes	Yes
Compromise	Yes	Yes	Yes
Exit	Yes	Yes	No
Network collaboration	Yes	Yes	Yes
Diversification	Yes	Yes	Yes
Coalition	Yes	Yes	Yes

In the first period after the webshop was acquired, all the CEOs attempted to collaborate with the supplier in a way that was optimal for all parties involved. As the supplier increasingly leverages its powerful position, dyadic collaboration becomes more challenging and eventually is impossible, as indicated by the CEOs. At the point where dyadic collaboration is no longer possible, it appears that all the CEOs initially choose to compromise and make concessions to sustain the relationship.

In addition to compromising, all three companies also decided to strengthen their



position towards to the supplier through network collaboration. The three companies all participated in an initiative to establish an alternative network, allowing courier companies to collaborate directly with each other without the involvement of a major supplier. Through this network, bike couriers could collaborate by, for example, picking up packages in city A and delivering them to city C without the involvement of an external supplier.

Moreover, the companies chose to diversify their partner portfolio since the supplier was acquired. This was primarily done by increasing the number of local partners, reducing revenue dependency on the supplier. Company C, which still delivers for the supplier, indicates that it continues to focus on diversification to establish a broader safety net in case its relationship with the supplier ends.

Furthermore, the supplier's acquisition has led the courier companies to seek each other out more. The CEOs mentioned that coalitions formed in the form of WhatsApp groups. In these groups, joint positions were determined for the negotiations with the supplier.

Finally, there is the exit option. Eventually, companies A and B chose to exit the relationship, despite their effort to shape the relationship in a way it was sufficient for them by exercising all six strategic options. On the other hand, company C seems to have succeeded in shaping the relationship in such a way that they have decided to continue with the supplier, at least for now.

Now that it is clear which strategic choices the CEOs have made and how these strategic options manifested in practice, the next paragraph will analyse how various relationship characteristics (described in chapter 4.1) have influenced the choices for different strategic options. This includes finding an explanation for why companies A and B chose for the exit option, while company C did not.

### 4.3 The Links between the Relationship Characteristics and the Strategic Options

Since the relationship characteristics have been described, and the strategic choices made by the CEOs are mapped, the links between the relationship characteristics and the strategic options can now be examined. The table below shows a simplified overview of the links between the relationship characteristics and the strategic options, based on the interviews with the CEOs. As shown in this table, no distinction is made between the three companies. If different answers have been given by the CEOs, this will be clarified in the text. In section 4.3.1, the links between the relationship characteristics and the strategic options within the dyad will be described. Subsequently, in section 4.3.2, the links between the relationship characteristics and the strategic options within the networks are analysed. Both sections will highlight the most noticeable and surprising findings. A full description of each link between the relationship characteristics and the strategic options, including statements from the CEOs, can be found in Appendix V.

Relationship characteristic	Strategic options within the dyad			Strategic options within the network		
	Influence on the choice for dyadic collaboration	Influence on the choice to compromise	Influence on the choice to exit	Influence on the choice of Network Collaboration	Influence on the choice of diversification	Influence on the choice of coalition
Nature of interdependence (dyad)	Negative and positive	Positive	Negative and Positive	Positive	Positive	Positive
Structural power	Negative	Positive	Positive	Positive	Positive	Positive
Behavioural power	Negative	Positive	Positive	Positive	Positive	Positive
Functional conflict	Negative	Negative	Positive	No observed effect	No observed effect	No observed effect
Dysfunctional conflict	Negative	Negative	Positive	No observed effect	No observed effect	No observed effect
Longevity of the relationship	Positive	Positive	Negative	No observed effect	No observed effect	No observed effect
Relationship closeness	Positive	Positive	Negative	No observed effect	No observed effect	No observed effect

Nature of interdependence (network)	Positive	Positive	Negative	Positive	Positive	Positive
-------------------------------------	----------	----------	----------	----------	----------	----------

Table 10: The influence of the relationship characteristics and the strategic options within a dyad (simplified)

### 4.3.1 The Links between the Relationship Characteristics and the Strategic Options within the Dyad

#### *The differences between the theory and the interview results*

When analysing the links between the relationship characteristics and the strategic options within a dyad, two things distinctly differ from the theory that was discussed in the theoretical framework.

First, while CEOs A and C's views align with Wagner et al. (2022), indicating that increased dyadic dependency has a negative influence on the exit option, CEO B said that this increased dyadic dependency had a positive impact on choosing the exit option. He indicated that this dependency was a push factor to leave the relationship by saying: "We chose to exit the relationship because we did not want to depend so much on one party anymore".

Second, the CEOs initially argue that dyadic dependency positively impacts the choice for dyadic collaboration since they did not want to lose their major supplier. This is in line with the findings of Jraisat et al. (2021). However, they also indicate that the dyadic dependency had a negative impact on dyadic collaboration. CEO B put it this way: "The fact that we significantly depended on the supplier made it impossible to come to an optimal solution for both parties since they had the power to impose things without our consent". Hence, it seems the dependency towards the supplier and the associated power dynamic hurt the willingness of the supplier to search for an optimal solution for all parties involved.

The differences between the theory and the empirical results will be further discussed in the discussion section, where the differences between the theory and the interview results will be (partly) explained.

#### *The similarities between the theory and the interview results*

Except for the two differences that were just discussed, the interview data revealed the same links between the relationship characteristics and the strategic options as discussed in the theoretical framework. In addition to this, the interview data also revealed the links between the relationship characteristics and the strategic options that were not discussed in the

framework (see Table 10). A description of each link between the relationship characteristics and the strategic options within the dyad can be found in Appendix V. Concerning the new links that were discovered, this did not show any special results that were not obvious.

Moreover, the interview data showed that relationship closeness played a very prominent role in the choice of the exit option for companies A, B, and C. This is in line with the theoretical framework, but since it can explain the different choices regarding the exit option, this will be discussed in the following paragraph.

*The impact of relationship closeness on strategic choices within a dyad, focusing on the exit option.*

When it comes to choosing strategic options within the dyad, it was already made clear that dyadic dependency plays a big role. Yet, companies A and C made a different choice regarding ending their relationship, despite their similar dependency on the supplier relationship.

Based on the interview data, relationship closeness seems to be a main force that can explain this. CEO A indicated that the low relationship closeness, which was mainly shaped by his experiences in the advisory group (see Chapter 4.1), was an important factor in exiting his relationship. He also emphasized that the low relationship closeness after the supplier was acquired had a strong negative impact on his willingness to collaborate with the supplier as well as on his willingness to compromise to continue the relationship. When analysing the interviews with the CEOs of companies B and C, it becomes apparent that for them, relationship closeness was less important in their decision-making. CEO B downplayed the influence of relationship closeness on each of the three strategic options within a dyad, while CEO C said that the decreasing level of relationship closeness did have a negative impact on the choice to compromise, but that it was not a main factor when considering collaboration or the exit option.

This may (partially) explain why CEO A chose to exit the relationship, as the theory discussed earlier already emphasized the impact of relationship closeness on the choice to exit the relationship (Alajoutsijärvi et al., 2000; Habib et al., 2020; Halinen & Tähtinen, 2002)

*Additional findings on the possible impact of the operating areas*

As mentioned, the difference in relationship closeness can (partially) explain why company A decided to exit the relationship, while company C continued. However, during the interviews, another factor emerged that could explain these different choices. This factor is the difference between the cities the companies operate. As shown in the introduction, Company C operates

in a city with a more progressive policy regarding green urban distribution compared to Company A. CEO C indicated that this was one of the reasons for deciding to maintain the relationship with the supplier. The city in which he operates plans to make the city car-free regarding the delivery of packages and the supply of stores, leading CEO C to believe that his value to the supplier will increase, resulting in leverage to negotiate higher rates in the future. He put this the following way: “Additionally, we also see that the municipality of City C is quite progressive. They already have fairly concrete plans to implement exclusively green delivery and supply in the city centre. This also provides me with a perspective not to stop, because this can seriously strengthen our position towards the supplier.”

#### *Conclusion 4.3.1*

Section 4.3.1 revealed two key findings that diverged from the theoretical framework. First, CEOs A and C aligned with existing literature, suggesting increased dependency negatively influences the exit option. However, CEO B viewed increased dependency as a push factor to exit, possibly due to their lower dependency on the supplier. Second, while dyadic dependency positively impacted dyadic collaboration, it also negatively influenced the choice to collaborate due to the power dynamics and unwillingness of the supplier to seek optimal solutions.

Additionally, relationship closeness emerged as a key factor, especially in explaining the different choices made by CEOs A and C regarding the exit option. CEO A's decision to exit was heavily influenced by low relationship closeness, particularly after the supplier's acquisition. In contrast, CEO B and C considered relationship closeness less important when considering the exit option, with CEO C acknowledging its impact on compromise but not as a primary factor in collaboration or exit decisions. Moreover, the difference between the operating areas of companies A and C can partially explain why company C did not exit the relationship because company C thinks that the policy of the city he operates in will give him a stronger position towards the supplier in the future.

Finally, this section revealed all the links between the relationship characteristics and the strategic options, including the links that were not discussed in the literature. A description of each link can be found in Appendix V.

### **4.3.2 The Links between the Relationship Characteristics and the Strategic Options within the Network**

Since the links between the relationship characteristics and the strategic options within a dyad are exposed, this paragraph will examine the links between the relationship characteristics and the strategic options within the network.

#### *The differences between the theory and the interview results*

When looking at the CEOs' answers on how the relationship characteristics the choice of strategic options within the network, it becomes clear that the answers of the CEOs deviate from the theory twice.

First, the three CEOs indicate that their increasing network dependence on the supplier since the acquisition had a positive impact on all three strategic options within the network. For example, CEO B said the following about the impact of the increasing network dependency on the 'diversification' option.: "We simply noticed that our network was too small at that time, especially when you consider alternative suppliers. That's why we started actively working on diversifying, as you call it. For instance, we became more actively involved in looking for other potential options, such as establishing local lines." In addition to this, CEO A said the following when he was asked about the impact of the increasing network dependency on the 'coalition' option: Yes, it (the increasing network dependency) had a significant impact because initially, we didn't have anything other than our supplier, so you start looking for each other a bit. That's why everyone who was dissatisfied began to connect in those chat groups to try to eventually push for changes towards the supplier."

These statements conflict with the theory discussed earlier, since Wu et al. (2019) argued that high network dependency harmed the strategic choice to diversify, instead of stimulating this choice, as the CEOs indicated.

Second, in line with the theoretical framework, CEOs A and C indicated that their Dyadic dependency towards the supplier positively influenced their choice of network. On the other hand, CEO B said the dyadic dependency towards the supplier did not really affect his choice of network collaboration, which conflicts with the research conducted by Pateman et al. (2016), who showed that increasing dyadic dependency stimulates network collaboration. However, this can be explained by the fact that company B is less dependent towards the supplier compared to companies A and C

The differences between the theory and the empirical results will be further discussed

in the discussion section, where the differences between the theory and the interview results will be (partly) explained.

#### *The similarities between the theory and the interview results*

Besides the differences between the theory and the interview data that were just discussed, the interview data showed similar results to the theoretical framework.. However, this does not mean that there are no more interesting observations made during the analysis of the data. The fact that there is no observed effect between the relationship characteristics 'functional conflicts', 'dysfunctional conflicts', 'relationship closeness', and 'longevity of the relationship', and the strategic options within the network, is quite interesting. Especially when you look at the fact that these relationship characteristics, with relationship closeness in particular, seemed to play an important role in the choice of strategic options within the dyad, and especially in the choice of whether or not to exit the relationship. The next paragraph will further discuss this. In addition to this, the interview data also revealed the links between the relationship characteristics and the strategic options that were not discussed in the framework (see Table 10). A description of each link between the relationship characteristics and the strategic options within the network can be found in Appendix V.

#### *The influence of the supplier's use of power on the choice of strategic options within the network.*

As mentioned, the data did not provide evidence that the relationship characteristics 'functional conflict', 'dysfunctional conflict', 'relationship closeness' and 'longevity of the relationship' impact the choice of one of the strategic options on a network level. This is because it appears that CEOs tend to focus on different aspects of the relationship when considering strategic options at the network level. The interview data indicates that their dependence on the supplier, and more specifically the associated use of power by the supplier, leads them to choose to reduce their dependence through coalition, diversification, network collaboration, or a combination of these options since these options diminish this dependency towards the supplier.

More interview data supports this statement since the CEOs made some valuable remarks about the significant impact of the way the supplier used its behavioural- and structural power. For example, CEO C said: "You can simply feel that the supplier is getting stronger, especially since they got acquired, of course. You just really don't want to be so dependent on one party that uses its power to make things difficult for us, so you start looking for others

more.” CEO A made a similar statement and said: “Their use of power during contract negotiations has always been a significant factor, actually, it's quite similar to that heavy dependence. You just want to get rid of it and not be so reliant that you diminish some of their power. That's why you're more inclined to choose a strategic option where you collaborate more with others to diminish the supplier's power. Lastly, CEO B also emphasized the influence of their dependency towards the supplier and its use of power. He stated: “Yes, as I keep saying, it (the use of power by the supplier) plays a significant role in collaborating with others. We simply want to become more independent while the supplier imposes more, and we don't want that. Therefore, we want to strengthen our network and make ourselves less dependent on the supplier to reduce their power.”

All of this indicates that how the supplier uses its power is a reason for companies to choose to weaken that power by choosing strategic options within the network. This fits the findings by Wang et al (2019), who argued that dominant power use by a supplier encourages collaboration among buyers, and stimulates new relationships between the buyers and new suppliers.

#### *Conclusion 4.3.2*

Concludingly, there are two deviations between the theoretical expectations and the empirical findings. First, contrary to the theory proposed by Wu et al. (2019), which suggested that high network dependency negatively influences the strategic choice to diversify, the CEOs in this study reported a positive influence of high network dependency on all three strategic options within the network. Second, while CEOs A and C's answers aligned with the theoretical framework, indicating a positive influence of dyadic dependency on their choice of network collaboration, CEO B's experience did not align. He said that the dyadic dependency towards the supplier did not affect his choice of network collaboration, explained by the fact that his company is less dependent towards the supplier.

Finally, The interview data did not show a direct effect of the relationship characteristics 'functional conflict', 'dysfunctional conflict', 'relationship closeness', and 'relationship longevity' on the strategic options within the network. Instead, the interview data emphasised the use of power by the supplier. The CEOs highlighted how the supplier's use of behavioural and structural power led them to choose the strategic options within the network that reduce this use of power, such as coalition diversification and network collaboration. This aligns with the findings of Wang et al. (2019), who noted that dominant power use by a supplier stimulates



collaboration among buyers and stimulates the formation of new relationships between buyers and alternative suppliers

## 5 Discussion

Before drawing conclusions from this research, this chapter will discuss the results of the previous chapter. The focus is to explain the results that deviate from the theory in the theoretical framework. The findings for this discussion are divided into four parts. First, the ambiguous role of dyadic dependency on the strategic options within the dyad is discussed. Then, the (un)importance of relationship closeness is addressed, and thirdly, the opposite effect of network dependency is discussed. Finally, the findings beyond the theoretical framework are discussed.

### *The ambiguity of dyadic dependency*

When looking at the results, it is noteworthy that the dyadic dependency has some ambiguous effects on the choice of strategic options within the dyad.

First, as shown in the results, the answers of CEOs A and C aligned with the findings of Wagner et al. (2022), suggesting that the increased dependency negatively influences the exit option. On the contrary, CEO B viewed increased dependency as a push factor to exit, because for him it was a push factor since he wanted to be more independent.

Both Wagner et al. (2022) and Habib et al. (2020) can explain this ambiguous impact of dyadic dependency on the exit option. They both argue that particularly a high degree of dependency on a supplier results in increased loyalty towards the supplier by the buyer. Since companies A and C are more dependent towards the supplier compared to company B, it is reasonable to assume that company B is not 'dependent enough' towards the supplier. As a result, the dependency did not sufficiently influence their loyalty towards the supplier. The fact that CEO B then sees this dyadic dependency as a push factor towards an exit is also explainable by literature, including the research of Caniëls & Gelderman (2007), which exposes a positive relationship between dyadic dependency towards a supplier and the negative effects of power for the buyer. This aligns with the statement of CEO B, who indicated that they wanted to get rid of a supplier who has the power to determine a lot for them.

Second, while dyadic dependency initially seemed to have a positive effect on dyadic collaboration, which is in line with the theoretical framework (Jraisat et al., 2021; Touboulic & Walker, 2015), it also negatively influenced the choice to collaborate, since the buyer's dependence towards the supplier resulted in the unwillingness of the supplier to seek optimal solutions. Low & Li (2019) explain this, by concluding that power-advantaged firms are more likely to abuse their power, where they do not take into account the interests of the buyer, just

like the supplier in this case study did. Since dyadic collaboration requires taking others' interests into account, it makes sense that the increasing dependency and therefore the ascending power of the supplier also negatively impacted the choice for dyadic collaboration.

#### *The (un)importance of relationship closeness*

Additionally, relationship closeness emerged as the driving force behind the different choices of CEOs A and C regarding the exit option. This is in line with the research that was presented in the theoretical framework earlier, which showed that relationship closeness is an important factor that influences loyalty towards the other party

However, as significant as the influence of relationship closeness is regarding the exit option, so small it seems to be on the strategic options within the network. Just like the characteristics 'functional conflict', 'dysfunctional conflict', and 'relationship longevity', relationship closeness did not seem to have a significant impact on the strategic options within the network. Instead, the use of power by the supplier played a big role.

This finding is supported by the literature since there is a lot of research showing that cooperating and starting new partnerships is often triggered by having a powerful partner, as this reduces the power of a powerful partner (Makkonen et al., 2021; Polyviou et al., 2023; Wang et al., 2019). This research adds that relationship closeness and the other just mentioned relationship characteristics are subordinate to the use of power when it comes to influencing the choice of strategic options within the network.

#### *The opposite effect of network dependency*

In contrast to the theory proposed by Wu et al. (2019), which suggested that high network dependency and a low number of alternatives negatively influence the strategic choice to diversify, the CEOs indicated a positive influence of high network dependency on all three strategic options within the network. Initially, this seems odd since a lack of alternatives and a high network dependency towards the supplier makes it hard to find the right alternative.

However, when analysing the existing research on this topic, a possible explanation for this has been found. Research has shown that, although high network dependency makes it hard to find other suppliers, buyers still try to diversify if they want to mitigate the effects of supply disruptions and to weaken the power of large suppliers (Polyviou et al., 2023; Wu et al. 2019). Since all three companies wanted to weaken the power of their supplier, this theory fits to the answers given by the CEOs.

*The findings beyond the theoretical framework.*

Except for the findings that conflicted with the theoretical framework, this research also discovered new links between relationship characteristics and the strategic options (Table 10) that are not covered in research yet. Looking at Table 10, it seems these newly discovered links relate logically to the rest of the links. Table 10 shows that the relationship characteristics have opposite effects on the options dyadic collaboration and exit, which makes sense since dyadic collaboration and exit are two opposite strategies. Moreover, the relationship characteristics regarding dependency and power all positively impact the choice of strategic options within the network, which, as mentioned earlier, matches the research showing that cooperating and starting new partnerships is often triggered by having a powerful partner, as this reduces the power of a powerful partner (Makkonen et al., 2021; Polyviou et al., 2023 Wang et al., 2019).

Second, CEO C indicated that external factors, such as local policies, may also influence the choice of strategic options. This is not per definition surprising since external factors, such as regulations, almost always influence business in one way or another (Mallett et al., 2019). However, it is interesting to see that city C's policy regarding green distribution played a significant role in CEO C's decision making process, and it might be an interesting subject for follow-up research.

## **6 Conclusion**

At the beginning of this thesis, the following research question was formulated:

*Which strategic options does a small shipping company have in an asymmetrical relationship with a supplier, and how do the relationship characteristics influence the strategic options taken?*

This research question can be partly answered by showing Table 10, which exposes how the relationship characteristics influence the choice between the strategic options, which were exposed in the theoretical framework. However, this research showed that some relationship characteristics have a more complex influence on the choice of strategic options. In conclusion, this thesis reveals four central results

First, this research showed there was an ambiguous impact of dyadic dependency on the choice of strategic options within the dyad. CEOs A and C said that the increasing dependence towards the supplier negatively influenced their likelihood of exiting the relationship. In contrast, CEO B saw increased dependency as a reason to exit, seeking greater independence. This underscores the complex impact of dyadic dependency, where high dependency can either foster loyalty or be a push factor towards an exit, depending on the degree of dependency.

Second, this study revealed that relationship closeness significantly influenced the CEOs' views on the exit option, but that this relationship characteristic had a minimal impact on the strategic choices within the network. The study found that the use of power by the supplier played a more dominant role in the choice of strategic options within the network.

Third, high network dependency appeared to positively influence the choice of strategic options within the network, suggesting that companies might still pursue diversification and collaboration with others to reduce the power of dominant suppliers, even if they do not have a strong network with many available alternatives.

Finally, this research showed that not just relationship characteristics influence the choice of strategic options, but external factors such as regulations should also be considered.

### **Theoretical contributions**

This research is unique in its approach to empirically analyse how relationship characteristics in power-imbalanced buyer-supplier relationships affect the choice of strategic options for

small companies. Before this study, there was no published literature explicitly mapping all these links and the way they relate to each other. By conducting a multiple case study involving three shipping companies and their powerful supplier, this research has provided a comprehensive overview of how relationship characteristics influence the choice of strategic options. Furthermore, the findings of this research nuanced the results of previous research.

### **Practical implications**

This research has practical value for small companies operating in power-dependent relationships. It provides these companies with a model to understand the links between relationship characteristics and strategic options. This model can serve as a tool to identify which strategic options might best suit their specific situation, based on the characteristics of their relationship with their dominant partner.

For companies like Company C, and others in similar situations, this research is particularly relevant and applicable. These companies, currently operating in power-dependent relationships and facing challenges due to their suppliers' use of power, can use the findings of this study to make informed strategic decisions. They can use the results of this research to understand which strategic options align with their relationship characteristics, making the results directly applicable to them.

## **7 limitations and Outlook**

While this study offers valuable insights into the relationship characteristics influencing strategic decisions within the context of buyer-supplier relationships, it is crucial to be aware of certain limitations that could have influenced the findings and their generalizability of this research

### **7.1 limitations**

The first limitation of this study regards the context of this research. While the three chosen bicycle courier companies shared various similarities in their operational processes, they operated in slightly different contexts, such as different operating areas. These contextual variations might have influenced the decision-making processes and outcomes in ways not fully captured by this study.

The second limitation relates to the data collection methodology. Although the interviews provided valuable qualitative data, the relatively small sample size, consisting of just the CEOs of the companies, might have limited the diversity of perspectives. Additionally, the absence of input from other employees within the organizations might have added more depth and understanding about the decision-making processes.

Thirdly, The chosen method of template analysis proved itself to be very effective in capturing the relationship characteristics, but is not entirely immune to limitations. Although the use of the so-called priori themes based on the conceptual model is allowed for a focused analysis, it may have limited the exploration of hidden patterns and the merging of themes early on in the process.

Furthermore, since the researcher behind this thesis works for one of the three companies, the researcher's subjective interpretation and potential biases could have influenced the coding and/or analysis process, affecting the objectivity of the findings.

Concludingly, while the study provides interesting and meaningful findings about the choice of the strategic options available to a weaker actor in power-dependent buyer-supplier relationships, these limitations should be taken into consideration when interpreting the findings and generalizing them to broader contexts or industries.

### **7.2 Outlook**

Therefore, further research on this topic with a more diverse sample and broader contextual scope would be recommended. Examining a broader range of companies and industries within different markets and environments would provide a more inclusive understanding of how the

relationship characteristics and the strategic options relate to each other in different contexts. In addition to that, future research could benefit from including perspectives from various levels within organizations, not just limited to top management

Second, follow-up research on the impact of contextual factors on the choice of strategic options could provide valuable insights since this research already briefly highlighted the effect of local regulations on the decision-making process.

Additionally, investigating the long-term consequences of these strategic choices on the buyer-supplier relationships, alongside the long-term consequences on the companies after choosing the exit option, would provide an even more inclusive understanding of the impact of these decisions.

By doing all the things above, future research can contribute to a more comprehensive understanding of the causal relationships between the relationship characteristics and the choice of strategic options available to a weaker actor in a power-dependent buyer-supplier relationship.



## Reference list

- Akpınar, M., & Zettinig, P. (2008). Improving supplier power in the buyer-dominated automotive industry. *Journal of Transnational Management*, 13(4), 342–355. <https://doi.org/10.1080/15475770802561722>
- Alajoutsijärvi, K., Möller, K., & Tähtinen, J. (2000). Beautiful exit: how to leave your business partner. *European Journal of Marketing*, 34(11–12), 1270–1290. <https://doi.org/10.1108/03090560010348434>
- Amason, A. C. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: Resolving a paradox for top management teams. *Academy of Management Journal*, 39(1), 123–148. <https://doi.org/10.2307/256633>
- Bastl, M., Johnson, M., & Choi, T. Y. (2013). Who's Seeking Whom? Coalition Behavior of a Weaker Player in Buyer-Supplier Relationships. *Journal of Supply Chain Management*, 49(1), 8–28. <https://doi.org/10.1111/j.1745-493x.2012.03274.x>
- Bhardwaj, A., & Ketokivi, M. (2021). Bilateral dependency and supplier performance ambiguity in supply chain contracting: Evidence from the railroad industry. *Journal of Operations Management*, 67(1), 49–70. <https://doi.org/10.1002/JOOM.1103>
- Bobot, L. (2010). Conflict management in buyer-seller relationships. *Conflict Resolution Quarterly*, 27(3), 291–319. <https://doi.org/10.1002/CRQ.260>
- Bonato, F., de Resende, L. M. M., & Pontes, J. (2020). Relational governance in supply chain: a systematic literature review. *Benchmarking*, 27(6), 1711–1741. <https://doi.org/10.1108/BIJ-01-2019-0033>
- Bonato, F., Resende, L. M. M. de, & Pontes, J. (2022). Supply chain governance: a conceptual model. *Journal of Business and Industrial Marketing*, 37(2), 309–325. <https://doi.org/10.1108/JBIM-09-2019-0418/FULL/PDF>
- Caniëls, M. C. J., & Gelderman, C. J. (2007). Power and interdependence in buyer supplier relationships: A purchasing portfolio approach. *Industrial Marketing Management*, 36(2), 219–229. <https://doi.org/10.1016/j.indmarman.2005.08.012>
- Ciesielska, M., & Jemielniak, D. (2017). Qualitative methodologies in organization studies. *Qualitative Methodologies in Organization Studies*, 2, 1–264. <https://doi.org/10.1007/978-3-319-65442-3>
- Cox, A. (2004). The art of the possible: relationship management in power regimes and supply chains. *Supply Chain Management: An International Journal*, 9(5), 346–356. <https://doi.org/10.1108/13598540410560739>

- Crook, T. R., & Combs, J. G. (2007). Sources and consequences of bargaining power in supply chains. *Journal of Operations Management*, 25(2), 546–555. <https://doi.org/10.1016/J.JOM.2006.05.008>
- Dundon, T., & Ryan, P. (2010). Interviewing reluctant respondents: Strikes, henchmen, and gaelic games. *Organizational Research Methods*, 13(3), 562–581. <https://doi.org/10.1177/1094428109335571>
- Ghauri, P., Strange, R., & Cooke, F. L. (2021). Research on international business: The new realities. *International Business Review*, 30(2), 101794. <https://doi.org/10.1016/J.IBUSREV.2021.101794>
- Gulati, R., & Sytch, M. (2007). Dependence asymmetry and joint dependence in interorganizational relationships: Effects of embeddedness on a manufacturer's performance in procurement relationships. *Administrative Science Quarterly*, 52(1), 32–69. <https://doi.org/10.2189/ASQU.52.1.32>
- Habib, F., Bastl, M., Karatzas, A., & Mena, C. (2020). Treat me well and I may leave you kindly: A configurational approach to a buyer's relationship exit strategy. *Industrial Marketing Management*, 84, 237–250. <https://doi.org/10.1016/J.INDMARMAN.2019.07.008>
- Habib, F., Bastl, M., & Pilbeam, C. (2015a). Strategic responses to power dominance in buyer-supplier relationships: A weaker actor's perspective. *International Journal of Physical Distribution and Logistics Management*, 45, 182–203. <https://doi.org/10.1108/IJPDLM-05-2013-0138>
- Habib, F., Bastl, M., & Pilbeam, C. (2015b). Strategic responses to power dominance in buyer-supplier relationships: A weaker actor's perspective. *International Journal of Physical Distribution and Logistics Management*, 45, 182–203. <https://doi.org/10.1108/IJPDLM-05-2013-0138>
- Halinen, A., & Tähtinen, J. (2002). A process theory of relationship ending. *International Journal of Service Industry Management*, 13(2), 163–180. <https://doi.org/10.1108/09564230210425359>
- Huang, Y., Han, W., & Macbeth, D. K. (2020). The complexity of collaboration in supply chain networks. *Supply Chain Management*, 25(3), 393–410. <https://doi.org/10.1108/SCM-11-2018-0382/FULL/PDF>
- Jraisat, L., Upadhyay, A., Ghalia, T., Jresseit, M., Kumar, V., & Sarpong, D. (2021). Triads in sustainable supply-chain perspective: why is a collaboration mechanism needed?

<https://doi.org/10.1080/00207543.2021.1936263>.

<https://doi.org/10.1080/00207543.2021.1936263>

- Kim, D. Y., & Fortado, B. (2021). Outcomes of supply chain dependence asymmetry: a systematic review of the statistical evidence. *International Journal of Production Research*, 59(19), 5844–5866. <https://doi.org/10.1080/00207543.2020.1791999>
- King, N., Brooks, J., & Tabari, S. (2017). Template analysis in business and management research. *Qualitative Methodologies in Organization Studies*, 2, 179–206. [https://doi.org/10.1007/978-3-319-65442-3\\_8](https://doi.org/10.1007/978-3-319-65442-3_8)
- Liu, X., Dong, C., Gao, Y., & Wang, D. (2018). Effects of relative power imbalance in the ecosystem on innovation. *TEMS-ISIE 2018 - 1st Annual International Symposium on Innovation and Entrepreneurship of the IEEE Technology and Engineering Management Society*. <https://doi.org/10.1109/TEMS-ISIE.2018.8478492>
- Low, W. S., & Li, C. T. (2019). Power advantage: antecedents and consequences in supplier–retailer relationships. *Journal of Business and Industrial Marketing*, 34(6), 1323–1338. <https://doi.org/10.1108/JBIM-08-2017-0192>
- Makkonen, H., Siemieniako, D., & Mitreęa, M. (2021). Structural and behavioural power dynamics in buyer-supplier relationships: a perceptions-based framework and a research agenda. *Technology Analysis and Strategic Management*. <https://doi.org/10.1080/09537325.2021.1991574>
- Mallett, O., Wapshott, R., & Vorley, T. (2019). How Do Regulations Affect SMEs? A Review of the Qualitative Evidence and a Research Agenda. *International Journal of Management Reviews*, 21(3), 294–316. <https://doi.org/10.1111/IJMR.12191>
- Meqdadi, O., Johnsen, T. E., & Johnsen, R. E. (2017). The role of power and trust in spreading sustainability initiatives across supply networks: A case study in the bio-chemical industry. *Industrial Marketing Management*, 62, 61–76. <https://doi.org/10.1016/J.INDMARMAN.2016.06.006>
- Newell, W., & Ellegaard, C. (2022). Managing buyer-supplier conflict when one party dominates: A process study. *Industrial Marketing Management*, 107, 176–189. <https://doi.org/10.1016/J.INDMARMAN.2022.09.025>
- Ngouapegne, C. N. M., & Chinomona, E. (2019). Modelling the influence of the drivers of supply chain performance in the food retail industry in south africa. *Journal of Applied Business Research*, 35(2), 43–62. <https://doi.org/10.19030/JABR.V35I2.10298>

- Niu, B., Li, J., Zhang, J., Cheng, H. K., & Tan, Y. (Ricky). (2019). Strategic Analysis of Dual Sourcing and Dual Channel with an Unreliable Alternative Supplier. *Production and Operations Management*, 28(3), 570–587. <https://doi.org/10.1111/POMS.12938>
- Oukes, T., von Raesfeld, A., & Groen, A. (2019). Power in a startup's relationships with its established partners: Interactions between structural and behavioural power. *Industrial Marketing Management*, 80, 68–83. <https://doi.org/10.1016/J.INDMARMAN.2017.12.007>
- PAN, X., ZANG, S., HU, Y., & LIU, J. (2020). Identifying the positive sides of power use between (in)congruence in distributive fairness perception and supplier-buyer relationship quality. *Industrial Marketing Management*, 91, 362–372. <https://doi.org/10.1016/j.indmarman.2020.09.013>
- Pateman, H., Cahoon, S., & Chen, S. L. (2016). The Role and Value of Collaboration in the Logistics Industry: An Empirical Study in Australia. *The Asian Journal of Shipping and Logistics*, 32(1), 33–40. <https://doi.org/10.1016/J.AJSL.2016.03.004>
- Pellegrino, R., Costantino, N., & Tauro, D. (2019). Supply Chain Finance: A supply chain-oriented perspective to mitigate commodity risk and pricing volatility. *Journal of Purchasing and Supply Management*, 25(2), 118–133. <https://doi.org/10.1016/J.PURSUP.2018.03.004>
- Pfajfar, G., Shoham, A., Makovec Brenčič, M., Koufopoulos, D., Katsikeas, C. S., & Mitreĝa, M. (2019). Power source drivers and performance outcomes of functional and dysfunctional conflict in exporter–importer relationships. *Industrial Marketing Management*, 78, 213–226. <https://doi.org/10.1016/J.INDMARMAN.2017.03.005>
- Pfeffer, J., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. <https://papers.ssrn.com/abstract=1496213>
- Polyviou, M., Wiedmer, R., Chae, S., Rogers, Z. S., & Mena, C. (2023). To concentrate or to diversify the supply base? Implications from the U.S. apparel supply chain during the COVID-19 pandemic. *Journal of Business Logistics*, 44(3), 502–527. <https://doi.org/10.1111/jbl.12335>
- Rezaei Vandchali, H., Cahoon, S., & Chen, S. L. (2021). The impact of supply chain network structure on relationship management strategies: An empirical investigation of sustainability practices in retailers. *Sustainable Production and Consumption*, 28, 281–299. <https://doi.org/10.1016/J.SPC.2021.04.016>

- Sanzo, M. J., Santos, M. L., Álvarez, L. I., & Vázquez, R. (2007). The effect of a buyer's market orientation on attitudinal loyalty toward a supplier: is dependence a moderator? *Supply Chain Management*, 12(4), 267–283. <https://doi.org/10.1108/13598540710759790>
- Schwieterman, M. A., Miller, J., Knemeyer, A. M., & Croxton, K. L. (2020). Do Supply Chain Exemplars Have More or Less Dependent Suppliers? *Journal of Business Logistics*, 41(2), 149–173. <https://doi.org/10.1111/JBL.12249>
- Siemieniako, D., Mitreğa, M., Makkonen, H., & Pfajfar, G. (2022). Power in Business Relationships. *Power in Business Relationships*. <https://doi.org/10.4324/9781003095934>
- Skjott Linneberg, M., & Korsgaard, S. (2019). Coding qualitative data: a synthesis guiding the novice. *Qualitative Research Journal*, 19(3), 259–270. <https://doi.org/10.1108/QRJ-12-2018-0012>
- Tang, L., Jing, K., He, J., & Stanley, H. E. (2016). Complex interdependent supply chain networks: Cascading failure and robustness. *Physica A: Statistical Mechanics and Its Applications*, 443, 58–69. <https://doi.org/10.1016/J.PHYSA.2015.09.082>
- Touboulic, A., & Walker, H. (2015). Love me, love me not: A nuanced view on collaboration in sustainable supply chains. *Journal of Purchasing and Supply Management*, 21(3), 178–191. <https://doi.org/10.1016/J.PURSUP.2015.05.001>
- van der Werff, S., Trienekens, J., Hagelaar, G., & Pascucci, S. (2018). Patterns in sustainable relationships between buyers and suppliers: Evidence from the food and beverage industry. *International Food and Agribusiness Management Review*, 21(8), 1023–1043. <https://doi.org/10.22434/IFAMR2017.0059>
- Vogel, R., Göbel, M., Grewe-Salfeld, M., Herbert, B., Matsuo, Y., & Weber, C. (2022). Cross-sector partnerships: Mapping the field and advancing an institutional approach. *International Journal of Management Reviews*, 24(3), 394–414. <https://doi.org/10.1111/IJMR.12283>
- Wagner, S. M., Bode, C., & Peter, M. A. (2022). Financially distressed suppliers: exit, neglect, voice or loyalty? *International Journal of Logistics Management*, 33(4), 1500–1523. <https://doi.org/10.1108/IJLM-02-2021-0127/FULL/PDF>
- Wang, M., Zhao, L., & Herty, M. (2019). Joint replenishment and carbon trading in fresh food supply chains. *European Journal of Operational Research*, 277(2), 561–573. <https://doi.org/10.1016/J.EJOR.2019.03.004>
- Wilding, R., Wagner, B., Pilbeam, C., Wilson, H., & Alvarez, G. (2012). The governance of supply networks: a systematic literature review. *Supply Chain Management: An International Journal*, 17(4), 358–376. <https://doi.org/10.1108/13598541211246512>

- Wontner, K. L., Walker, H., Harris, I., & Lynch, J. (2020). Maximising “Community Benefits” in public procurement: tensions and trade-offs. *International Journal of Operations and Production Management*, 40(12), 1909–1939. <https://doi.org/10.1108/IJOPM-05-2019-0395>
- Wu, J., Wang, H., & Shang, J. (2019). Multi-sourcing and information sharing under competition and supply uncertainty. *European Journal of Operational Research*, 278(2), 658–671. <https://doi.org/10.1016/J.EJOR.2019.04.039>
- Yamano, H., & Sakata, I. (2023). Supply chain dynamics beyond optimization: Metabolism of regional inter-firm networks. *Heliyon*, 9(5), e16104. <https://doi.org/10.1016/J.HELIYON.2023.E16104>

## Appendix I: Systematic Literature Search about the Causal Relationship between Relationship Characteristics and Strategic Options.

Keywords determined based on exploratory literature search	Initial hits	Hits in relevant subject areas and time frame	Usable and assessed papers	Search key
Power AND relationship AND characteristics AND strategic AND response	29	14	3	TITLE-ABS-KEY ( power AND relationship AND characteristics AND strategic AND response ) AND ( LIMIT-TO ( SUBJAREA , "SOCI" ) OR LIMIT-TO ( SUBJAREA , "BUSI" ) OR LIMIT-TO ( SUBJAREA , "ECON" ) )
<b>Second search with different keywords</b>				
Alternative keywords determined based on exploratory literature search	Initial hits	Hits in relevant subject areas and time frame	Usable and assessed papers	Search key
Power AND dependency AND characteristics AND response	284	7	2	TITLE-ABS-KEY ( power AND dependency AND characteristics AND response ) AND ( LIMIT-TO ( SUBJAREA , "ENGI" ) ) AND ( LIMIT-TO ( SUBJAREA , "BUSI" ) OR LIMIT-TO ( SUBJAREA , "DECI" ) OR LIMIT-TO ( SUBJAREA , "SOCI" ) )

## Appendix II: Systematic Literature Search on the Relationship Characteristics

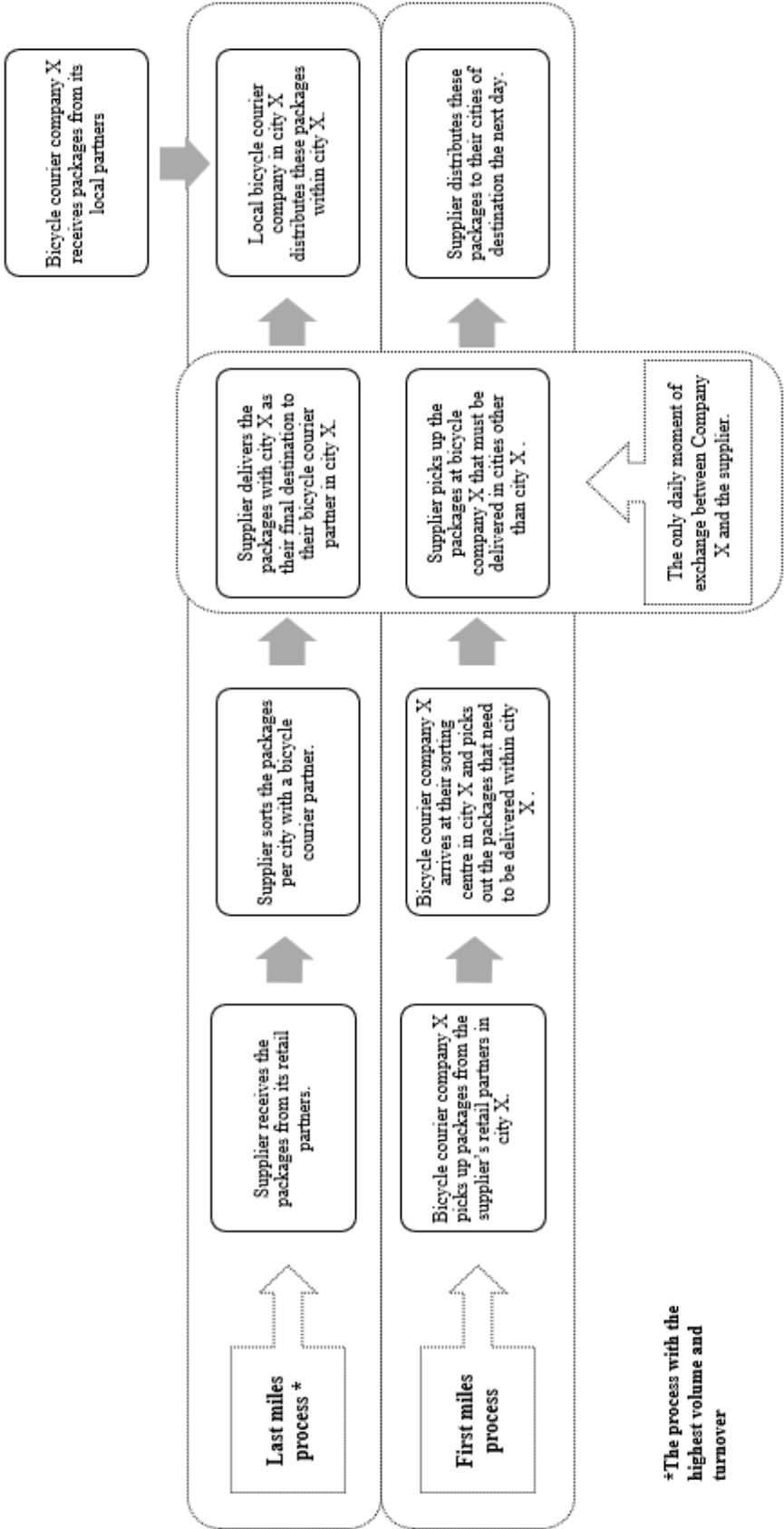
Keywords determined based on exploratory literature search	Initial hits	Hits in relevant subject areas and time frame	Usable and assessed papers	Search key
Buyer AND Supplier AND Relationship AND Conflict	123	33	4	TITLE-ABS-KEY ( buyer AND supplier AND relationship AND conflict ) AND ( LIMIT-TO ( PUBYEAR , 2023 ) OR LIMIT-TO ( PUBYEAR , 2022 ) OR LIMIT-TO ( PUBYEAR , 2021 ) OR LIMIT-TO ( PUBYEAR , 2020 ) OR LIMIT-TO ( PUBYEAR , 2019 ) ) AND ( LIMIT-TO ( SUBJAREA , "BUSI" ) OR LIMIT-TO ( SUBJAREA , "ECON" ) OR LIMIT-TO ( SUBJAREA , "DECI" ) OR LIMIT-TO ( SUBJAREA , "SOCI" ) )



### Appendix III: Systematic Literature Search on the Strategic Options

Keywords determined based on exploratory literature search	Initial hits	Hits in relevant subject areas and time frame	Usable and assessed papers	Search key
Buyer AND Supplier AND Conflict AND Strategy	29	13	2	TITLE-ABS-KEY ( buyer AND supplier AND conflict AND strategy ) AND ( LIMIT-TO ( PUBYEAR , 2022 ) OR LIMIT-TO ( PUBYEAR , 2021 ) OR LIMIT-TO ( PUBYEAR , 2020 ) OR LIMIT-TO ( PUBYEAR , 2019 ) OR LIMIT-TO ( PUBYEAR , 2018 ) ) AND ( LIMIT-TO ( SUBJAREA , "BUSI" ) OR LIMIT-TO ( SUBJAREA , "DECI" ) OR LIMIT-TO ( SUBJAREA , "ECON" ) OR LIMIT-TO ( SUBJAREA , "SOCI" ) )
<b>Second search with different keywords</b>				
Alternative keywords determined based on exploratory literature search	Initial hits	Hits in relevant subject areas and time frame	Usable and assessed papers	Search key
Buyer AND dependency AND response	16	9	1	TITLE-ABS-KEY ( buyer AND dependency AND response ) AND ( LIMIT-TO ( PUBYEAR , 2022 ) OR LIMIT-TO ( PUBYEAR , 2021 ) OR LIMIT-TO ( PUBYEAR , 2020 ) OR LIMIT-TO ( PUBYEAR , 2018 ) ) AND ( LIMIT-TO ( SUBJAREA , "BUSI" ) OR LIMIT-TO ( SUBJAREA , "SOCI" ) OR LIMIT-TO ( SUBJAREA , "ECON" ) OR LIMIT-TO ( SUBJAREA , "DECI" ) )

Appendix IV: Figure 1



\*The process with the highest volume and turnover

## **Appendix V: all the links between the relationship characteristics and the strategic options**

### *1 Dyadic collaboration*<sup>2</sup>

The first link is between the nature of interdependence and dyadic collaboration. It is interesting to see that the CEOs indicated that the increasing dependency towards the supplier had a negative- and a positive effect on the option of dyadic collaboration.

The interview data shows that the reason for this is that the powerful position of the supplier resulted in a negative attitude towards searching for an optimal solution for everyone involved from the supplier's perspective. CEO B put it this way: "The fact that we significantly depended on the supplier made it impossible to come to an optimal solution for both parties since they had the power to impose things without our consent". Hence, it seems the dependency towards the supplier and the associated power dynamic hurt the willingness of the supplier to search for an optimal solution for all parties involved. However, the CEOs also stated that their willingness to search for an optimal solution was positively affected by their dependency towards the supplier since they needed their supplier to keep their business going.

Secondly, the interviews exposed that the way the supplier used its structural power negatively influenced the choice of dyadic collaboration. CEO A and C both stated that the supplier had all the power and the contracts, alongside the CLA they forced them to participate in, were not acceptable for the shipping companies, without room for negotiation in order to come to a solution that is optimal for all parties involved.

Thirdly, the way the supplier used its power in a behavioural way appeared to have a negative impact on the option of dyadic collaboration. There was consensus among the CEOs that the supplier used its powerful position to impose things without consent and that they did not give the companies any room in their attempts to reach a situation that was optimal for all parties involved. CEO C said: "There is no room for negotiation because of the supplier's power-strategy".

Fourthly, both types of conflict had a negative impact on the strategic option of dyadic collaboration. The three companies, who all experienced several functional- an dysfunctional

---

<sup>2</sup> Enhancing the importance of the weaker actor's resources for the stronger actor and finding a solution to continue the relationship in a way it fulfils both parties' needs (Habib et al., 2015; Jraisat et al., 2021).

conflicts, stated that their conflict negatively impacted the option of dyadic collaboration. The data therefore showed that having a conflict in itself has a negative effect on this strategic option, but there is no clear observed difference between the types of conflict.

Fifth, CEOs A stated that the decreasing level of closeness with the supplier since they were acquired negatively impacted the choice of dyadic collaboration. CEO B said that this worked both ways. He said “They were acting cold towards us, which made us doubt whether we wanted to continue with them, but since they got acquired, they lost their people who were really connected to the industry, resulting in less effort from their side. CEO C said he separates business and feelings and that the level of closeness does not impact his effort in finding a solution that is optimal for all parties involved.

Sixth the three CEOs all said that the longevity of the relationship had a positive impact on the strategic option of dyadic collaboration. Mainly because they worked with their supplier since almost the beginning. The CEOs stated that this makes it hard to imagine your company operating without them, resulting in more willingness to search for a solution that is optimal for all parties involved.

Lastly, there was consensus among the CEOs about the role of the network in the choice of dyadic collaboration. They expressed that the lack of alternative suppliers made them put more effort into their current relationship with their supplier. On the other hand, CEO A said “If we would have had a great alternative, the supplier would have needed to put more effort into the relationship”. Concludingly, the lack of alternatives had a positive impact on the choice of dyadic collaboration from the weaker actor’s perspective, but this lack of alternatives gave the strong supplier the power not to work on a solution that is optimal for all parties involved.

## *2 Compromise*<sup>3</sup>

The interviews with the CEOs showed that the financial, strategic and operational dependency towards the supplier positively affected the choice to compromise. CEO B said they “compromised a lot to keep the relationship going” because “the compromises outweighed the losses of losing a significant partner”. The CEOs of companies A and C made similar statements

---

<sup>3</sup> Finding a solution both actors (partially) agree to, requiring mostly the weaker actor to compromise to continue the relationship and benefit in the long term. (Habib et al., 2015; Huang et al., 2020; Vogel et al., 2022)

about their choice to compromise. However, an interesting addition to this is that the companies compromised a lot because, at that point in time, they thought they were more dependent than they actually were. CEO A said this the following way: “In hindsight, perhaps we should not have delivered for lower rates as quickly and should have stood our ground earlier, regardless of any potential consequences. But, at the time, we truly believed that we were incredibly dependent, yet in retrospect, that was not the case.”

Secondly, The CEOs said that the contracts with the supplier had a negative impact on the choice to compromise. The reason for the CEOs is that the contracts were already very ‘tight’, and that there was not much room for further compromising. However, they also state that they already compromised a lot due to these contracts, so in fact, the increase in the use of structural power by the supplier had a positive impact on the option to compromise.

Thirdly, the data shows that all the CEOs chose to compromise due to how the supplier used its behavioural power since it was acquired. CEO B stated that “they make it almost impossible to continue the relationship without compromising”. In addition to this, CEO A said that he had conversations with the supplier for better conditions for about one and a half years without any result since the supplier decided to just do what was best for them despite one and a half years of discussion. Therefore, there was no other option but to compromise for the CEO.

Fourthly, the type of conflict did not seem to matter when the CEOs had to choose to compromise or not, both the functional and dysfunctional conflicts with the supplier had a negative impact on the willingness to compromise.

Fifthly, the CEOs of companies A and C stated that the descending relationship closeness had a negative impact on the choice to compromise. They specifically said that their ‘preparedness’ to compromise decreased because of the supplier's bad communication and their lack of trust in the supplier. CEO B expressed that relationship closeness did not influence his choice to compromise or not.

Sixthly, the data shows that all of the CEOs thought the longevity of the relationship positively influenced their choice to compromise. CEO A said that a reason for this is that “they were used to doing this” and that it is, therefore a logical thing to do.

Lastly, the CEOs said that the dependency in the network context had a significant positive effect on their choices to compromise. On one hand, the lack of alternatives made it necessary to keep the relationship going, even if compromises had to be made. On the other hand, CEO B states that eventually, they “could finally stop compromising since we have a possible alternative to the supplier”.

### *3 Exit<sup>4</sup>*

The exit option is the third strategic option available to companies according to the literature. When analysing the interview answers about the exit option, more differences appeared in the answers of the CEO. CEOs A and C said that the increasing dyadic dependency towards the supplier had a negative impact on choosing the exit option. CEO A stated that they postponed their choice to exit the relationship because they could not oversee the decrease in operational activities when leaving the relationship, while CEO C said the dyadic dependency is still a key factor in his choice to maintain his relationship with the supplier.

On the other hand, CEO B said that the increasing dyadic dependency had a positive impact on his choice to exit the relationship for strategic reasons. He said, “We did not want to depend so much on one party anymore”. It is interesting to see that CEO B takes a different approach, but it can be explained by the fact that company B’ is less dependent on the supplier, while companies A and C are significantly more dependent towards the supplier.

Secondly, the CEOs all indicated that the way the relationship was governed by the contracts since the supplier was acquired had a positive impact on the exit option. CEOs A and B stated that the bad contractual conditions were an important reason for exiting the relationship and CEO C said that some of the contractual agreements made him “consider leaving the relationship”. Concludingly, all the CEOs concur that the supplier has increasingly utilized its structural power since its acquisition by the webshop and that this positively impacts the choice to exit the relationship.

Thirdly, CEOs A and B said the way the supplier used its behavioural power had a positive impact on leaving the relationship. The thing that bothered them the most was the way the supplier imposed things without consent and this became one of the reasons they considered

---

<sup>4</sup> The decision of the weaker actor to end the relationship because the disadvantages of the relationship outweigh the advantages of the relationship (Habib et al., 2015, 2020; Wagner et al., 2022).

leaving the relationship. CEO C, who is still in business with the supplier, also says the power use of the supplier positively impacts his view on the option of leaving the relationship.

Fourthly, the interview data exposed that there is again no difference between the types of conflict. Both the dysfunctional- and the functional conflicts had a positive influence on the exit option. CEO A and B said that the fact that from their perspective, the relationship was not a partnership anymore which played a role in their consideration to exit the relationship.

Fifth, the decreasing level of relationship closeness seems to have a positive effect on the exit option. CEO A indicated that the bad communication and lack of trust that arose since the acquisition of the supplier played a key role in his choice to break up with the supplier, while CEO C says it also played a role in his considerations to end the relationship. However, in contrast to CEO A, he found the relationship closeness less important, asserting that he approaches the relationship in a more business-oriented manner and that it was not a key factor when reconsidering his relationship with the supplier. CEO B also acknowledged that it had a positive effect, but he downplayed this effect by saying, “Yeah, it (the decreasing level of relationship closeness) did play a part, but for us, it was mostly about not wanting to be a dependent company again and wanting to get away from their power play.”

Sixth, the CEOs all said that the longevity of the relationship did negatively affect their choice to exit the relationship. However, it is interesting to see that it is not the longevity of the relationship itself, but it looks like it is the dyadic dependency that was created since the three shipping companies have worked with the supplier from almost the very beginning. For example, CEO B said, “We started to depend on the supplier because we worked together for such a long time”.

Lastly, there is consensus among the CEOs about the relationship between the increasing level of dependency on a network level and the exit option. CEO A and B argued that they postponed their choice for the exit option because there was no promising alternative for a long time, and that the appearance of a feasible alternative was the reason they eventually left the relationship. At the same time, CEO C chose to continue the relationship with the supplier because they did not have a feasible alternative within their network.

#### *4 Network Collaboration*<sup>5</sup>

The first strategic option within the network is ‘network collaboration. CEO A and CEO C stated that the high dyadic dependency towards the supplier had a positive effect on network collaboration. Both CEOs said that they wanted to decrease their dyadic dependency towards the supplier by collaborating with other shipping companies. On the other hand, the CEO of company B stated that it did not influence his view towards network collaboration. This can be explained by the fact that company B is less dependent towards the supplier compared to the other two companies.

Secondly, the interview data showed that the three CEOs all agreed that the structural power had a positive impact on network collaboration. The CEOs stated that the way the supplier used its structural power resulted/results in low compensation rates and unreasonable demands. CEO 3 said that “this stimulates collaboration with other bicycle companies to stand stronger towards the supplier”, and the other two CEOs made similar statements.

Thirdly, there is also consensus that the way that the supplier uses its behavioural power has a positive impact on network collaboration. The data shows that the way the supplier imposes things and the way it acts during negotiations is an incentive for the companies to start collaborating with others in order to decrease the dependency towards the supplier. Not only to gain leverage but also because they were/are afraid that the supplier would force something that would end the relationship. CEO 3, who is still in a relationship with the supplier, puts it the following way: “The supplier’s use of power mainly ensures that we are much more careful with everything about the relationship. Look, I’m going to be more careful. I keep in mind that it can stop like this because they can force it. And so we are constantly looking at that alternative for when the supplier pulls the plug.”

Fourthly, both functional- and dysfunctional conflicts have a positive effect on network collaboration according to the CEOs. The functional conflict with the supplier resulted in a desire for the CEOs to have a more equal partnership, which resulted in more network collaboration with other parties. On the other hand, the dysfunctional conflict, in which the

---

<sup>5</sup> Not only enhancing the importance of the weaker actor’s resources for the stronger actor but also collaborating with other parties that possess needed resources for the stronger actor to increase leverage and power towards the stronger actor. The goal is to find a solution to continue the relationship in a way that fulfils the needs of all parties involved (Habib et al., 2015; Pateman et al., 2016; Touboulic & Walker, 2015)



CEOs experienced disruptive behaviour from the supplier, also stimulated network collaboration. CEO A said “That has had a truly enormous impact on our decision to collaborate with others to strengthen ourselves, because then they can control us less, of course”

Fifth, both the longevity of the relationship and the relationship closeness between the companies and the supplier did not influence the choice of network collaboration. This might be explained by the fact that these are very dyadic-oriented relationship characteristics. CEO A gave the following explanation about why their relationship closeness did not impact his choice to network collaboration: “Yes, well, we did need better communication and trust, but it's not necessarily the reason we looked for others. That was mainly because we wanted to be an autonomous company again, without just doing what the supplier tells us to do because we depend on them.”

Lastly, the CEOs agreed upon the positive effect of the increasing network dependency on the option of network collaboration. They indicate that the lack of alternative suppliers within the network caused network collaboration between the shipping companies. CEO B expresses this the following way: "It's just that there weren't really many alternatives, which is why you start looking for the few other bicycle courier companies more and, in our case, come up with an alternative ourselves."

### *5 Diversification*<sup>6</sup>

When investigating the relationship between the relationship characteristics and the strategic option's diversification, the increasing dyadic dependency towards the supplier appeared to have a positive effect on the diversification option. According to the data, the reason behind this is that the companies want/wanted to decrease their operational, financial and strategic dependency towards the supplier by working with multiple suppliers at the same time.

Secondly, the relationship governance seems to be a way the supplier used its structural power again. The CEOs all mentioned the way the supplier uses its power to offer too little compensation and make them participate in the CLA, which made them want to diversify their supplier base. When CEO B was asked about the relationship between the use of structural

---

<sup>6</sup> Creating new relationships with other partners without damaging the current relationship with the stronger partner, in order to create multiple options in the long term and decrease the dependency on the stronger actor (Habib et al., 2015; Niu et al., 2019; Wu et al., 2019).

power by the supplier and diversification, he said: "Yes, absolutely. We wanted to seek out other parties that could offer better contracts."

Thirdly, the CEOs were asked about the relationship between the supplier's use of behavioural power. The data showed that similar to the structural power, the supplier's use of behavioural power had a positive impact on the strategic option diversification. CEO C put this the following way: "You can clearly see that the supplier is getting stronger, especially since they got acquired, of course. You just really don't want to be so dependent on one party that uses its power to make things difficult for us, so you start looking for others more."

Fourth, the interview data showed that all of the CEOs indicated both the dysfunctional- and functional conflicts had the same impact on diversification. The CEOs all said that both the dysfunctional- and the functional conflicts had a positive impact on diversification.

Fifth, the relationship closeness and the longevity of the relationship both have no impact on the diversification option according to the CEOs. When CEO A was asked about this, he responded the following way: "Not necessarily, no. It was mainly about us wanting to become more of an independent company again, one that wasn't so dependent on just one supplier. This is why we started collaborating with others, not so much because of these kinds of relationship-specific issues."

Lastly, the data exposed that the CEOs all agree on the fact that their increasing dependency towards the supplier in the network context had a positive influence on the diversification option. Their lack of an extensive network was an incentive for them to start expanding their network and diversifying their portfolio of suppliers since they started to feel the disadvantage of being dependent on one party. CEO B said the following about this: "We simply noticed that our network was too small at that time, especially when you consider alternative suppliers. That's why we started actively working on diversifying, as you call it. For instance, we became more actively involved in looking for other potential options, such as establishing local lines."

## *6 Coalition*<sup>7</sup>

The last strategic option is coalition. The interview data revealed that the growing dyadic dependency towards the supplier has a positive impact on this strategic option. The CEOs mentioned that the operational, financial and strategic dependency towards the supplier caused them to build a coalition with others in order to gain leverage against the supplier. CEO A said the following: “Yes, as mentioned, we wanted to reduce that dependency on the supplier. So, we tried this. We did attempt a few times, for example, with a small group, to take a stand by not signing certain documents. Another example of this is that behind the supplier's back, small groups formed to unofficially conspire against the supplier. So yes, that dependency and their behaviour led to the formation of coalitions to collectively push back against the supplier”

Moreover, there was consensus among the CEOs about the positive impact of the relationship governance on the strategic option coalition. The CEOs again indicate that the supplier uses its structural power when governing the relationship. Therefore, the companies are bonding with each other in the form of unofficial ‘coalitions’, in order to gain power when discussing contracts. CEO C gave the following examples: “Yes, it definitely has an impact. Especially because everyone working with the supplier is in the same situation when it comes to bad contracts and a collective labour agreement that we are actually dissatisfied with. So, you do tend to seek each other out more to collaborate here and there in order to collectively address these issues.”

Thirdly, the CEOs once again confirmed the significant impact of the supplier’s use of (behavioural) power on the strategic options. All the CEOs stated that the way the supplier used its power by imposing difficult rules and their defensive attitude during conversations and negotiations was an incentive to build coalitions. CEO A said “Yes, as I've been saying all along, it (the way the supplier used its power) played a significant role. It's simply that we wanted to become more independent while the supplier was imposing more and more, which we didn't want. So, we wanted to strengthen our network and gradually detach ourselves from the supplier, by starting to have unofficial agreements with other small shipping companies that are dependent towards the supplier.”

---

<sup>7</sup> Establishing short-term, mainly unofficial agreements, with other parties that own resources the stronger actor needs in order to gain leverage and power towards the stronger actor that can be used to improve the terms of the relationship for the weaker actor (Habib et al., 2015; Wang et al., 2019).

Fourthly, the three CEOs again agreed to the fact that both the functional- and the dysfunctional conflicts have a positive impact on coalition since the conflicts with the supplier increased the CEO's desire to connect with others in order to start more equal partnerships and to stand together in their conflicts with the supplier.

Fifth, the decreasing relationship closeness and the longevity of the relationship once again do not seem to have an impact on the strategic option. The CEOs state that these factors are not influencing their view on coalition. CEO B stated the following when he was asked about the impact of relationship closeness on coalition: "No, I don't really think so. Those coalitions with the other shipping companies came more from their mistreatment towards us, and I think that's really quite different from what you just mentioned. The fact that we really sought each other out, however, has to do with the sense of solidarity among the shipping companies working with the supplier."

Lastly, the data showed that the ascending dependency towards the supplier from the network perspective has a positive impact on the strategic option coalition. The CEOs indicate that their lack of alternative suppliers and small network of partners made them connect with the other shipping companies that were in business with the supplier since they could not just move to a new supplier and they therefore had to bond together in order to gain leverage against the supplier. CEO A made the following statement about this: "Yes, it (the lack of available alternatives) had a significant impact because initially, we didn't have anything other than our supplier, so you start looking for each other a bit. That's why everyone who was dissatisfied began to connect in those chat groups to try to eventually push for changes towards the supplier."