

## **The effects of supplier fairness on vulnerable resellers**

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### **Academic Article Abstract:**

This study examines the role of supplier fairness in developing long-term relationships between relatively smaller, vulnerable resellers and larger powerful suppliers. The author conceptualize two components of fairness “distributive fairness”, that is, the fairness of outcomes received by the reseller from carrying the supplier’s line, and procedural fairness, the fairness of procedures and processes used by the supplier in relation to its resellers. Testing their hypothesis from the perspective of automobile dealers, the authors find strong evidence that vulnerable resellers’ perceptions of both distributive and procedural fairness enhance their relationship quality, although these effects are moderated by the level of outcomes and environmental uncertainty. Furthermore, procedural fairness has relatively stronger effects on relationship quality than distributive fairness, which is a somewhat surprising result from a managerial perspective. The constructs and relationships among the constructs demonstrate cross-national stability across the two countries in the sample, the United States and the Netherlands.

**Complete Reference:** Kumar, N., L. K. Scheer, and J-B. E.M. Steenkamp (1995), "The Effects of Supplier Fairness on Vulnerable Resellers," *Journal of Marketing Research*, 32 (February), 54-65.

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