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Supplier-buyer relationship management in marketing and management research: An area for interdisciplinary integration

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ABSTRACT

This introduction provides an overview of the papers in this special issue, which highlights the contributions the authors from both marketing and management have endeavored to make to the relevant literature. Also this introduction pinpoints the possible directions and specific topics the scholars from both areas can explore in the future to be mutually informed regarding supplier-buyer relationship management.

1. Introduction

Researchers in both marketing and management areas have approached the question of supplier-buyer management from different perspectives. For example, marketing scholars have often referred to the two parties in the channel management as manufacturers and distributors (Anderson & Narus, 1990; Gu, Namwoon, Tse, & Wang, 2010; Yang, Su, & Fam, 2012), while management scholars have often examined the vertical relationship between suppliers and buyers (Mesquita, Anand, & Brush, 2008). Apart from the terminology difference, marketing researchers tend to focus more on the dyadic relationship management such as contractual and relational governance between manufacturers and distributors (e.g., Antia & Frazier, 2001; Yang et al., 2012), while management researchers put more emphasis on the value creation and value appropriation process between suppliers and buyers as well as with related stakeholders (e.g., Chatain, 2011).

Although each stream of research has contributed significantly to our understanding of supplier-buyer management, scholars in each stream have largely run independently without much interaction. Accordingly, our knowledge in this area has been constrained by the disciplinary barriers between these two areas. For example, marketing researchers seldom pay attention to the management issues such as the tension between value creation and appropriation, while management researchers rarely touch upon the demand-side in supplier-buyer management (Priem, Li, & Carr, 2012).

Researchers can benefit tremendously by exchanging and integrating insights from these two different disciplines. For instance, one unifying perspective emerging in channel management investigates networks (Gu et al., 2010) or triadic relationships such as network governance (Wathne & Heide, 2004), triadic trust (distrust) (Vissa, 2012), etc. We believe these interdisciplinary findings would inform both areas and will be managerially important.

This special issue encourages submissions that cut across the two disciplines and have the potential to bring new perspectives, approaches, or findings that are difficult to achieve from either discipline. Researchers may explore the fundamental question of how marketing research may inform management studies in supplier-buyer management, or vice versa. Meanwhile, we encourage new methods that move beyond the dominant practice of multiple regression analysis toward using algorithms in solving new problems in marketing and management such as fuzzy set qualitative comparative analysis, which helps deal with complex relationships in supplier-buyer relationship management (Woodside, 2013).

2. Overview of the special issue

The call for papers generated 66 submissions, among which 18 manuscripts were finally accepted after three or four rounds of review. These 18 papers draw on multiple research methods including survey research, multiple case studies, policy-capturing design, archival data research, and fuzzy set qualitative comparative analysis, and use samples of Chinese firms, Norwegian companies, British companies, and American firms that constitute rich supplier-buyer relationships. Seven papers draw on the management literature to deal with

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knowledge sharing and value creation, while the other 11 papers inform the marketing literature of power, conflict resolution, relational governance and trust production in supplier-buyer relationship management.

A convergent interest in both management and marketing literature on supplier-buyer relationships pertains to the governance issues that aim at curbing opportunism and reducing transaction cost (John, 1984; Poppo & Zenger, 2002). Marketing scholars have mainly adopted a dyadic perspective to study the boundary conditions of governance strategies, such as power, dependence, and social institutions that constrain or facilitate the functioning of various governance mechanisms. For example, Shen, Wang, and Teng explore the moderating effects of interdependence, operationalized as joint dependence and dependence asymmetry, on the relative salience and effectiveness of contracts in achieving equity versus efficiency in interfirm channel relationships. The study finds that a higher contract complexity generates (1) steady gains in equity and increasing gains in efficiency as joint dependence strengthens and dependence asymmetry remains constant, suggesting a growing salience of the coordination function; (2) increasing gains in equity and steady gains in efficiency as dependence asymmetry enlarges and joint dependence remains constant, reflecting a growing salience of the safeguarding function. In Zhang, Zhou, Wang, and Wei's article, the authors further distinguish between the safeguarding and coordination functions of contracts and posit that task specificity serves as safeguards in regulating interfirm transactions, and contingency specificity plays a coordinating role by offering response blueprints for uncertain events. However, as exchange uncertainty increases, the role of task specificity declines, but the role of contingency specificity increases. Contingency specificity also exerts a stronger impact when exchange tacitness is high.

Several papers focus on discovering how social ties affect firm performance through the reduction of opportunism in supplier-buyer relationships. Zhu, Su, and Shou distinguish between business ties and political ties (Sheng, Zhou, & Li, 2011) and relate them to firm performance through two intermediate mechanisms, adaptive capability and opportunism reduction. They find that political ties foster firm performance mainly by constraining supplier opportunism when legal enforceability is weak, whereas adaptive capability has a stronger mediating effect in the link between business ties and firm performance when demand uncertainty is high. Zeng, Chi, Dong, and Huang examine the dyadic structure of channel partners' governing agency social capital which impinges on their opportunistic behavior. Dong, Ma and Zhou find a negative linkage between channel members' relationship marketing orientation (RMO) and opportunism through the mediation of firm boundary spanners' *guanxi* relationships.

Another set of papers investigate the role of trust in governing transactions in marketing channels. Wang and Jap identify and advance the concept of benevolence as a key social exchange mechanism that engenders trust in supplier-buyer relationships. They conceive benevolence as having affective, calculative, and normative dimensions and consider resources and/or power the focal firm possesses as the boundary condition that affect its use of the relational behaviors including concessions, idiosyncratic investments, and reputation to evoke benevolence-based trust in marketing channels. Using a fuzzy analysis, Zheng, Hui, and Yang examine the interrelationship between personal trust and organizational trust in a health care setting and they find that the two types of trust are complementary rather than substitutive in motivating consumer purchasing intention. Zhao, Sun, and Kakuda instead investigate the impact of social institutions on trust production and hence cooperation between firms in building regional place brands.

Different from the dyadic approach, scholars from strategic management areas typically adopt a network perspective to consider complex governance mechanisms in supplier-buyer relationships (Soda & Zaheer, 2012). Noteworthy is the tendency for marketing scholars to embrace such a network perspective to governance issues in marketing channels. Li, Zheng, and Zhuang explore how IT-enabled interactions make it possible for firms to monitor each other online. Specifically, IT-enabled interactions, formal and informal alike, enable firms to conduct contract-based activities through IT-mediated platforms more efficiently and effectively than they can do offline and also to socialize informally with their partners on social media platforms, such as Facebook, Twitter, and WeChat, to reinforce social bonds. Consequently, firms form networks online in which information asymmetry is reduced and opportunistic behavior is sanctioned. In other words, mutual monitoring is engendered as a type of online governance mechanism to effectively motivate firm cooperation. Yu, Yang, and Jing's article deals with trust repair from a triadic angle. Using a policy-capturing design, the authors examine the role of third parties in trust repair processes. They find that the third party's tactics (persuasion, guarantee) and characteristics (relational closeness between third party and victim, power of third party) relate strongly and positively to trust repair and specifically to a victim's willingness to reconcile with the trust violator. In addition, persuasion is found to be more effective than guarantees in this process and the effects of tactics and characteristics also interact to influence the outcomes.

Another important issue in supplier-buyer relationship management that has attracted much research attention pertains to knowledge sharing and innovation for value creation. Much insight has been gained in strategic management areas such as entrepreneurship and economic sociology (Vasudeva, Zaheer, & Hernandez, 2013; Yang, Zheng, & Zaheer, 2015). In this Special Issue, scholars from both marketing and management devote much effort in uncovering how firms innovate through knowledge sharing and learning. Yang, Zhang, and Xie's article investigates knowledge sharing between suppliers and buyers. Within a network of suppliers, the authors look at how adjacent relationships play a role in affecting supplier-buyer information sharing. Specifically, they examine how relative supplier-buyer relationship strength, defined as the discrepancy between a dyadic buyer-supplier relational strength and the average relational strength of all other buyer-supplier relationships in the buyer's supplier network, affects the focal supplier's knowledge sharing with its buyers. They find that for a focal supplier, the relative buyer-supplier relational strength is negatively associated with the supplier's information sharing and this relationship will be strengthened when supplier network density and dyadic buyer-supplier technological difference are high. Using a multiple case design, Nucciarelli and his colleagues explore the effects of reward-based crowdfunding on the value creation process in the digital game industry. Their results show that the benefit of using crowdfunding goes well beyond fundraising. As an implementation of open innovation, crowdfunding unifies the channels that bring capital, technology and market knowledge from the crowd into the game. This finding leads to the exploration of a new complex system of interactions between game developers and value chain stakeholders, and invokes the analysis of crowdfunding as a form of technological platform to identify and analyze new types of collaboration and competition.

Noteworthy are the research findings from several collaborative groups of authors that comprise a mixture of management and marketing scholars. The authors combine governance and innovation perspectives to examine firm learning capability and knowledge sharing in supplier-buyer relationships. For example, Li. Cui, and Liu investigate how specific investments (SIs) from both manufacturers and their distribution partners affect the manufacturers' learning about market demands and trends. Their findings indicate that both manufacturers' and distributors' SIs jointly motivate market knowledge sharing in marketing channels and manufacturers' absorptive capacity will facilitate such knowledge sharing. Contrary to examining innovation at firm levels, Liu, Huang, Dou, Zhao look at how individual-level factors lead to a firm's collective innovation capability. Specifically, the authors investigate how firm boundary spanners' informal interactions influence firms' innovation capabilities through knowledge acquisition. They find that such informal interactions enhance knowledge acquisition and thus firms' innovation capabilities. Furthermore, the indirect effects of informal interactions on innovation capability are moderated by knowledge application. Xu, Cui, Qualls, and Zhang further find that formal socialization tactics enhance co-development performance in exploitative innovation projects, while informal socialization tactics facilitate co-development performance in exploratory innovation projects. Liu, Li, Shi, and Liu distinguish between transactional and relational governance mechanisms and examine their differential effects on knowledge transfer in vertical supplier-buyer relationships. Their findings indicate that both transactional and relational mechanisms effectively improve knowledge quantity and credibility; contracts more effectively increase quantity, whereas trust more effectively improves both quantity and credibility in the relational mechanism framework than personal relationships. Tang, Fu, and Xie examine how functional conflicts in marketing channels influence innovation capability and responsive capability by triggering inter-organizational knowledge sharing. They find that (1) functional conflict can stimulate inter-organizational knowledge sharing, but the frequency of conflict negatively moderates this relationship; (2) knowledge sharing has a mediating effect on the relationship between functional conflict and marketing capability; and (3) relationship quality positively moderates the relationship between functional conflict and knowledge sharing, but negatively moderates the relationship between knowledge sharing and innovation capability.

Overall, these articles tap into various aspects of the interface of governance and innovation in supplier-buyer relationships. The research findings shed fresh light on how firms govern their transactions to safeguard performance and pave a way to collaborative innovation by knowledge sharing. Although marketing scholars focus more on dissecting the fine-tuned mechanisms that better explicate how firms behave in dyadic transactional relationships, management scholars seem more interested in uncovering how firms collaborate to create values through innovation.

3. Looking ahead: The integration of marketing and management perspectives

The perspective difference between marketing and management research on supplier-buyer relationships stems from their research contexts. Marketing scholars are faced up with the reality that manufacturers are eager to sell their products to the end consumers in the markets. Therefore, they are challenged by selecting right distributors and managing the manufacturer-distributor relationships for the maximized profit (Frazier, 1999). Marketing scholars have mainly adopted transaction cost economy and resource dependence theory as their lenses to expound the dyadic game of channel relationships (John, 1984). Accordingly, marketing scholars tend to assume a zero-sum nature of the relationships, and pay more attention to the factors that work to curb opportunism, such as power, specific investment, relational norms, etc. in marketing channels. Different from such competitive channel relationships, supplier-buyer relationships in the management field are concerned more with how to cooperate to produce innovative products for value creation and appropriation among a network of participants (Vasudeva et al., 2013; Vissa, 2012). Management scholars are interested more in discovering network attributes and institutional arrangements that facilitate knowledge sharing and innovation in the supplier-buyer cooperation.

The articles accepted in this special issue reflect the aforementioned perspective difference given the distinct research issues embodied in each relationship context; yet the inherent connections of these seemingly distinct research issues also imply the possibility of integrating the two perspectives into a macro-framework in which value creation and appropriation can be considered from a value realization perspective which involves all participants in the value chain. First, value creation hinges upon how consumers perceive the value; values created without consumer endorsement cannot be realized in the market. Therefore, future research on value creation through innovation should also consider demand-side variables such as market structure and consumer characteristics. Past management research on supplier-buyer relationships emphasizes a network perspective, assuming social ties, strong ties and weak ties alike, function to motivate knowledge transfer among network members. However, the literature has also documented the dark-side of social ties (Uzzi, 1996). We argue that social embeddedness might be too relationship-oriented that may blur entrepreneurs' market vision. A network of entrepreneurial firms that are socially embedded should also be market embedded so as to satisfy consumers' needs. Therefore, future research on supplier-buyer relationship management should combine the main elements of networks and marketplaces, especially through IT-enabled platforms such as Airbnb and Uber.

Second, value appropriation materializes based on equity; opportunism may undercut motivations for collaborative innovation. Prior marketing research on channel relationships emphasizes dyadic governance mechanisms such as contracts and relational exchange which are not only costly but cannot ensure fairness along the supply chain as well. Future research should adopt a network perspective to draw upon the voluntary third-party monitoring and sanction as a triadic governance mechanism. For example, the supply chain can be seen as a vertical network and value appropriation among network members can be realized by aligning the upstream and downstream governance mechanisms (Wathne & Heide, 2004).

Overall, this special issue sheds light on the interdisciplinary integration of marketing and management research on supplier-buyer relationship management. Future research in these two areas should strive for a combined perspective that synthesizes governance and innovation for a theory that explains effective value creation and fair value appropriation in supplier-buyer relationships. Along this direction, we strongly suggest that future studies in the two domains continue to tap into the following research topics in order to be mutually informed.

- How different governance mechanisms are generated, managed, and complemented or substituted among related parties in supplier-buyer management
- How triadic trust or network trust is generated, managed and transferred among related parties in supplier-buyer management
- What are different value creation and appropriation mechanisms developed in supplier-buyer management
- How firms strategically balance the value creation and appropriation with related parties in supplier-buyer management
- How customers may play a role in the relationship between suppliers and buyers
- The new challenges of supplier-buyer management in different institutional contexts
- The new governance mechanisms of supplier-buyer management in virtual marketplace

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