

DOCTORAL THESIS

Two essays on interfirm relationship management

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Date of Award:
2019

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ABSTRACT

Marketing channel research has relied on a variety of theoretical perspectives to understand interfirm relationship management and governance processes between a buyer and a seller, such as a supplier and a distributor. However, conclusions arising from different theoretical perspectives sometimes can be controversial. For example, both the economic approach and the sociological approach that conventionally dominate extant marketing channel research encourage firms to commit to existing relationships. Seeking new partners increases transaction costs, and therefore can harm incumbent relationship loyalty, leading to potential exchange hazards. On the other hand, however, network theory and the resource-based view suggest that exploring new relationships can help firms gain new knowledge and capabilities that contribute to superior firm performance and competitiveness. Therefore, how marketing channel firms balance the seemingly contradictory strategies – committing to the incumbent relationship (i.e. relationship exploitation strategy) while also exploring new relationships (i.e. relationship exploration strategy) is the central theme of the thesis. By focusing on the distributor firms, the thesis investigates the issue by two essays. The first essay examines how a distributor's relationship exploration strategy and relationship exploitation strategy influence its opportunism. The research provides different boundary conditions for how to manage relationship exploration strategy and relationship exploitation strategy, including two types of uncertainties (environment uncertainty and performance ambiguity), and two types of network factors (network density and network centrality). One of the interesting findings in the first essay is that while relationship exploitation reduces opportunism as predicted, relationship exploration exerts no significant main effect. This finding demonstrates that relationship exploration strategy is not the opposite of relationship exploitation strategy; rather, it is a conceptually independent construct. The nature of relationship exploration and its effect on incumbent relationship is the subject of the second essay. A theoretical framework was thereby developed to examine how a distributor's relationship exploration strategy can enhance its own dynamic capabilities, which in turn can promote the dyadic relationship quality between the distributor and its incumbent supplier. In sum, relationship exploration is not necessarily destructive. If firms are able to develop their own dynamic capabilities in forms of absorptive capacity and innovative capability, exploring new relationships can be a constructive co-development strategy beneficial for sustaining long-term continuity in the channel dyads.

Table of Contents

Chapter 1: Introduction	1
Chapter 2: Literature review on marketing channel relationship.....	6
2.1 Economic-based approach.....	6
2.1.1 Transaction cost theory	7
2.1.2 Agency theory	8
2.1.3 Resource-based view.....	10
2.1.4 Dynamic capability theory	12
2.2 Sociological-based approach.....	17
2.2.1 Social exchange theory.....	17
2.2.2 Relational norms theory	18
2.2.3 Commitment and trust theory.....	19
2.2.4 Power-dependence and conflict	20
2.2.5 Network theory.....	21
2.3 Summary	22
2.4 Research gaps.....	24
2.4.1 The lack of research from the perspective of distributors network.....	24
2.4.2 The ambiguous role of relationship exploration strategy.....	25
2.4.3 The lack of research on managing both relationship exploration strategy and relationship exploitation strategy	26
2.4.4 The lack of research on dynamic capability in marketing channels	26
2.4.5 The role of downstream distributors in marketing channels	27
2.5 Research objectives	28
Chapter 3: Essay 1 Exploration vs. Exploitation: Managing distributor’s interchannel and intrachannel behavior.....	30
3.0 Introduction	30
3.1 Conceptual framework and hypotheses.....	32
3.1.1 Channel governance and opportunism	32
3.1.2 Exploration and exploitation influence opportunism.....	33
3.1.3 Moderating effect of uncertainties	36
3.1.3.1 Performance ambiguity	37
3.1.3.2 Demand uncertainty	38
3.1.4 Moderating effect of network factors.....	38
3.1.4.1 Network density	39
3.1.4.2 Network centrality.....	40

3.2 Methodology	41
3.3 Analyses and results	47
3.4 Discussion and conclusion	52
3.4.1 Theoretical contributions	52
3.4.2 Managerial implication	54
3.5 Limitations and future research.....	55
Chapter 4: Essay 2 How relationship exploration affects the incumbent relationship	57
4.0 Introduction	57
4.1 Conceptual framework	60
4.1.1 Relationship exploration strategy and dynamic capability	60
4.1.2 Dynamic capability and dyadic relationship quality	61
4.2 Research hypothesis	63
4.2.1 Relationship exploration strategy and absorptive capacity	63
4.2.2 Absorptive capacity and dyadic relationship quality	64
4.2.3 Relationship exploration strategy and innovative capability	65
4.2.4 Innovative capability and dyadic relationship quality.....	66
4.2.5 Moderating roles of market uncertainty	67
4.3 Methodology	70
4.4 Analysis and results.....	73
4.5 Discussion and conclusion	78
4.5.1 Theoretical contributions	78
4.5.2 Managerial implication	79
4.6 Limitations and future study	80
Chapter 5: Conclusion.....	81
References.....	85
Appendix A: Measurement items and validity assessment (Essay 1).....	107
Appendix B: Measurement items and validity assessment (Essay 2).....	109
Curriculum Vitae	111