

Interdependence, punitive capability, and the reciprocation of punitive actions in channel relationships

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Article Abstract:

Using data from automobile dealers in the Netherlands, the authors find that dealers' punitive actions toward their key suppliers are affected by their perceptions of their own and their supplier's interdependence and punitive capabilities as well as by the supplier's punitive actions. Punitive actions are affected by interdependence, but a more complete picture is achieved by also examining punitive capability. The authors test hypotheses based on bilateral deterrence, conflict spiral, and relative power theories, but none of these comprehensively explains the effects of both total power and power asymmetry. Dealer punitive actions are inhibited as total interdependence increases, but are promoted as total punitive capability increases. Using spline regression, the authors find that the interdependence asymmetry has no direct effects on punitive actions, whereas punitive capability asymmetry does. As dealer's punitive capability advantage as compared with their supplier's increases, dealers make greater use of punitive actions, whereas they use fewer punitive actions as their punitive capability deficit increases. The authors also find that dealers with a relative advantage in dependence or punitive capability are more likely to reciprocate their supplier's punitive actions.

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