

# Exploring the role of expert power in channel management: An empirical study

Sunil Sahadev\*

*Indian Institute of Management Kozhikode, Kunnamangalam PO, Calicut 673571, Kerala, India*

Received 30 January 2004; received in revised form 14 September 2004; accepted 5 November 2004

Available online 22 April 2005

## Abstract

Expert power is recognized as a non-coercive source of power, which can be effectively employed in the context of channel management. The paper attempts to look at the impact of expert power on certain channel relationship variables. The behavioral variables considered in the study are the use of behavior-based coordination strategy, use of problem-solving approach for conflict resolution, collaborative communication, cooperation and trust. An empirical study conducted among the computer hardware dealers in India supports the hypothesized linkages between expert power and other relationship variables.

© 2004 Elsevier Inc. All rights reserved.

*Keywords:* Expert power; Channel management; Channel relationships; Channel cooperation; Channel communication

## 1. Introduction

Managing the creation and utilization of power in a channel of distribution is undoubtedly a matter of great significance. This is because the optimum integration of activities of a diverse group of independent organizational entities—which is what a typical distribution channel is—is a stupendous task. The need for behavioral mechanisms that could help achieve this paramount objective in channel management is therefore most often acutely felt. Research on channel power, influence strategies and associated constructs has consequently occupied positions of immense importance in the marketing theory. The French and Raven's (1959) framework which presents social power as emanating from five major sources has dominated the theory building effort in Channels research (Gaski, 1986). While extant research mostly attempts to link sources and uses of power to its behavioral consequences (Frazier & Summers, 1984; Gaski & Nevin, 1985; Kale, 1986), there has been very few studies that focus on one or a few of these sources of power. Except for some notable exceptions, studies, which featured such

non-coercive power sources like referent power, expert power, legitimate power have been few and far in between. The present study is an attempt to look at expert power in the context of managing channel relationships. Though recognized as an extremely important and effective base for influencing channel members, attempts to study the impact of expert power has been very rare. The study explores the behavioral consequences of greater levels of expert power through an empirical study conducted in the computer hardware industry in India.

## 2. Theoretical background

Most of the studies that consider channel power as its central theme tend to operationalise power into two broad classes—coercive and non-coercive power (Hunt & Nevin, 1974; Lusch, 1976; Lusch & Brown, 1982). Expertise as a source of power has been considered as a non-coercive approach for influencing channel members, which could build up trust and solidarity in the relationship (Busch & Wilson, 1976; Keith, Jackson, & Crosby, 1990). Even in those rare instances, when attention has been focused on non-coercive, non-economical power sources, the three sources of

\* Tel.: +91 495 2809103; fax: +91 495 2803010.

E-mail addresses: [sunil@iimk.ac.in](mailto:sunil@iimk.ac.in), [sunilsahadev@yahoo.com](mailto:sunilsahadev@yahoo.com).

power viz. expert, referent and legitimate have been clubbed together for empirical analysis. While studies that concentrate exclusively on expert power are quite rare in channel management literature, a few studies in organizational buyer behavior area have treated expert power as an independent power base for empirical analysis. For example, Farrel and Schroder (1998) explore the linkages between bases of power including specifically expert power and the use of various influence strategies in a firm's decision to purchase the services of an advertising agency. In their study, expert power has been found to have a positive association with influence strategies like rational persuasion and consultation.

The extant theory thus points toward the need for a greater evaluation of expert power as it impacts other channel management constructs. The present study is an attempt to fulfill this need by focusing on the role of expert power within a channel set-up in relation to key behavioral constructs like channel communication, trust, cooperation, etc. The underlying assumption is that the use or the possibility of the use of any form of power within a channel system results in a change in the behavioral variables that define the relationship climate of a channel system.

### 3. Expert power and cooperation

Anderson and Narus (1990) define cooperation as "situations in which parties work together to achieve mutual goals". Inter-channel cooperation basically involves a general understanding and mutual striving towards individual and common goals. While cooperation is normally expected only when high levels of goal congruity are present, cooperation is also a function of the bases of power applied by the supplier (Skinner, Gassenheimer, & Kelley, 1992). This is because, in a way the bases of power define the resources the manufacturer has available to influence decisions. These resources establish the foundation for the sentiments that characterize the behavior process. The value of these resources and how they are used determine the type of sentiments (Scheer & Stern, 1992). Skinner et al. (1992) had found empirical support that suggests a causal relationship between non-coercive bases of power and cooperation through a study conducted among dealers of farm and power equipment. Expertise is a non-coercive power source the existence of which implies a capability to help the channel partners to realize their individual goals mostly through guidance or information sharing. Possession of expertise may therefore induce cooperative behavior, as the channel partners would inherently be interested in any information or guidance that could help them in achieving their goals. Thus, it is safe to hypothesize:

**H1.** Higher levels of expert power are associated with higher levels of cooperation.

### 4. Expert power and channel communication

Communication has been defined as the 'glue' that holds together a channel of distribution. Several studies (Anderson, Lodish, & Weitz, 1987; Frazier & Summers, 1984, etc.) have considered communication as a variable in the context of channel management. Mainly based on the principles drawn from organization theory and communications theory, the channel communication strategy is defined in terms of the communication facets. The frequency of communication, modality (whether formal or informal), the direction (whether bi-directional or uni-directional) and content (whether direct or indirect) are the four components of the communication strategy. Based on different combinations of the communication facets, two types of communication strategies were defined: (i) collaborative communication strategy and (ii) autonomous communication strategy. A collaborative communication strategy is defined as consisting of a combination of high frequency communication, with bi-directional flows through informal modes and indirect in content. While autonomous communication is defined to be of lower frequency, uni-directional, through formal modes and direct in content. Hitherto, most of the channel management studies have considered channel communication as an exogenous variable which impacts the various relationship variables like satisfaction, coordination (Mohr, Fischer, & Nevin, 1996); success of interfirm partnerships (Mohr & Spekman, 1994); relational structures, supportive climate and symmetrical power (Mohr & Nevin, 1990).

If the channel principal is considered as possessing, considerable amount of useful expertise, there will naturally be a tendency on the part of the other channel members to consult and seek advice on various operational issues. These consultations being purely in the nature of advice seeking would result in communication that is essentially non-coercive in content and bi-directional in nature. Further, the more this advice proves to be useful to the channel member, the more the tendency to seek advice and consequently the greater the frequency. Thus, it can safely be proposed that:

**H2.** Higher levels of expert power are associated with a greater tendency for collaborative communication between the channel members.

### 5. Expert power and trust

Trust between two parties has attracted a lot of research attention over the years as a major construct that determines the interactions between the parties to an exchange. It has been variously defined as an expectation or willingness that exists between the two parties. For example, Zucker (1986) defines trust as "a set of expectations shared by all those involved in exchange" and Moorman, Deshpande, and

Zaltman (1992) define it as “ a willingness to rely on an exchange partner in whom one has confidence”. Both the definitions in fact tend to highlight a party’s belief that the other party to the exchange is capable of being relied on in case of any need. While the reliance could be in terms of an anticipation of the sharing of resources in a helpful manner or favorable actions, reliance on the other party for advice and guidance can also be safely inferred. This of course suggests a positive linkage between expert power and trust in a channel relationship. In fact, Busch and Wilson (1976) as well as Crosby, Evans, and Cowles (1990) have found empirical evidence to establish the linkage between expert power and trust. Thus, it can be hypothesized that:

**H3.** Higher the levels of expert power perceived to be possessed by the channel principal, the higher the trust between the channel members.

**6. Supplier expertise and adoption of problem-solving approach for conflict resolution**

Problem-solving strategy is defined as an approach for resolving conflicts by developing solutions that integrate the requirements of both the parties (Walton & Mckersie, 1965). This strategy involves searching for alternative solutions and assessing the outcomes to both the parties from all such alternative actions. Information exchange is central to this approach. Possession of higher levels of expertise would imply a greater inclination on the part of the possessor to indulge in information sharing as it is only through information sharing the expertise is acknowledged and hence utilized. Thus, whenever the channel system is faced with a conflict, information protecting approaches like bargaining and avoidance are less attractive for a channel principal, which possess expertise that is valued by its channel partners. The association between expert power and

use of problem solving approach for conflict resolution can hence be hypothesized:

**H4.** Higher levels of expert power are associated with greater use of problem-solving approach for conflict resolution.

**7. Expert power and use of behavior-based coordination strategies**

Celly and Frazier (1996) suggested two distinct types of coordination efforts which could be used by the supplier to coordinate the activities of the channel namely outcome-based coordination efforts and behavior-based coordination efforts. Behavior-based coordination efforts involve placing emphasis on tasks and activities like customer education, sales person training, selling techniques, etc., unlike outcome-based coordination efforts where the emphasis is mostly on ‘bottom-line’ results like sales growth, market share, target achievement, etc., in the personal communication with the distributor personnel. Expert power is closely associated with the process of achieving the goals and objectives of the system rather than the outcomes. Expert power mostly involves possessing expertise with regard to the market, sales processes, consumer behavior, product technology, etc. that can be leveraged to achieve better results for the system as a whole. Thus, channel principals who possess expertise in their area of operation will naturally apply them mostly in a behavior-based coordination situation rather than emphasizing on outcomes. Therefore, the following can be hypothesized:

**H5.** Higher levels of expert power are associated with a greater use of behavior-based coordination.

The hypotheses proposed in the above sections are represented as a model in Fig. 1.

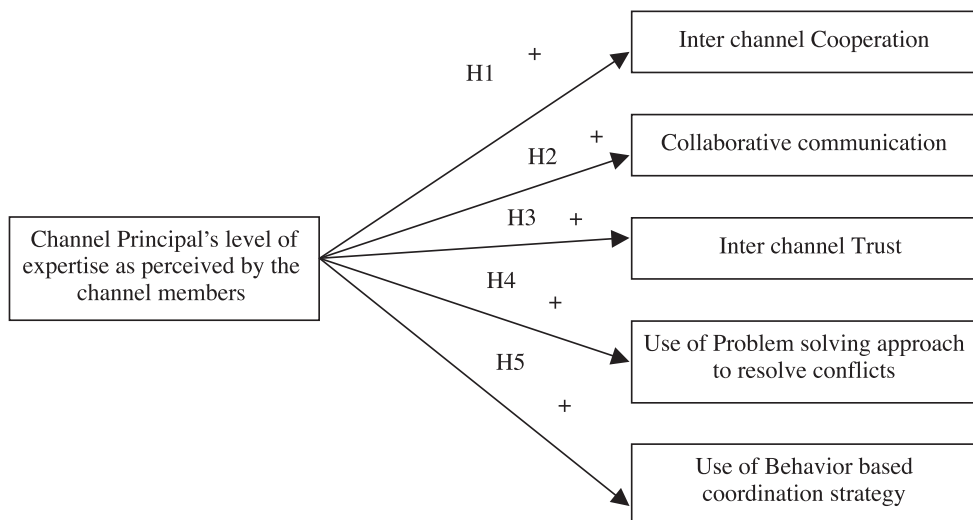


Fig. 1. The conceptual model of expert power and its outcomes.

## 8. Empirical study

The validation procedure closely follows the methodology adopted by researchers in the past (e.g. Celly & Frazier, 1996; Ganesan, 1993; Kumar, Scheer, & Steenkamp, 1995; Li & Dant, 1999; Mohr & Sohi, 1995) who studied channel management variables in the context of dyadic relationships. Weiss and Heide (1993) justified the focus on a specific product/buying situation on the basis of (i) need to develop context-sensitive measures, (ii) greater minimization achieved in the variation on non-focal variables and (iii) greater simplification achieved in the survey form. Here the marketing channels dealing in computer hardware products were chosen for testing the hypothesis.

### 8.1. Sample survey

Data were collected from the 216 distributors of branded computer hardware products located in the two southern states (viz. Kerala and Tamil Nadu) of India. Distributors belonging to six different suppliers participated in the survey. The distributors and their suppliers were involved in the marketing of products like personal computers, peripherals, secondary storage devices, and high-end servers. The distributors were also involved in the installation and maintenance of these products.

The unit of analysis was defined as the distributor firm as represented by the distributor principal who interacts with the supplier firm. Since all the distributor firms were either owner-managed or managed by professional managers representing a group of partners, the views expressed by the distributor principal more or less represented that of the distributor organization.

### 8.2. Pre-study interviews

Twenty distributors who represented several suppliers were contacted prior to the sample survey with the main intention of (i) developing context specific measurement scales for certain constructs, (ii) assessing the face validity of the items used for measuring the constructs and (iii) investigating the channel structure for the various suppliers in the markets. From the pre-study interviews, items for measuring *supplier expertise* were developed. Preliminary studies revealed that in the case of six suppliers, the extant modes of inter-firm contract, governance and structure were reasonably similar across their channel dyads.

### 8.3. Sampling procedure

Channel managers representing the six suppliers were requested to furnish a list of their distributors in the two states. The list supplied included the names of the distributor principals with whom the supplier personnel interacted and who were the decision-makers in the distributor firm. The list consisted of more than 600 names. Owing to time and

resource constraints, it was not possible to contact all the distributors whose names appeared in the list. Further, during the course of the preliminary survey it was noticed that the respondents were reluctant to respond to mail or telephonic interviews. Hence, it was necessary to meet all the respondents in person. A total of 216 distributors mostly located in the main cities of the two states were contacted over a period of 7 months. Data were collected from the distributor principal by means of a structured questionnaire. A letter of introduction accompanied the questionnaire. On an average, each respondent took about 20 to 30 min to fill up the questionnaire.

### 8.4. Development of measurement scales

All the constructs were measured using multi-item scales. Conceptual definitions as well as research studies in which the same or similar constructs were measured guided measure development. With the exception of *supplier's expertise*, all the constructs used in the study had received psychometric attention in the domain of marketing channel research.

### 8.5. Distributors perception of supplier expertise

The construct seeks to indicate the extent to which the distributor is confident of the supplier's ability to impart expertise related to the marketing of high-technology products. This is a measure of the supplier's base of expert power. The construct was operationalised using seven statements that mirror certain context-specific issues related to supplier expertise. The respondents were requested to express their degree of agreement to these statements on a five-point scale anchored between strongly agree and strongly disagree. The items used in the scale were developed from the insights gained through pre-study interviews conducted among distributors as well as channel managers. The arithmetic mean of the responses obtained against the seven items was used for further analysis. The statements used for measuring this concept are given in Appendix A.

### 8.6. Use of problem-solving approach to resolve conflicts

The construct was measured by using the items developed by Ganesan (1993). The scale consisted of six items and the respondents were requested to express their extent of agreement on a five-point Likert scale anchored between strongly agree and strongly disagree. The arithmetic mean of the responses obtained against the six items was used for further analysis as the indicator of the construct.

### 8.7. Use of behavior-based coordination strategy

This construct was measured using the items developed by Celly and Frazier (1996) in their study. The respondents were asked to recollect all their interactions with the

supplier personnel and to indicate on a five-point scale the emphasis placed by the supplier personnel on five specific issues. The scale was anchored between very high emphasis and very little emphasis. The arithmetic mean of the responses obtained against the five items from each respondent firm was used as an indicator for the construct.

#### 8.8. Use of collaborative communication

The construct was measured using scales adapted from Mohr et al. (1996). The construct was operationalised using 12 items, which measured the extent of collaborative communication in the channel relationship in terms of the frequency of communication, extent to which the communication is bi-directional, extent to which the communication is formal and the extent to which the communication is non-coercive. The arithmetic mean calculated from the responses obtained for the 12 items for each respondent firm was used as an index of collaborative communication for further analysis.

#### 8.9. Cooperation

Cooperation was measured using a scale developed by Cannon (1992). The scale, composed of six items, requires respondents to indicate the extent to which the items accurately describe their experience with the supplier. Arithmetic mean of the responses obtained for the six items was used for further analysis as an index of cooperation.

#### 8.10. Trust

Trust was measured using the items developed by Kumar et al. (1995). The construct was operationalised using 10 statements. The respondents were requested to indicate their extent of agreement to the statements on a five-point Likert scale anchored between strongly agree and strongly disagree. The arithmetic mean calculated from the responses obtained against each item was used for further analysis as an index of trust.

#### 8.11. Analysis of data

The data analysis consisted of mainly two phases, the validation of the measurement scales used and the validation of the hypotheses. The measurement scale validation followed the usual procedure of segregating the scale items and calculating the indices for each construct. The hypothesis-testing phase consisted of calculating the partial correlation between the constructs. The data analysis procedure is explained in the following sections.

#### 8.12. Validation of measures

In empirical research, a thorough measurement analysis of the instruments is essential to establish that the

empirical findings accurately reflect the proposed constructs. Following Bagozzi (1980), Bagozzi and Philips (1982) and Venkatraman and Grant (1986), the following measurement properties were considered for validating the measurement scales used in the study: (i) internal consistency of operationalisation (reliability and unidimensionality), (ii) convergent validity and (iii) discriminant validity.

#### 8.13. Unidimensionality, convergent validity and reliability of the measures

Unidimensionality of the measures were assessed using the confirmatory factor analysis method. In this method, a measurement model is specified for each construct. In this model, individual items constituting the construct are examined to see how closely they represent the same construct. Confirmatory factor analysis implemented in LISREL 8.3 was used to assess the unidimensionality of the constructs. A goodness-of-fit index (GFI) of 0.90 or higher for the model suggests that there is no evidence of a lack of unidimensionality (Joreskog & Sorbom, 1993). Table 1 presents the GFI indices of all the six constructs. All the six constructs have their values above 0.90, which goes to indicate that evidence for lack of unidimensionality is not found in any of the constructs. Reliability of the measurement scales was assessed by Cronbach's coefficient alpha. Values of 0.7 and above for coefficient alpha is considered to indicate strong reliability for the scale (Nunnally, 1978). Table 1 presents the reliability coefficients for all the seven constructs. Since all the seven constructs have coefficient alpha values above 0.7, reliability of the scale is established. Convergent validity of the model was assessed using the Bentler and Bonett's (1980) incremental fit index. A Bentler–Bonett fit index value of more than 0.90 is considered by researchers to be a satisfactory fit index (Bentler & Bonett, 1980). Table 1 lists the Bentler–Bonett fit index value for all the seven constructs. Since all the constructs have a Bentler–Bonett index value of more than 0.90, convergent validity of the measures are established.

Table 1  
Unidimensionality, reliability and convergent validity

Construct	Number of indicators	GFI	Cronbach's alpha	Bentler–Bonett's index
(1) Supplier expertise	7	0.995	0.8157	0.984
(2) Use of problem-solving strategy	6	0.97	0.9403	0.962
(3) Use of behavior-based coordination	5	0.994	0.9607	0.990
(4) Use of collaborative communication	12	0.90	0.8891	0.91
(5) Cooperation	6	0.946	0.9639	0.935
(6) Trust	10	0.901	0.8964	0.911

8.14. Discriminant validity

To assess discriminant validity of the measures, the nested model confirmatory factor analysis was used. In this method, confirmatory factor analysis was run on pairs of measures initially with unconstrained inter-construct correlations and then with the inter-construct correlations fixed at unity. The difference between the Chi-square goodness-of-fit values of the constrained and unconstrained models is used as an indicator of discriminant validity of the constructs. If the Chi-square values are significant, the discriminant validity of the measures is considered to be established (Anderson & Gerbing, 1988). Table 2 lists the Chi-square goodness-of-fit values of the 15 pairs of tests and the difference between the Chi-square values of the constrained and unconstrained models. The respective degrees of freedom are shown in brackets. As the table indicates, all the Chi-square differences between the constrained and unconstrained models were significant based on the one degree of freedom of difference thus providing evidence of discriminant validity between the constructs in the model.

8.15. Testing the model

The hypotheses were tested by calculating the partial correlation coefficient between the expert power variable and the other dependent variables. Table 3 presents the partial correlation coefficients. The results from the partial correlation analysis show limited support to the hypotheses. While the five dependent variables have a positive partial correlation coefficient, two of these dependent variables (trust and use of problem-solving strategy to resolve conflicts) do not have a significant *p*-value to support the hypothesis. All the other dependent variables have both positive partial coefficient as well as significant *p*-values that indicate good support for the hypothesis. H1 is supported since the partial correlation coefficient between the channel principal's level

Table 3

Partial correlation coefficients of the variables in column 1 with the variable: expert power of the supplier

Variable	Partial correlation coefficient	<i>p</i> value
Cooperation	0.1634	0.017
Collaborative communication	0.198	0.004
Trust	0.0898	0.192
Use of problem-solving strategy	0.0732	0.288
Use of behavior-based coordination	0.1330	0.053

of expertise and cooperation is both positive and significant. Hypothesis H2 is only partially supported as the partial coefficient value between channel principal's level of expertise and use of collaborative communication strategies, though positive is not statistically significant. H3 is also not fully supported as the partial correlation coefficient between channel principal's level of expertise and inter-channel trust is not statistically significant although it is positive. H4 finds significant support as the partial correlation coefficient between channel principal's level of expertise and the frequency of use of problem-solving approach is both positive and statistically significant. H5 also finds good support as the partial correlation coefficient between the channel principal's level of expertise and the frequency of use of behavior-based coordination strategy is both positive and statistically significant.

8.16. Discussion and implications

The results imply that the distributors who are attached to principals perceived to possess high levels of expertise tend to (i) indulge in more collaborative communication, (ii) cooperate more, and are (iii) coordinated more with a behavior orientation rather than an outcome orientation. The analysis also indicates that expert power is not strongly

Table 2  
Analyzing the discriminant validity

Test no.	Description of the test	Chi-square constrained model ( <i>df</i> )	Chi-square unconstrained model ( <i>df</i> )	Difference
(1)	Supplier expertise and use of problem-solving strategy	357.652 (65)	153.711 (64)	203.941
(2)	Supplier expertise and use of behavior-based coordination	552.952 (77)	513.407 (76)	39.513
(3)	Supplier expertise and use of collaborative communication	498.358 (104)	331.171(103)	167.187
(4)	Supplier expertise and cooperation	544.293 (102)	255.811 (101)	288.482
(5)	Supplier expertise and trust	685.344 (119)	420.398 (118)	264.946
(6)	Use of problem-solving strategy and use of behavior-based coordination	502.609 (63)	425.233 (62)	77.376
(7)	Use of problem-solving strategy and use of collaborative communication	454.764 (90)	321.43 (89)	133.334
(8)	Use of problem-solving strategy and cooperation	491.977 (90)	330.291 (89)	161.686
(9)	Use of problem-solving strategy and trust	596.704 (104)	461.513 (103)	135.191
(10)	Use of behavior-based coordination strategy and use of collaborative communication	667.793 (120)	583.268 (119)	84.525
(11)	Use of behavior-based coordination strategy and cooperation	723.181 (104)	666.594 (103)	56.587
(12)	Use of behavior-based coordination strategy and trust	740.759 (104)	725.579 (103)	15.18
(13)	Use of collaborative communication and cooperation	639.952 (135)	602.612 (134)	37.34
(14)	Use of collaborative communication and trust	775.620 (150)	559.597 (149)	216.023
(15)	Cooperation and trust	835.212 (150)	603.350 (149)	231.862

linked to inter-channel trust and use of collaborative communication. While the partial correlation coefficients are positive, the statistical significance is not very high. In the case of collaborative communication, it could be because, due to the need for receiving expertise, the flow of communication from the channel principal to the members may be relatively high, thus reducing the level of bilateral communication. It is of course necessary to probe this phenomenon further. The lack of a strong linkage between expert power and inter-channel trust is difficult to explain. While the results do support a positive association, the statistical significance of this support is not very high. Trust is a complex construct in the context of channel management which is influenced by several other constructs. One reason for the absence of positive linkage between expert power and trust may be attributed to the external uncertainty. The channel members were all dealing in computer hardware—a high technology product and were hence operating in a highly unpredictable and uncertain environment. Geyskens, Steenkamp, Scheer, and Kumar (1996) had found a negative association between environmental uncertainty and trust which tries to suggest that in uncertain environments, the trust between channel principal and the channel members may be generally low. Thus, the trust between the channel principal and the members might have been low even otherwise despite the frequent use of expert power by the channel principal. This could be one of the reasons for the lack of a positive linkage between expert power and trust. The results thus extend our understanding of the theory related to expert power in the context of channel management.

#### 8.17. Managerial implications

The research study highlights the importance of expert power in managing the distribution channels. The outcome variables tend to describe the ideal situations that any channel manager will like to achieve in regard to the relationship with the channel members. The channel manager, for instance as a long-term strategy would definitely like to increase the level of cooperation and trust as well as the possibility of adopting problem-solving strategies in resolving conflicts. Higher levels of collaborative communication and greater use of behavior-based coordination are also quite desirable in the context of a channel system. The study tends to show that these desirable states could be achieved through greater levels of expert power. Thus, the manager's role is to accumulate sufficient expertise in the operation of the channel which will prompt the channel member's to seek its help. The expertise should however be of great value to the channel members. This is a different method of managing channel members from the usual way of using reward and coercive power. While reward and coercive power do have their role to play, they tend to follow the principle of diminishing returns. Expert power instead can be a sustainable source of power, if the channel principal tries to enhance its expertise by absorbing knowledge about the product, market, customers,

etc., on an ongoing basis. This knowledge can then be offered to the channel members so that, they also benefit from using it. Running a centralized customer loyalty program, micro-segmentation based on database marketing, extending enterprises resources planning to the distributor level, etc., are illustration of this new thinking in channel management. While it may not be entirely possible to manage channel members through expert power alone, greater use of expert power in the place of reward or coercive power will go a long way towards managing channel members effectively on a sustained basis.

#### 8.18. Limitations and future research

The study is of course not bereft of any limitations. Since the marketing channels were mostly from the high-technology industry, the significance of expert power could have been overemphasized. Further, as the data was collected from key-informants, the responses might not have been completely representative of the sentiments of the channel organization towards the channel principal. Future research studies could try to reduce these limitations.

The study is an attempt to explore the consequences of expertise in the context of channel management. As the results indicate, possession of expert power could have grave implications in terms of key behavioral as well as attitudinal constructs. The association between expert power and variables like cooperation and behavior-based coordination reinforces the expected linkages between non-coercive sources of power and these variables. Since antecedents of the use of collaborative communication, behavior-based coordination strategies and use of problem-solving approaches have been very rare, the study provides important guidelines for future research on those fronts. Future research in this area can concentrate on developing better measures for measuring expert power, since this a major gap in the existing theory. Research could also concentrate on the effect of expert power on other behavioral variables like commitment, satisfaction, etc. In addition, the role of mediating variables like dependence, length of relationships, environmental uncertainty could also be studied. It is also important to validate these results in the context of other channel settings.

## Appendix A

### A.1. Supplier expertise scale

A five-point scale anchored between strongly agrees and strongly disagree to express the degree of agreement to the following statements.

- (1) The supplier possess a lot of expertise in this field.
- (2) We attach great value to the technical knowledge that the supplier provides to us.

- (3) The training programs that the supplier organizes for our personnel help us immensely.
- (4) While negotiating with the customers, the help rendered by the supplier is very crucial.
- (5) We are very confident of the supplier's ability to give technical guidance.
- (6) While marketing high-end products to customers, we can handle all the queries without the help of the supplier.
- (7) When there is uncertainty about the performance and acceptance of the product in the market, the supplier's advice becomes very helpful.

## References

- Anderson, E., Lodish, L. M., & Weitz, B. (1987). Resource allocation behaviour in conventional channels. *Journal of Marketing Research*, 24(1), 85–97.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equations modeling in practice: A review and recommended two step approach. *Psychological Bulletin*, 103(3), 411–423.
- Anderson, J. C., & Narus, J. C. (1990). A model of distributor firm and manufacturer firm working partnerships. *Journal of Marketing*, 54(1), 1–15.
- Bagozzi, R. P. (1980). *Causal models in marketing*. New York: Wiley.
- Bagozzi, R. P., & Philips, L. W. (1982). Representing and testing organisational theories: A holistic approach. *Administrative Science Quarterly*, 27, 459–489.
- Bentler, P. M., & Bonett, D. G. (1980). Significant tests and goodness of fit in the analysis of covariance structures. *Psychological Bulletin*, 88(4), 588–606.
- Busch, P., & Wilson, D. T. (1976). An empirical analysis of a salesman's expert and referent bases of social power in the buyer–seller dyad. *Journal of Marketing Research*, 13(1), 3–11.
- Cannon, J. P. (1992). A Taxonomy of Buyer–Seller Relationships in Business Markets, Doctoral Dissertation, Department of Marketing, University of North Carolina, Chapel Hill.
- Celly, K. S., & Frazier, G. L. (1996). Outcome-based and behaviour-based coordination efforts in channel relationships. *Journal of Marketing Research*, 33(2), 200–210.
- Crosby, L. A., Evans, K. R., & Cowles, D. (1990). Relationship quality in services selling: An interpersonal influence perspective. *Journal of Marketing*, 54(3), 299–303.
- Farrell, M., & Schroder, B. (1998). Power and influence in the buying centre. *European Journal of Marketing*, 33, 1161–1170.
- Frazier, G. L., & Summers, O. J. (1984). Inter firm influence strategies and their application within distribution channels. *Journal of Marketing*, 48(3), 43–55.
- French, J. R. P., & Raven, B. (1959). The bases of social power. In Dorwin Cartwright (Ed.), *Studies in social power*. Ann Arbor: University of Michigan Press.
- Ganesan, S. (1993). Negotiation strategies and the nature of channel relationships. *Journal of Marketing Research*, 30(2), 183–203.
- Gaski, J. F. (1986). Interrelations among a channel entity's power sources: Impact of the exercise of reward and coercion on expert, referent and legitimate power sources. *Journal of Marketing Research*, 23, 62–77.
- Gaski, J. F., & Nevin, J. R. (1985). The differential effects of exercised and unexercised power sources in a marketing channel. *Journal of Marketing Research*, 22(1), 130–141.
- Geyskens, I., Steenkamp, J. B. E. M., Scheer, L. K., & Kumar, N. (1996). The effects of trust and interdependence on relationship commitment: A Trans-Atlantic study. *International Journal of Research in Marketing*, 13(4), 303–317.
- Hunt, S. D., & Nevin, J. R. (1974). Power in a channel of distribution. *Journal of Marketing Research*, 11(2), 186–193.
- Joreskog, K. G., & Sorbom, D. (1993). *LISREL 8 user's reference guide*. Chicago: Scientific Software International.
- Kale, S. (1986). Dealer perceptions of manufacturer power and influence strategies in a developing country. *Journal of Marketing Research*, 23(4), 387–393.
- Keith, J. E., Jackson, D. W., Jr., & Crosby, L. A. (1990). Effects of alternate types of influence strategies under different channel dependence structures. *Journal of Marketing*, 54(3), 30–41.
- Kumar, N., Scheer, L. K., & Steenkamp, J. B. E. M. (1995). The effects of perceived interdependence on dealer attitudes. *Journal of Marketing Research*, 32(3), 348–355.
- Li, Z. G., & Dant, R. P. (1999). Effects of manufacturers' strategies on channel relationships. *Industrial Marketing Management*, 28(2), 131–143.
- Lusch, R. F. (1976). Sources of power their impact on inter channel conflict. *Journal of Marketing Research*, 13(4), 382–390.
- Lusch, R. F., & Brown, J. R. (1982). A modified model of power in the marketing channel. *Journal of Marketing Research*, 19(4), 312–323.
- Mohr, J., & Spekman, R. (1994). Characteristics of partnership success: Partnership attributes, communication behaviour, and conflict resolution techniques. *Strategic Management Journal*, 15(2), 135–152.
- Mohr, J., & Nevin, J. R. (1990). Communication strategies in marketing channels: A theoretical perspective. *Journal of Marketing*, 54(4), 36–51.
- Mohr, J., & Sohi, R. S. (1995). Communication flows in distribution channels: Impact on assessments of communication quality and satisfaction. *Journal of Retailing*, 71(4), 393–416.
- Mohr, J., Fischer, R. J., & Nevin, J. R. (1996). Collaborative communication in inter firm relationship: Moderating effects of integration and control. *Journal of Marketing*, 60(3), 103–115.
- Moorman, C., Zaltman, G., & Deshpande, R. (1992). Relationship between providers and users of marketing research: The dynamics of trust within and between organizations. *Journal of Marketing Research*, 29(3), 314–328.
- Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.
- Scheer, L. K., & Stern, L. W. (1992). The effect of influence type and performance outcome on attitude towards the influencer. *Journal of Marketing Research*, 24(1), 18–42.
- Skinner, J. S., Gassenheimer, J. B., & Kelley, S. W. (1992). Cooperation in supplier–dealer relations. *Journal of Retailing*, 68(2), 174–193.
- Venkatraman, N., & Grant, J. H. (1986). Construct measurement in strategy research: A critique and proposal. *Academy of Management Review*, 11(1), 71–86.
- Walton, R. E., & Mckersie, R. B. (1965). *A behavioural theory of labour negotiations: An analysis of a social interaction system*. New York: McGraw-Hill Book.
- Weiss, A. M., & Heide, J. B. (1993). The nature of organisational search in high-technology markets. *Journal of Marketing Research*, 30(2), 220–233.
- Zucker, L. G. (1986). Production of trust: Institutional sources of economic structure. In B. M. Staw, & L. L. Cummings (Eds.), *Research in organizational behavior* (p. 1840–1920). Greenwich: JAI press.