



# Knowing me, knowing you: Self- and collective interests in goal development in asymmetric relationships



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## ABSTRACT

This paper investigates how self-interests and collective interests in goal development are manifested in the context of asymmetric customer–supplier relationships. Taking an interaction approach (IMP Group, 1982), a conceptual structure highlighting possible patterns of characteristics of the asymmetric customer–supplier relationship and approaches to self- and/or collective interests in goal development has been created. Based on a multiple case study approach, the findings suggest that smaller suppliers who deliberately pursue self-interest in their business activities with larger customers experience better outcomes. Larger customers recognise that the creation of collective business goals enhances the outcome of joint efforts in terms of market impact and profitability. The findings also highlight that trust is perceived as a necessity for the development of collective interests in asymmetric relationships and that the power of the larger customer is not perceived as a constraint. A key conceptual contribution is the identification of two distinct types of asymmetric relationships: ‘product/technology-oriented’ in which self-interest dominates by focusing on one party’s resources for developing new products or technology and ‘complementary competencies-oriented’ in which collective interests link the competencies of the larger and smaller party for new joint business ambitions.

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## 1. Introduction

The paper takes an interaction approach (IMP Group, 1982) to understanding how self- and collective interests in goal development are manifested in the context of asymmetric relationships. Specifically, we aim to contribute to the Industrial Marketing and Purchasing Group (IMP) theory by investigating self- and collective interests in goal development in relationships between larger customers and smaller suppliers.

Research on dyadic customer–supplier relationships has been a longstanding focus of research by the scholars of IMP (e.g., Alajoutsijärvi, Möller, & Rosenbröjjer, 1999; Anderson, Håkansson, & Johanson, 1994; Dwyer, Schurr, & Oh, 1987; Ford, Håkansson, & Johanson, 1986; Håkansson & Gadde, 1992; Wilson, 1995). The subject has often been approached through a focus on relationship characteristic concepts that have formed the basis of frameworks that have attempted to define the nature of customer–supplier relationships. Conceptual foundations have been created to permit the examination and analysis of dyadic customer–supplier relationships

and their structural characteristics, most notably, Ford et al. (1986) and Alajoutsijärvi et al. (1999). Characteristics have been developed that enable the description and classification of the structure of relationships. However, as Holmlund (2004) suggests, as relationships are complex phenomena and therefore describing their characteristics meaningfully proves difficult without simplifying reality, focusing on some aspects whilst leaving others in the background. Consequently, different theorists have focused on distinct individual characteristics or one or two characteristics of these relationships.

Some researchers have chosen to focus on one characteristic or element, such as power, often linked to differences in company size and a corresponding imbalance in influence between smaller suppliers and larger customers (Cox, 1999; Fairhead & Griffin, 2000). Other examples are commitment (Mummalaneni & Wilson, 1986; Tellefsen, 2002), conflict (Duarte & Davies, 2003; Vaaland & Håkansson, 2003), and trust (Morgan & Hunt, 1994; Sako, 1992). Indeed, each of these areas has developed substantial bodies of literature around their individual influences on dyadic relationships (Blomqvist, 2002). Other studies have attempted to capture the inter-relatedness of relationship characteristics and have described the connectedness and impact of these characteristics on the dynamics of business relationships (Alajoutsijärvi et al., 1999; Ford et al., 1986; Wilson, 1995). However, it has been highlighted that existing models and classifications do not adequately capture the complex balance and interplay of characteristics in customer–supplier

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relationships (e.g., Halinen, 1994; Holmlund, 2004). Therefore, more research is required to fully understand the structures and processes involved in customer–supplier relationships.

For several decades, a number of researchers in the field of industrial marketing have been interested in understanding the dimensions of ‘asymmetric’ customer–supplier relationships. These relationships are considered to be associated with an imbalance in the size of the customer and supplier and to include situations where one firm invests more into, and gains less from, a relationship (e.g., Harrigan, 1988; Holmlund & Kock, 1996). Asymmetry has been understood in terms of the links between size difference (based on the number of employees of the total organisation) and certain individual relationship characteristics (Johnsen & Ford, 2008). The study of symmetry and asymmetry in customer–supplier relationships has been developing as researchers began to consider not simply interaction in generic relationships, but also how imbalances between a customer and supplier could affect and influence their interaction (Tu, 2010).

Knowledge in the field of asymmetric customer–supplier relationships indicates that smaller suppliers may need to decide how to capitalise on their potential in asymmetric relationships by ensuring that their own interests come to the fore (Johnsen & Ford, 2008), whilst simultaneously making certain that their larger customer’s requirements are taken care of and that an atmosphere that encourages joint interests is nurtured. Essentially, firms will engage in relationships guided by self-interest (Hakansson & Snehota, 1995), thus providing the basis for formulating business goals. However, developing relationships for the purpose of achieving a business goal is also derived from a collective effort of the firms in the relationship (Medlin, 2006). The focus of this study is an investigation of the ways in which self-interest and collective interest are manifested in asymmetric relationships as part of pursuing business goals and building fruitful collaborations. It is the complex issue of balancing self- and collective interests in asymmetric relationships that we will turn to in this study by addressing the following research question:

*How are self- and collective interests in goal development manifested in asymmetric relationships?*

In the following sections of the paper, the theoretical and empirical focus of the study is established. We focus on a literature review encompassing relationship asymmetry and self- and collective interests in goal development in asymmetric relationships. The findings from the empirical study are discussed and conclusions and conceptual and managerial lessons are presented.

## 2. Literature review: relationship asymmetry

### 2.1. Asymmetry in customer–supplier relationships

To date, a number of conceptual and empirical foundations and contributions to understanding asymmetric customer–supplier relationships have been made in the literature. Knowledge of the dynamics of customer–supplier relationships has evolved through conceptual developments on the nature and characteristics of asymmetric relationships (Ford et al., 1986; Söllner, 1998; Johnsen & Ford, 2008), power and dependence in relationships (Emerson, 1962; Frazier & Antia, 1995; Hingley, 2005; Kumar, 2005; Meehan & Wright, 2012; Wilkinson, 1981) and relationship development in asymmetric relationships (Andersen & Kumar, 2006; Dwyer et al., 1987; Lee & Johnsen, 2012; Wilson, 1995; Zerbini & Castaldo, 2007).

Asymmetry has sometimes been considered an immutable condition that smaller firms have to accept to survive in relationships with larger customers and to benefit from their experience and network connections (Harrison, 2004). However, some studies have shown that smaller firms often have strengths and capabilities relied upon by

the more powerful party in the relationship, such as technological or cultural expertise (Johnsen & Ford, 2006). Smaller firms may therefore influence the characteristics of their relationship towards a more balanced position by focusing on certain customer priorities in key relationships and developing a reputation for strength in a key area of expertise (Caniëls & Gelderman, 2007). Thus, the smaller party is often not powerless but benefits from a certain domain of power that can extend from its dyadic relationships further into the network (Frazier & Antia, 1995). However, smaller firms in asymmetric relationships may have to focus all their energies on developing the relationship with their most important counterparts and may therefore sometimes lack the resources to look further afield in networks for growth and opportunities (Lee & Johnsen, 2012). By focusing on their own individual interests and those of their most important customers, smaller firms may lack the experience to take part in collective developments in their network.

Most studies to date have sought to understand asymmetry from only the perspective of one side of the relationship – either the smaller supplier’s or the larger customer’s viewpoint (Claycomb & Frankwick, 2010). However, customer and supplier perceptions may differ widely in relationships (Claycomb & Frankwick, 2010). Recent research has built on this limitation by contributing findings that identify the areas that buyers and sellers seek to influence and the relative priorities of these areas for both parties (Meehan & Wright, 2011). Power has been found to differ in its underlying origins, depending on the experience of different companies. In addition, power in buyer–seller relationships has been deemed a pluralistic concept. As argued by the Guest Editors of this special issue, our present understanding of the scope of power is seen to be too narrow (Hingley et al., 2015) and researchers need to seek a more integrated perspective that is inclusive of the reality underlying the multiple experiences and relationships resident in power structures (Meehan & Wright, 2012). The findings from this recent research therefore point to a weakness in our understanding of asymmetry, of which power structures in relationships form part. Therefore, the scope of understanding of the influences of asymmetry on relationships may be argued to be too narrowly focused and require further investigation.

### 2.2. Asymmetric relationship characteristics

Previous studies on asymmetric relationships have shown that the configuration of a set of relationship characteristics is an important determinant of the nature of asymmetry and that a better understanding of a firm’s asymmetric relationship characteristics may facilitate suppliers or customers in achieving their desired outcomes in their relationships (Johnsen & Ford, 2008). The theory of asymmetric customer–supplier relationships has developed through the creation of typologies and conceptual structures linking asymmetric customer–supplier relationship characteristics with relationship development stages and interaction capabilities that may influence the nature of asymmetric relationships. The premise of much of the research on asymmetric relationships has been that a better understanding of smaller supplier–larger customer relationships could be gained by examining asymmetry in a set of characteristics of these relationships, and that the development of more symmetry in these relationships could be influenced by suppliers’ capabilities (Johnsen & Ford, 2008).

### 2.3. Power and asymmetric relationships

As argued in the beginning of this section, power is but one characteristic for understanding asymmetric relationships. Power asymmetries have been found to be influential in determining the direction of relationships and the positioning of a customer and supplier vis à vis their position in ongoing interaction in long-term relationships (Johnsen & Ford, 2008). In relationships with

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