Yesterday is gone, Tomorrow has not yet come: exploring power shifts in buyer-seller business relationships

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Abstract

The power asymmetry in business relationships has been widely acknowledged in industrial marketing literature, but there is no consensus with regard to the use of power in buyer-seller relationships and, especially with regard to dysfunctional character of power asymmetry. Moreover, we lack knowledge about the process of power change from one party to the other. The concept of countervailing power, can be an example of how contemporary business-to-business research approaches dynamics in power asymmetry between exchange partners (Lacoste & Johnsen, 2015; Johnsen & Lacoste, 2016).

The power asymmetry in B2B relationships was studied using various perspectives. One of them, which is used in this paper, is based on distinction between different power sources (French and Raven, 1959), divided into two general groups: mediated and non-mediated (Nyaga, Lynch, Marshall, & Ambrose, 2013; Benton & Maloni, 2005). Consequently, in this study dynamics of power asymmetry in buyer-seller relationships emerges from the multiple factors. Some of these factors are situational (e.g. market changes) or related to relationship dynamics itself, but some of these factors are intentional actions undertaken by one or both partners, when the power asymmetry is perceived as substantial and risky.

Our study extends few recent empirical works on dynamics of power asymmetry in business relationships (Lacoste & Johnsen, 2015; Pérez & Cambra-Fierro, 2015; authors name withheld to ensure anonymity during the review process) by using relational perspective (i.e. buyers and suppliers perspectives) and focusing on both types of power, i.e. mediate and non-mediated. Additionally, this study extends prior research on power dynamics by exploring, if the initiation of such process could be a matter of both sides of asymmetrical relationship, not only the weaker partner. This study presents the complexity of power asymmetry change, where some benefits of power shifts are anticipated by both partners.

We apply longitudinal case study approach with regard to 4 business dyads, where substantial power shifts occurred between business partners without relationship dissolution as the potential effect of these changes. In all of these dyads, the more powerful partner was historically also a strategic partner, e.g. key customer, relatively while comparing sales volume with this partner and other exchange partners. Due to involving a lot of company resources either existing or potential ones, such relationships were characterized as deep and risky by weaker parties, who were generally medium-sized companies.

The multi-informant research method enabled better exploration of various actors’ perspectives on relationship development and partners’ actions, including how partners perceived economic and non-economic consequences of this process.

The research provides the evidence that in such strategic business relationships, multidimensional power asymmetry, when being substantial on the beginning of the relationship, may shift in general direction of decreasing the level of power asymmetry, but in particular the multidimensional power shifts in position of a kind of power asymmetry, purposive to some extent, set with regard to mediated and non-mediated power sources. This new relationship form is perceived as economically and non-economically beneficial and also a less risky by both sides of a business dyad. On the other hand, our study clearly illustrates that power asymmetry is a very dynamic and complex phenomenon and the status of power symmetry is rather an artificial one and not effective for long-term business relationships, as there are usually some detailed imbalances with regard to power sources (e.g. coercive, reward, expert power), even if the business relationship seems to evolve towards more symmetrical form.

This study argues that even if power asymmetry dynamics may be driven by one side in business relationship, the extent to which relationship becomes less asymmetrical eventually is based on interaction between both partners, relationship cycle and general business
environment as well. Thus, the distribution of power cannot be fully controlled by the focal company, but on the other hand, there is a managerial potential to intentionally shape this distribution through some tactics and conscious networking.

**Keywords:** buyer-seller relationship, power asymmetry, power dynamics, power sources, mediated and non-mediated power

**Competitive paper**

**INTRODUCTION**

Although industrial marketing literature, and especially IMP school early recognized power as an important aspect of business relationship and networks (Wilkinson & Kipnis, 1978; Håkansson, 1982) and further works have emphasized the complexity of power use in B2B context (Blois, 2009), there is no consensus with regard to the effects of using power in buyer-seller business relationships and this topic remains undoubtedly controversial in B2B marketing and purchasing.

Early research on power in the context of industrial marketing was strongly influenced by the theory of interpersonal relationships (Hingley, Angell, & Lindgreen, 2015a). Using such general theory, we may see power as a common feature of human relationships, where it is derived from the dependence of the parties on each other (Emerson, 1962). However, just like asymmetry in any kind of human relationship, power asymmetry in a business relationship is risky, because it increases the likelihood of an unfair distribution of relationship benefits. Such risk is important, especially from the perspective of the weaker side, but not only in economic sense, but also in psychological elements that build relationship atmosphere (Sutton-Brady, 2000), because the weaker side may feel exploited and less willing to continue cooperative behaviour, which in turn limits the full potential of ongoing business exchange (Dwyer, Schurr, & Oh, 1987; Johnsen & Ford, 2008). In this paper, we looked at the concept of multidimensional power asymmetry dynamics in buyer-seller business dyad at theoretical and empirical level with the special emphasis on complexity of such process. We explored different factors influencing on changes in power distribution and their consequences. We used the dyadic examples, where power was initially strongly asymmetrical and then it shifted towards a purpose to some extent (from managerial perspective) sets of some levels of asymmetry of different power sources within the relationships. Empirical research on dynamics of power asymmetry in buyer-supplier dyads is very limited. The studies by Lacoste & Johnsen (2015), Pérez & Cambra-Fierro (2015) and (Authors name withheld to ensure anonymity during the review process) applied case study research to identify process-related practices leveraging performance and improving suppliers power position in relation to powerful customers in the FMCG industry, computer software industry, manufacturing services and retail real estate. (Authors name withheld to ensure anonymity during the review process) explored suppliers perspective with regard to the non-mediated tactics these suppliers used with regard to powerful customers to improve their position within the supply chain. Our current study extends this previous work, because it uses dyadic perspective (i.e. buyers and sellers perspectives) on explaining how power shifts with regard to both type of power: mediated and non-mediated. We aim at identifying not only intentional actions in this area, i.e. tactics to mitigate power positions, but also situational (partners’ independent) and relational factors that tend to impact on power asymmetry. Therefore, this research sheds multi-level light on the phenomena of intentional and non-intentional power shifts in deep buyer-seller relationships.

Our study utilizes a longitudinal case study approach with regard to relationships between medium-sized companies, both: buyers and sellers and their business partners, characterized initially by substantial power asymmetry with regard to all or majority of power sources. In
two of these dyads, suppliers were initially clearly weaker in comparison to powerful international buying companies, while in other two dyads, power substantial advantage was initially at the side of supplier. In all of these dyads, the more powerful partner was historically also a strategic partner, e.g. key customer comparing turnover with this partner and with other exchange partners. Due to involving a lot of company resources either existing or potential ones, such relationships were characterized as deep and risky by weaker parties, who were generally medium-sized companies. In this paper we explored power asymmetry dynamics, beginning from substantial power asymmetry in relationships that shifted towards, generally less level of power asymmetry, but particularly power shifted in an individual for the relationship position of a kind of power asymmetry set with regard to mediated and non-mediated power sources.

We focused on business dyads, where three researched suppliers represented manufacturing industries. Two of them were selling durable products and one researched supplier was selling technical expertise products. All of these products were offered in combination with different range of services. The buyers on the other side performed various activities in the value chain, manufacturing, supply. The exchange relationships that we studied were characterized by significant inter-cultural differences between suppliers and buyers, however these differences were not in the centre of our attention.

The paper is structured as follows. Firstly, we review the literature on power, power sources, and power asymmetry in business relationships. Secondly, we present how prior research advanced our knowledge on power shifts in business dyads, including intentional partner actions related to power. Thirdly, we presented research design driving our study., Fourthly, we describe results of four case studies separately focusing on shifts in power distribution along various power sources. Fifthly, we explored different factors influencing multidimensional power shifts in buyer-seller relationships. Sixthly, we discuss our research in relation to prior studies in this area. The paper ends by elaborating on conclusions and implications.

LITERATURE REVIEW

POWER AND POWER SOURCES

Power is a key concept in business-to-business relationships. A different understanding of this notion by industrial marketing researchers resulted in inconsistent empirical findings (Hingley, 2005a, 2005b). As Cowan, Paswan, & Van Steenburg (2015, p. 142) concluded in their literature review, power within a social exchange can be understood as “the potential to affect another's behaviour, manifests when a firm demands something incompatible with another firm's desire, and the firm receiving the demand shows resistance”. In the industrial marketing literature, power is discussed as a complex phenomenon that cannot be fully controlled by any single party, which is to large extent connected with network embeddedness of every business relationship or indirect implications/constrains of using power with regard to any business partner (Håkansson & Johanson, 1992; Zolkiewski, 2001). As complex construct, inter-firm power is proposed as a matter of perception (Blois & Lacoste, 2009) as well as in terms of total and relative power (Kähkönen & Lintukangas, 2011).

Power is a key concept in the literature with power sources, the term proposed by French & Raven (1959) to describe different types of power, such us: reward, coercive, legitimate, referent and expert. Numerous studies using French & Raven (1959) categorized the power sources into two groups; coercive and other power sources, where expert, referent, legitimate and reward power were classified as non-coercive (e.g. Cowan, Paswan, & Van Steenburg, 2015; Frazier & Summers, 1984; Handle & Benton, 2012; Wilkinson, 1973; Wilkinson, 1996). In a similar spirit, the power sources were also divided into mediated and
non-mediated power (Nyaga, Lynch, Marshall, & Ambrose, 2013; Benton & Maloni, 2005). In this second typology the mediated power sources; legitimate, coercive and reward were introduced to “represent the competitive and negative uses of power” (Benton & Maloni, 2005, p.4). Generally, there is a consensus among researchers that exchange partners should avoid using power in coercive ways (Leonidou, Aykol,Spyropoulou & Christodoulides, 2017; Benton & Maloni, 2005; Frazier & Rody, 1991). As research of Leonidou, Aykol, Spyropoulou & Christodoulides, (2017) shows exercise of coercive power by the exporter in existing relationship brings negative effects such as distance, opportunism, and uncertainty, which contribute toward the creation of infidelity episodes by the importer. The mediated power sources are complemented by non-mediated power sources, specifically referent power, expert and informational power. Table 1 briefly presents the definitions of main power sources discussed in the literature.

Table 1. Different power sources proposed in the literature

<table>
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<th>Types of power sources</th>
<th>Definition</th>
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<td><strong>Mediated power sources</strong></td>
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<td>Coercive</td>
<td>Coercive power means the potential of one firm to employ punishment to influence another firm’s behaviour. Molm (1997) and Yeung, Selen, Zhang, &amp; Huo (2009) provided examples of using coercive power sources such as: imposing financial penalties, withholding important support or reward, or threatening to withdraw an initial promise.</td>
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<tr>
<td>Legitimate</td>
<td>Legitimate power is related to contractual terms, which may be potentially utilized to influence partner behaviour.</td>
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<tr>
<td>Reward</td>
<td>Reward power means potential for using rewards vis-a-vis another firm’s behaviour.</td>
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<tr>
<td><strong>Non-mediated power sources</strong></td>
<td></td>
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<tr>
<td>Expert</td>
<td>When one party in the relationship has expert power, this means that they possess expertise and knowledge that the other party wants. (Palmatier, Dant, Grewal, &amp; Evans, 2006).</td>
</tr>
<tr>
<td>Referent</td>
<td>According to Nyaga, Lynch, Marshall, &amp; Ambrose (2013, p. 47) “referent power exists when one firm admires the way another conducts its operations and therefore values being identified with it”.</td>
</tr>
<tr>
<td>Informational</td>
<td>Informational power is a specific variation of expert power, because as Maloni &amp; Benton (2000, p. 9) argued, “expert power refers to the perception that one firm holds information or expertise (such as product or process leadership) that is valued by another firm”.</td>
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**POWER ASYMMETRY AND ITS CONSEQUENCES**

The asymmetry of power and its utilizing in buyer-supplier relationships has been discussed in various streams of literature, including marketing channels (e.g. Kumar, Scheer, & Steenkamp, 1998), the industrial network approach (e.g. Fairhead & Griffin, 2000), supply chain management (e.g. Nyaga, Lynch, Marshall, & Ambrose, 2013) and IMP approach (e.g. Zolkiewski, 2001; Blois, 2008; Kähkönen & Lintukangas, 2011). Although these literature streams applied slightly different perspectives and nomenclature towards power asymmetry, they are not contradictory. In general, power in every buyer-seller relationships may be conceptualized and studied from the general knowledge about upstream and downstream business relationships, the approach that is quite common especially among IMP researchers that provided various general models of company management in the context of business relationships and networks (e.g. Ritter, 1999; Ford, Gadde, Håkansson, & Snehota, 2003).

The dependence and power domination are closely connected concepts, which helps in understanding the relative power of a focal organization in every business exchange (Pfeffer, 1981; Bacharach & Lawler, 1981). As Caniëls & Gelderman (2005, p.220-221) states “The buyer’s dependence on the supplier is a source of power for the supplier, and vice versa.” The connection of these two concepts was acknowledged early as it is visible in portfolio model by Kraljic (1983), where purchasing policy of every company is underpinned within 2-dimensional space built from variants of “supply risk” and “influence on company result”. The
Kraljic matrix (1983), suggests 4 different types (quadrants) of purchasing items: non-critical items (balanced power and low level of interdependence), leverage items (buyer dominance and moderate level of interdependence), bottleneck items (supplier dominance and moderate level of interdependence), strategic items (balanced power and high level of interdependence). In general, Kraljic model suggests purchasing managers various tactics to “minimize supply vulnerability and make the most of potential buying power” (Kraljic 1983, p. 112), such as “exploiting power” or “diversify” (Caniëls & Gelderman, 2005).

Power (symmetry) is often based on structural resources (Cowan, Paswan, & Van Steenburg, 2015), and it is proposed that companies should first evaluate its power position and environmental conditions before deciding on the preferred type of relationship (Benton & Maloni, 2005). Power in every dyadic buyer-supplier relationship can be qualified as symmetrical or asymmetrical (Cox, Chicksand, & Palmer, 2007). The asymmetry generally shows the situation of inequality, instability or unbalance. According to Webster Dictionary asymmetry means “having two sides or halves that are not the same”. The symmetry or asymmetry between organizations may be related not only to power but also to other characteristics of business partners and relationship dimensions, such as: size, number of employees, commitment, dependency (Johnsen & Ford, 2007). The issue of symmetry in relationship is sometimes associated with “fit” of partners in terms of similarities of vision and values, strategies, goals and organizational processes (Doz, 1996; Dyer & Singh, 1998). The asymmetry has rather negative image in the literature being connected with low stability and conflict (Blomqvist, Hurmelina, & Seppanen, 2005). However, the issue of power asymmetry and its consequences is much more complex, if we take into consideration that in business practice there are many asymmetrical inter-firm relations which are long-standing and beneficial for each relationship side (Hingley, Angell, & Lindgreen, 2015a; Hingley, Angell, & Campelo, 2015b). Blois (2008) used the term “legitimacy” with regard to power use in asymmetrical relationships in the context, when dominant party offers the subservient parties some benefits in exchange of being dominated. Generally, we can somehow imagine that fully symmetrical or balanced power in relationships between partners do exist, but they are rarely observed in real B2B relationships and rather tentative (Nyaga, Lynch, Marshall, & Ambrose, 2013; Cowan, Paswan, & Van Steenburg, 2015; Hingley, 2005a).

The notion of symmetry in regard to power of buyer and supplier should not be understood straightforward as mathematically the same power on the both sides. The issue of symmetrical or asymmetrical power is neither precisely explained in the literature or used in such manner in business practice, because there is not a clear measure of power within the business relationship (Hingley, Angell, & Lindgreen, 2015a). All of this is because power in buyer-seller relationships is multi-dimensional, perspective-based and dynamic phenomenon. Therefore, we argue that the theoretical framework of power sources (French & Raven, 1959) and longitudinal research approach can be helpful in better understanding of how power asymmetry changes in business relationships.

The power in buyer-supplier relationship may be perceived as asymmetrical at a given point of time and it does not mean that such asymmetry is the same in case of all power sources, but the combination of all power sources would make it subjectively asymmetrical state. We illustrate (figure 1) two types of situations with regard to such power sources-based asymmetry magnitude: substantial power asymmetry with dominance of buyer or supplier and a set of, purposive to some extent, multidimensional power asymmetry, which combination creates more symmetrical relationship. Obviously, figure 1 present only static picture of power distribution among business partners, and similarly to other relationship dimensions the power is a dynamic phenomenon, so power distribution usually changes in time along with business relationship development.
The literature is often ambivalent, while discussing power asymmetry consequences. For instance Buchanan (1992) argued that power-dependence imbalances in buyer-supplier relationships influence differently on value that buyers and sellers attach to the relationship. This work fully acknowledges this ambivalence of power asymmetry in buyer-supplier relationships and business networks, and it does not argue that power asymmetry is something wrong by definition. Power asymmetry is often treated as a natural aspect of business relationships, which can be utilized for achieving benefits, not only for more powerful but also for less powerful party of the buyer-supplier dyadic relationship (Cuevas, Julkunen, & Gabrielsson, 2015; Blois, 2008; Wang, 2011). Both partners in asymmetrical relationship, especially the weaker one, may accept some level of power imbalances, as long as they also benefit (Clemens & Douglas, 2006; Hingley, 2005a; Muthusamy & White, 2006; Tuten & Urban, 2001).

However, substantial power asymmetry can be treated as risky from relationship development point of view, as “the weaker partner could be coerced to perform tasks or incur costs on behalf of the stronger partner” (Nyaga, Lynch, Marshall, & Ambrose, 2013, p.45). The consequences of power asymmetry in buyer-supplier relationship are frequently viewed as being detrimental. The prior research underlines the negative effects of power asymmetry in B2B relationships, such as: neglecting the interests of the low-power party by the high-power party (Wolfe & McGinn, 2005), limited effectiveness of cooperative initiatives (Pfeffer & Salanick, 1978; Ulrich & Barney, 1984), especially when coercive power is asymmetrical (Vaaland & Håkansson, 2003; Benton & Maloni, 2005), dysfunctional conflicts and a repressive atmosphere (Ojansivu, Alajoutsijärvi, & Salo, 2013). Brennan & Turnbull (1999, p. 484) suggest that in a relationship between a large powerful customer and a small supplier “the customer tends to underestimate the effort required within the supplier organization to respond to routine requests”. Grabher & Ibert (2011) claims that in an asymmetrical relationship, adaptations are very often only on the side of the low-power party, leading to a lock-in type of exchange where the submissive party has no options. The negative effects of asymmetrical power may also appear in negotiations when one party dominates (Dwyer & Walker, 1981; Emerson, 1962; Jacob, Wilken, Aykac, & Prime, 2012). Cuevas, Julkunen, & Gabrielsson (2015) underlines especially problematic buyer-supplier relationship, where power asymmetry is high and there is a low level of trust between partners.

POWER SHIFTS IN ASYMMETRICAL RELATIONSHIPS BETWEEN BUYER AND SELLER
The same as in everyday personal relationships, the nature of power in business-to-business relationships is dynamic (Cowan, Paswan, & Van Steenburg, 2015), which means that power as well as the power asymmetry evolve during relationship development (Rehme, Nordigården, Ellström, & Chicksand, 2016). Following Hofstede & Bond (1988) there are three key partners’ attributes that could create inter-firm relationship imbalance: power distance, uncertainty avoidance, and time orientation, however all of these aspects change in time on both sides of a dyad, so, “the power balance itself may change with time” (Cowan, Paswan, & Van Steenburg, 2015, p. 146). This ephemeral nature of power and power symmetry is rather widely acknowledged in research on industrial marketing and purchasing, where power is treated as a common, complex, dynamic phenomenon, strongly based on perspective of business partners and embedded within set of direct and indirect influences (Zolkiowski, 2001; Blois & Lacoste, 2009). Similarly to changes in relationships themselves, the literature and especially IMP school describes changes in power asymmetry between business partners as “the processes on its own”, i.e. these changes are widely visible, but should not be managed unilaterally, by the single relationship actor (Ford, 2003; Håkansson & Ford, 2002; Waluszewski, 2004). Nevertheless, as IMP school acknowledges single actor’s attempts to introduce changes in their business relationships through so-called “networking” by “suggesting, requesting, requiring, performing and adapting activities, simultaneously” (Ford, Gadde, Håkansson, & Snehota, 2003, p. 178), IMP assumes, in between lines, that every company has a potential to influence its position within relationship power structure.

There is growing interest in the idea that power structure dynamics in business dyads proceeds not only as a “natural cycle”, including situational factors independent from actors, but such dynamics can be intentionally leveraged vis-à-vis actors’ attempts to influence distribution of so-called relationship rent. In the context of supply chain Cox, Watson, Lonsdale, & Sanderson (2004) suggest that although “ideal” relationship outcomes are rarely achieved, some companies try to influence on relationship power structure to get closer to these outcomes. More recently, Lacoste & Johnsen (2015) found that within buyer-seller relationships in FMCG supply chain “Suppliers will do their utmost to shift the balance of power in their favour and decrease the power asymmetry” (p. 231), which is presented as “countervailing power”. Lacoste & Johnsen (2015) study shows that specific product category (i.e. quasi-commodity products) can be moved from leverage quadrant (Kraljic, 1983), in which buyer is a dominant party towards the strategic quadrant, where the power between partners is balanced. Cowan, Paswan, & Steenburg (2015) in their conceptual work distinguished six practices oriented at improving power position: invest in development or acquisition of resources and competencies, somehow reduce competition, become indispensable, lowering barriers, working together to reach a common goal, developing a team mentality.

The empirical works on power-related tactics emerges. In Lacoste & Johnsen (2015) research the shift of power between exchange partners is caused by increased level of services delivered by supplier leading to increased total value perceived by the customer. Pérez & Cambra-Fierro (2015) have conducted case studies related to power tactics and they identified following practices: learning to work together, informal communication and committed champions, specific investments / specialization on supplier side, taking a long-term perspective and focusing on a limited number of value-creating relationships. (Authors name withheld to ensure anonymity during the review process) continued this research direction and noticed 15 various power-related tactics in case of interfirm relations within manufacturing services and retail real estate development. These 15 tactics were related to non-mediated power only (i.e. soft power) and they seem to help supplying companies to strengthen their position in the whole supply chains and acquire relationship benefits.. Although, these typologies were not entirely the same, all of them suggested that countervailing practices are
usually initiated by a weaker side in relationships, where power asymmetry was substantial. These recent empirical works illustrated that practices oriented on power asymmetry are based rather on non-mediated power sources, e.g. expert power and referent power. In general, weaker business partner makes efforts to improve its competences and image within relation with dominating partner and at the same time revise its position within supply chain, e.g. by diversifying customer base. Thus, it seems that Kraljic matrix (1983) can be to some extent paraphrased into supplier business as there is growing evidence that suppliers may effectively handle their vulnerability towards strategic customers by applying some similar tactics that industrial buyers used to apply towards supply base (e.g. exploiting expert power position and diversify).

**RESEARCH METHOD**

We used the qualitative approach towards asymmetrical dyadic buyer-supplier relationships. Specifically, we applied a longitudinal multi-case approach to explore and understand specific interrelations between buyers’ and suppliers’ power positions, partners actions, relationship and situational factors as well. The case study method was often used in prior studies of power asymmetry in B2B relationships (e.g. Cox, Watson, Lonsdale, & Sanderson, 2004; Pérez & Cambra-Fierro, 2015; authors name withheld to ensure anonymity during the review process). Our study focuses on the evolution of a dyadic buyer-supplier relationship, and involves 4 longitudinal relationship cases, specifically 4 dyads between buying company and selling company, observed over a different time frames (from 2 years in the shortest case to 10 years in the longest one). Among these 4 business dyads, three were initiated before we started our study (Cases 1-3) and one started exactly at the beginning of our research (case 4). This implied both the retrospective and the real time research approach in connection to the history and current development of analysed relationships. The retrospective interviewing about the starting period of analysed relationships were done essentially on the beginning of the case studies research (Cases 1, 2 and 3). Thus, in each dyad being analysed, we treated the beginning of the relationship as a somehow natural reference point for our interviewing.

The case study research allowed us to analyse factors of power asymmetry shifts over a period of time with regard to various power sources, as well as the relationship benefits that the buyers and the suppliers acquired over the same period of time within the 4 dyads being studied. We have chosen this approach due to the relatively early stage of research into this very area, the complex phenomena to be explored, and their sensitive character, which demanded creating an appropriate atmosphere while contacting informants, e.g. avoiding going straight and directly to the topic as in typical survey research. We have based our reasoning mainly on the managers’ perception of the phenomena under research. Our approach allowed us to obtain a longitudinal picture of the phenomena under investigation and to validate information gathered from one source (i.e. interviews with employees of selling companies) against information from other sources (e.g. interviews with employees from buying companies, offline and online secondary sources, and direct observation). Direct observations with regard to buyers and suppliers interactions, were conducted within the suppliers location as well as during trade fairs.

When investigating the power asymmetry changes we aimed at exploration of all types of factors influencing this processes, which were finally contained in two general groups: buyer’s and supplier’s intentional actions to mitigate power asymmetry, non-intentional actions mitigating power asymmetry and situation/relational factors as well. The selection of concrete business relationships to be analysed was primarily based on corporate data accessibility, the observable existence of substantial power asymmetry in business relationships. In all of these
dyads, the more powerful partner was historically also a strategic partner, e.g. key customer, relatively while comparing sales volume with this partner and other exchange partners.

Two case studies, named Case 1 and Case 2, concerned exchange relationships between Polish company manufacturing technical expertise products used in professional services (end users) and small foreign distributors within international value chain (table 2). This manufacturer named Supplier 1, had a dominant power position in relationships with two small sized buying companies, distributors in different countries, coded Buyer 1 and Buyer 2. These both dyadic relationships, namely Supplier 1 – Buyer 1 and Supplier 1 – Buyer 2 were treated as connected but different cases (Case 1, Case 2) and data in these two case studies was collected on both sides of dyad during almost a 2 year period (2016-2018). The information was gathered about the period from starting point of these relationships till 2015 through retrospective interviewing of both sides of the relationships. The total lengthy, counting till the end of this case study research, of the relationship analysed in Case 1 was 4 years and in Case 2, it was 6 years.

In other two longitudinal case studies of business dyads, named Case 3 and Case 4, the focus was on the industry of manufacturing services (table 2) contributing value to consumer durable products. On the suppliers’ side these cases refer to companies located in Poland, but one with Polish ownership and the other Swedish owned, namely Supplier 2 and Supplier 3 (real company names concealed). These companies provided different production systems for big international corporations (Buyer 3 and Buyer 4, both globally recognizable brands in consumer durable products). Buyer 3 and Buyer 4 had initially very dominant power position in relationships with regard to various power sources. In case study 3 the data was collected over a 10 year period (2008-2018) and in the case study 4 - over seven years (2004-2010) and one additional interview was done in 2018. In Case 3 and Case 4 data was collected on both sides of the dyad. In Case 3 the information about the relationship development before 2008 was gathered through retrospective interviewing both sides of the relationship. In total the investigated period for relationship in Case 3 was 23 years, while the data about this relationship was gathered within 10 years period (see table 2). In general, in Case 4 the information about the business dyad was gathered in real time mode over 6 years of interviews and observation. However, there was also one additional interview conducted retrospectively in 2018, which gave as the updated picture of this relationship and the confirmation that this relationship did not ended.

Several research methods and data sources were employed at various points of time, which can be referred to as triangulation, since achieving a deep understanding in case study research usually involves the use of multiple research methods across multiple time periods (Woodside & Wilson, 2003). Other authors also emphasized that triangulation is fundamental to achieving deep understanding in B2B research (Stavros & Westberg, 2009; Beverland & Lindgreen, 2010). Our research combines results from personal interviews, direct observation by the researcher, as well as an analysis of written corporate documents (secondary data source). In many studies related to B2B markets personal interviews were utilized (e.g. Ford & McDowell, 1999; Ng, 2005; Chang, Fu, Li, & Lee, 2009; Van Winter, 2014). In our research, direct observation combined with interviews was possible due to the personal involvement of one of the researchers into consultancy for some companies (Supplier 1, Supplier 2). The research activities were continued after finalizing these consultancy projects. The scope of the consultancy projects focused on areas such as: sales management analysis and improvements, marketing communication strategies and tactics and R&D project management improvements. This means that the scopes of consultancy and research interests were different, which controls for the possible conflict of interests. To make observation in Cases 1-3 more systematic, the researcher made systematically empirical and theoretical notes over the whole period of 2008-2018.
Our main data gathering technique was a personal interview conducted with individuals who performed various roles within supplying and buying companies and such technique is perceived as a best practice in case research (Piekkari, Plakoyiannaki, & Welch, 2010). Interviewees were selected on the basis of their capability to deliver information on key aspects of the relationship development between their organizations and the other party over a prolonged period of time (table 2). Interviewees usually held decision-making positions within their organizations which involved contractual duties and establishing various relationship terms and conditions.

Table 2. Characteristics of 4 longitudinal case studies with regard to interviewees’ roles and interview time

<table>
<thead>
<tr>
<th>Case study code</th>
<th>Relationship period under investigation</th>
<th>Data gathering period</th>
<th>Roles of individuals interviewed on the supplier’s side</th>
<th>Roles of individuals interviewed on the buyer’s side</th>
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</table>

¹ Real company names concealed due to trade confidentiality

The informants were suggested that interviews are about the issue of relationship development within particular inter-firm dyads. The special focus was on the managing of such a business relationship from the interviewee point of view, including how to achieve goals, how to manage potential problems within and how to maximize the benefits and minimize the risks for both parties of such a relationship. The interviewees were not asked directly about power asymmetry and its dynamics. As our prior literature change factors, there was a certain level of deductive reasoning applied to coding the qualitative data by us. On the other hand, we were also open to identify power asymmetry change factors in informants’ own language, i.e.
while they were referring directly to their actions mitigating their position vis-à-vis exchange partner, so some codes were also inductive in nature.

When the power notion or notions related to power (e.g. power asymmetry, power balance, misuse of position, the position of a powerful player or generally supplier or buyer dependency) appeared in the interviews when spontaneously mentioned by the interviewees, the researcher asked some in-depth questions about the power issue. Then, informants were also asked about how they perceive the power shifts with their partners and what were the reasons for these shifts.

The interviews were recorded partially using a digital voice recorder and then transcribed, coded and analysed. Some interview data was only written down by the interviewer very soon after the interview. The average duration of the interview was 40 minutes. In order to increase the validity of the research findings, each researcher analysed the interview transcripts separately and provided some inductive and deductive codes and theoretical memos (Krippendorff, 2004; Ritchie & Lewis, 2003). A reliability check was carried out with an internal replication test (Krippendorff, 2004): the two coders exchanged a sample of two interviews and provided an alternative and independent coding. No substantial differences between the initial coding and the alternative coding existed, thereby indicating the reliability of the analysis (Kaplan & Goldsen, 1965). We did not use any specific software for data analysis, but the interview transcripts and other related materials were stored in one research folder that we shared on a remote basis, and an Excel spreadsheet was used to store codes that made sense of accumulated research material.

**RESEARCH RESULTS**

We analysed the relationships between the suppliers located in Poland and foreign buyers located in Europe and Asia. We studied the history of these relationships to understand the power asymmetry dynamics between partners and their consequences.

The buyer-supplier relationships in Case 1 and Case 2 were based on selling technical expertise products by manufacturer to distributors that were eventually used by professional end users. Selling these products was combined services for distributors and professional end users (e.g. trainings, workshops, assistance for end user operations, designing customized products.). In Case 3 and Case 4, there was different industry setting, where on the supplier side there was always a manufacturing company contributing to supply chain of another manufacturer selling internationally consumer durable products. Thus, these business relationships were based on outsourcing manufacturing services (CM – contract manufacturing and OEM – original equipment manufacturing) from Supplier 2 and Supplier 3 by big international corporations (Buyer 3, Buyer 4). Despite differences in industrial settings for Case 1 and Case 2 (manufacturer – distributor) in comparison to Case 3 and Case 4 (manufacturer – manufacturer), in our research we did not focus on these differences, assuming that all relationships between buyers and sellers in Business-to-Business context have some common characteristics, as well as managing companies within such relationships (Ritter, 1999; Ford, Gadde, Håkansson, & Snehota, 2003). We focused on the relationship process in analysed buyer-seller dyads, specifically on power asymmetry dynamics and relationship consequences observed in these dyads. We were also interested in specific features and orientations of buyers and sellers in these dyads, which allowed us to have more in-depth understanding of business relationships and their evolution.

The beginning of the relationships in all four case studies was characterized by substantial power asymmetry with regard to the mix of power sources. In the case studies 1 and 2 the suppliers had initially substantially more power than buyers, while in the case studies 3 and 4 buyers had initially clearly much more power than suppliers. Eventually, for the investigated
In relationship periods, the power asymmetry (with regard to power sources) was much more balanced relationships.

In figures 3 to 6 we illustrated how power position between partners in analysed relationships changed with regard to particular mediated and non-mediated power sources. The time frame of changes in each case study was different as presented before in table 2. The depth of power shift between partners was interpreted from the interviews and such perception-based processes was impossible to transformed into numbers. However, to structure our analysis of multidimensional (different power sources) power shifts, we have used the common 5 items typology (from extreme “substantial power asymmetry – buyer has more power” through “somewhat equal power” to “substantial power asymmetry – supplier has more power” on the other end).

**CASE STUDY 1**

In Case 1 there was substantial power asymmetry at beginning of the relationship with advantage of the Supplier 1 over Buyer 1 with regard to mediated and non-mediated power sources, except informational power source referring to knowledge about local market (see figure 3). The cooperation with Buyer 1 started as the contract for a few years, which was standardized by Supplier 1 for all of such foreign businesses. Buyer 1 didn’t behave during the contract negotiations in an demanding way, because they wanted to become a sole territorial representative of the Supplier 1 within the country. This was a general policy of the Supplier 1 to have only one representative in each country market. It was quite clear to both sides that at the beginning the Supplier 1 had advantage in terms of possibility to choose between Buyer 1 and some other entities as partners in specific country territory. The main function of this relationship from Supplier 1 perspective was distribution of Supplier 1 brand professional products among existing customers of Buyer 1. In turn, these customers were also business entities, operating in area of professional services, not a final consumers, so their function was to sell and install Supplier 1’s products to individual customers. The contract between Buyer 1 and Supplier 1 provided the Supplier 1 with clear advantage in conditions of a trade, including potential penalties to be used against Buyer 1 or stopping, delaying the delivery. It all created quite clear power asymmetry – Supplier 1 had power advantage with regard to mediated power sources (figure 3).

![Figure 3. Multidimensional power shifts between Supplier 1 and Buyer 1 (Case study 1)](image)

In terms of non-mediated power sources the Supplier 1 had initially strong advantage only with regard to the expert power source (figure 3). In this case expert power meant not only the knowledge on products portfolio of the company which was several dozen thousands items, but also the technical and operational knowledge with regard to given type of products being...
traded by Buyer 1. The operational knowledge was connected with the operational techniques used by final users. The expert power advantage was related to the potentially new product developed, the step which was expected by final users in the Buyer 1 market. Although the Buyer 1 was not a newly established company and had some previous experiences with product types under consideration, the retrospective interviews conducted with representatives of the Supplier 1 and with the Buyer 1 clearly suggested perceived clear expertise-related advantage on the supplier side at the beginning of the relationship.

The initial situation was more complex with regard to the referent and informational power. The interviews illustrated relatively little advantage of the Supplier 1 over the Buyer 1 with regard to referent power. According to the interviewees, the Buyer 1 had the reasonable level of credibility amongst final users and recognition on its country territory, which was the source of the referent power. However, the interviewees emphasized the advantage of the Supplier 1 in terms of highly recognizable and well associated brand amongst the final users, who observed suppliers’ products on conferences in other countries and within their country market. The Supplier 1 already had some experiences on the market of Buyer 1, but it was advantage of power on Buyer 1 in terms of the informational power. This power asymmetry was related to possession by Buyer 1 of much stronger specific country market knowledge as well as the relationships with the final users.

The general sales strategy of Supplier 1 was the development of strategic relationships with sole distributors on particular national markets territories. The Supplier 1’s expectation was to also be treated as a strategic supplier by such national distributor. In Case 1 relationship with distributor developed in line with this strategy, which resulted in improving power position on the side of Buyer 1. Interestingly, such shift was confirmed as intentional on both sides of relationship. The more Buyer 1 behaved in a way adjusted to expectations of Supplier 1, which means more and more engagement of Buyer 1 in selling and promoting Supplier 1 products, the more Supplier 1 was willing to empower Buyer 1. The interviews conducted with both sides of a dyad suggested that Buyer 1 started to treat the Supplier 1 products as strategic items quickly in their purchasing product portfolio (Kraljic 1983). The main reason were investments dedicated to relationship by of Supplier 1 perceived by Buyer 1.

One of the interviewees on the supplier side gave examples of empowering Buyer 1 with regard to expert and referent power sources:

“We believe that having a solid, credible and knowledgeable distributors make the cooperation with them fruitful, through increasing our competitiveness on the foreign markets. That is why we engage a lot in increasing their expertise competences and in building their brand reliability. We also share mutually with distributors the knowledge on the market potential, customers and consumers needs, and on the competitors products and their marketing actions as well.” (Supplier 1, Board Member)

The same interviewee emphasized also the issue of sharing by the Buyer 1 the market information, which was interpreted as informational power more balanced in this relationship (see figure 3).

Figure 3 presents shift in non-mediated power asymmetry between partners. In case of informational power source the level of power asymmetry between Buyer 1 and Supplier 1 became smaller, as actually both partners improved access to the market information (i.e. know-how with regard to market data analysis). The referent power shift refers especially to Buyer 1 leveraging its own market image based on utilization of the credibility of Supplier 1 brand products. The improvement of expert power on the Buyer 1 side was a sign of possessing more technical and operational expertise, which was also an important relationship benefit acquired by Buyer 1 (through impressing final users’ customers). In the same spirit, after ending the initial contract, the new contract between Supplier 1 and Buyer 1 was much more balanced in terms of mediated power. The Supplier 1 was much more willing to agree on these
more balanced terms, because of satisfying relationship development and clear expansion on foreign market. This was a way of getting legitimate power source more balanced.

The sales of Supplier 1’s products was growing systematically on the Buyer 1 market. It happened because of Buyer 1 efficient sales activities and the support of Supplier 1 in acquiring few new final users and higher sale among existing final users. The help of Supplier 1 included mainly joint product presentations and training in the site of Supplier 1 for final users, providing some assistance during the Buyer 1 trade fairs performance. The important issue here was the limited potential of the Buyer 1 in terms of limited number of employees and financial resources, which caused the slow business growth, but still systematic one. One of the Supplier 1 interviewee stated:

“Company X (Buyer 1) cannot increase the sale of our products rapidly, because they don’t want to increase their debt in inventory and they have only few sales representatives, which is a limitation in delivering services for bigger number of the final users and training new sale representative takes about 2 years. It is because acquiring a new final users means a lot of work with them about our products, which are complex in installation and very diversified, i.e.: presentations and trainings in the customers location and in the company X (Buyer 1) site, workshops in Poland for final users with company X participation, assistance for final user operators during product installation, emergency delivery of the products for final users demand.” (Supplier 1, Export manager)

The relationship atmosphere between Supplier 1 and Supplier 2 improved visibly. The representative of Buyer 1 stated that “they (Supplier 1) keep the promises. I can rely on the quality, and time of delivery. Sometimes it is later than promised but it is acceptable. They helped me to introduce to the customers the product lines for new applications and they are offering for me the wide range of support in promoting and selling their products on my market territory. I have also attractive trade conditions on introducing new product lines” (Buyer 1). The high level of trust and commitment between partners was somehow associated by interviewees as the effect of more balanced power distribution. The emergence of functional benefits as well as psychological and social benefits at both sides of relationship created the solid perspective for further development of the relationship and further systematic increase in sale expansion on the market of Buyer 1.

Conscious supporting Buyer 1 in the area of expertise, brand image, relationships with final users, market knowledge and management processes resulted in large increase of Buyer 1 competitiveness. In turn, such increase created the potential for Buyer 1 to choose a new supplier and even resign from distributing Supplier 1’s products. Although relationship with Buyer 1 was appreciated by the Supplier 1, the Supplier 1 representatives acknowledged that the threat of losing share in distributor’s wallet become very real. That is why the Supplier 1 emphasized the necessity of further increasing relationship added value through delivering services supporting Buyer 1 processes. This was the way for strengthening the Buyer 1 perspective on Supplier 1’s products towards strategic items position in Kraljic’s terms (1983). It is visible on the figure 3, as the arrows, representing the referent and expert power crossed for some time the advantage in power positions on the Buyer 1’s side and afterward turned back to the power asymmetry positions, which were identified in the end of Case 1 study research.

The Supplier 1, when assessed the relationship with Buyer 1, which was developed in a model way, was motivated to resign with possessing the potential of using coercive power source i.e. in the terms of contract. This meant delivering for the Buyer 1 the feeling of safety and presenting by Supplier 1 the approach based more on trust for fostering development of further cooperation. Although the Supplier 1 was still interested in having some advantage with regard to reward power, treating it as a tool in stimulating the Buyer 1 engagement to the promotion of Supplier 1’s products. For instance Supplier 1 proposed an offers for the Buyer
1, in which the level of prices, discounts and delivery of some free of charge services for sale support were conditioned on the quantities of products ordered by Buyer 1. Both partners acknowledged the wide range of benefits received from their business relationship trajectory. It was not only functional benefits but also increasing of trust and common understanding, while the power got more symmetrical. It was quite visible in Case 1, that the cooperative atmosphere was at the same time one of the important conditions as well as one of the effects of achieving the position of “somewhat equal power” influenced by multifaceted factors as intentional and non-intentional related actions of both parties, as well as other factors. Engagement of both sides in the relationship development took form of adaptation, where both sides aimed at maximizing benefits rather in long run than short-term perspective.

**CASE STUDY 2**

The business relationship in this case was initiated during the trade fairs, when the Supplier 1’s representative was approached by the owner and the general manager representing Buyer 2. The substantial power asymmetry in this relationship, meaning strong advantage on Supplier 1’s side was initially very similar in terms of its scale and origins like in Case 1, especially with regards to mediated power sources (figure 4).

Figure 4. Multidimensional power asymmetry shifts in relationship Supplier 1 and Buyer 2 (Case study 2)

<table>
<thead>
<tr>
<th>Case study 2</th>
<th>Power sources</th>
<th>Power asymmetry position shifts from the beginning of buyer - supplier relationship (arrows)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Substantial power asymmetry - buyer has more power</td>
</tr>
<tr>
<td>mediated</td>
<td>coercive</td>
<td>■</td>
</tr>
<tr>
<td></td>
<td>legitimate</td>
<td>■</td>
</tr>
<tr>
<td></td>
<td>reward</td>
<td>■</td>
</tr>
<tr>
<td>non-mediated</td>
<td>referent</td>
<td>■</td>
</tr>
<tr>
<td></td>
<td>expert</td>
<td>■</td>
</tr>
<tr>
<td></td>
<td>informational</td>
<td>■</td>
</tr>
</tbody>
</table>

Legend: ■ beginning of the relationship, ■ the period in which case study was finished, □ the period between these two

Buyer 2, similarly to Buyer 1, distributed products of other manufacturers than Supplier 1 before the cooperation with Supplier 1 started. The Buyer 2 represented the country market, which was one of the biggest in the whole CEE region with some other attractive features as well (this may be treated as partner’s independent factor, which is environmental factor influencing on power asymmetry dynamics). Specifically, the cooperation with Buyer 2 was perceived as very attractive by Supplier 1, due to visible potential of enabling access to qualified employees. In turn, these employees were, quite easy to gain by Buyer 2 on the country labour market, in comparison to the country market of Buyer 1, which is another exogenous factor independent from analysed relationship, influencing on power position dynamics. Buyer 2 had also bigger financial resources than Buyer 1. Supplier 1 was present in country market under consideration even before the cooperation with Buyer 2, so Supplier 1 had a recognition and relationships amongst final users in this market. That is why the Supplier 1 had some power asymmetry advantage over Buyer 1 in terms of referent power source, while in regard to informational power source the starting position of both partners was close to power equality.
The analysis of the secondary data revealed that after about 4 years of cooperation with the Buyer 2, the level of Supplier 1’s selling to Buyer 2 increased rapidly, e.g. 200% growth in the fourth year in comparison to the third year of cooperation. In following two years the sales dynamics was still high, reaching eventually the level of nearly 45% global export performance of Supplier 1, at the time, when Supplier 1 cooperated with almost 50 foreign distributors. Reaching such substantial sales performance and sales dynamic was based not only on market potential itself but also on achieving by Buyer 2 outstanding recognition and image among final users in comparison to the other distributors of Supplier 1’s products. The relationship with Buyer 2 was not developing in a model/expected way from Supplier 1’s perspective (e.g. with regard to routinized approach towards foreign distributors, similarly like in Case 1), although very beneficial for the Supplier 1 from purely financial point of view. The rapid increase of sales volume resulted in problems related to the limited production capacity. The Supplier 1 needed to choose among distributors in terms of some of them having some necessary delays in shipments. One of the Supplier 1 interviewee described this problematic situation:

“The company Y (Buyer 2) made a pressure on us to be on time with order delivery and we cannot ignore that, because it could provoked a threat of losing this distributor. This company required also increased level of service support, because their intensive market penetration meant more customers problems to be solved. So it was our priority to give them what they wanted first, and only then we served some other distributors”. (Supplier 1, Sales Director)

The risk of losing Buyer 2 become very problematic for the Supplier 1. This was related to important power asymmetry shift in terms of coercive power, into substantial power asymmetry with possessing more power on the Buyer 2 side (figure 4). The legitimate power source became not important as an influential factor for both parties, as the prolonged contract was changed to more balanced than the first one. At the same time, the dynamics of this relationship was very challenging for both sides. The Supplier 1 lost advantage not only with regard to informational power source but also with regard to reward and referent power sources, what resulted in very limited space to influence behaviour of Buyer 2:

“This distributor was quite reasonable self-directed on his country market, but they were also happy with their margin, so they did not make pressure on us to lower prices while they were buying more and more. While we had no further possibilities to make our offer more attractive from economical point of view we were hardly working on delivering extra services to manifest our value support potential, e.g.: through visits of our experts to the final users of this distributor, developing products on the requirement of this distributor’s final users and consumers, inviting a group of final users for specially customized workshop. Nevertheless our potential of support in value creation was perceived by our key customer as limited since this buyer was able to achieve so high levels of sale caused by his position on the country market”. (Supplier 1, Board Member)

When taking into account Kraljic (1983) quadrants, in the first half of this relationship the situation was similar like in Case 1 – the Supplier 1’s items were positioned in strategic quadrant. Further development of the relationship showed the tendency of power asymmetry shift in direction of advantage on the Buyer 2 side. It was related to the tensions between partners and the possibility to locate Supplier 1’s items either in “leverage” quadrant or “strategic” quadrant within purchasing portfolio (Kraljic, 1983). The Supplier 1 implemented some countervailing power towards observed power shift. Specifically, Supplier 1 managed keeping the advantage with regard to expert power source, which was exercised especially with regard to new products development on requirement of Buyer 2 and through solving by Supplier 1 the complaints issues towards products being distributed. During the interviews Supplier 1’s representatives were emphasizing the necessity to maintain advantage as an expert,
because this area was seen as very important by Buyer 2. The situation of exercising countervailing power is visualized (figure 4) by the arrow crossing the position of equality of power in the expert source on the position of having more power by Buyer 2 and afterward turned back again and stabilized on the position of having more power by Supplier 1. The Supplier 1 representatives were still satisfied with Buyer 2’s relationship, because they were involved in many cooperative projects (i.e. listed in the citation above) with Buyer 2 and the shift in referent and informational sources of power asymmetry positions were observed as acceptable (see fig. 4).

In Case 2 power asymmetry clearly changed towards advantage of Buyer 2, but this also illustrated that Supplier 1 implemented some intentional actions influencing on multidimensional power asymmetry change, especially connected with expert, reward and referent power sources. Among these actions, these ones that referred to expert source of power asymmetry appeared to be most effective, but also other actions prevented Supplier 1 from substantial lost of power. The interviews with representatives of buying and selling side suggested that, despite tensions, the relationship developed towards improved mutual trust and understanding. The Case 2 has not typical trajectory from perspective of the Supplier 1, because it required special attention after this power asymmetry largely moved to the distributor. On the one hand Buyer 2 perceived positively all service support received from Supplier 2: “myself and our customers really appreciate all the support which we are receiving (…), because we are cooperating with so many customers, we find a lot of problems and requirements from them”. On the other hand this declaration was in some contradiction with the Supplier 1 representatives feelings, that Buyer 2 didn’t assessed the value delivered by the Supplier 1 as something extra, treating it rather as standard performance, which the Supplier 1 is obliged to deliver, since the Buyer 2 significantly increased quantities of purchased products.

The financial benefits which both partners acquired within this relationship were accompanied by promise keeping, cooperative initiatives and close interpersonal relations. All of these factors reinforced this relationship. Because of the achieved very strong position on country market, Buyer 2 was hypothetically able to limit access of Supplier 1 to the country market knowledge and relationships with final users, which would cause strong power asymmetry with advantage of Buyer 2, regarding referent, reward and informational power sources. Such hypothetical approach would make much easier for Buyer 2 to switch to another supplier. That is why Supplier 1 perceived very positively the openness of Buyer 2 with regard to undertaking cooperative initiatives, which led to more balanced power between partners and in consequence resulted in clearly stronger and more satisfying business relationships eventually. Our interviews suggest that the perception by both partners in Case 2 was eventually aligned with regard to preferred more stable and more balanced exchange relationship. The last but not the least, Case 2 illustrates iterative and multi-directional nature of power asymmetry shifts within business dyads. Initially the power asymmetry changed by moving advantage from Supplier 1’s side to the position of somewhat balanced power, then power asymmetry changed more on advantage of Buyer 2’s side and eventually to changed position to more somewhat balanced again.

CASE STUDY 3

Supplier 2 was established in Poland as a government-owned big size producer of electronic household appliances in the 70-ties, previous century. After the political-economic transformation into a free market economy started in Poland in 1989, this manufacturer went into a deep crises, which caused the huge shrunk of the overwhelming range of business competencies and market position. Then the company had been privatized. The cooperation with the Buyer 3 – a big international corporation with a recognizable globally brand – started quite soon after this privatization in the first half of 90-ties (see figure 5). Case 3 presents the
situation of initial total power asymmetry, meaning specifically Buyer 3 significant advantage of power over Supplier 2.

Figure 5. Multidimensional power asymmetry shifts in relationship Supplier 2 and Buyer 3 (Case study 3)

<table>
<thead>
<tr>
<th>Case study 3</th>
<th>Power sources</th>
<th>Power asymmetry position shifts from the beginning of buyer - supplier relationship (arrows)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mediated</td>
<td>coercive</td>
<td><img src="image" alt="coercive" /></td>
</tr>
<tr>
<td></td>
<td>legitimate</td>
<td><img src="image" alt="legitimate" /></td>
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<tr>
<td></td>
<td>reward</td>
<td><img src="image" alt="reward" /></td>
</tr>
<tr>
<td>Non-mediated</td>
<td>referent</td>
<td><img src="image" alt="referent" /></td>
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<tr>
<td></td>
<td>expert</td>
<td><img src="image" alt="expert" /></td>
</tr>
<tr>
<td></td>
<td>informational</td>
<td><img src="image" alt="informational" /></td>
</tr>
</tbody>
</table>

Legend: ■ beginning of the relationship, □ the period in which case study was finished, □ the period between these two

Supplier 2 behaved in relatively passive way with regard to substantial power asymmetry change in the first period of the analysed inter-firm relationship. According to one interviewee it was caused by lacked of appropriate experiences in cooperation with such Western company like Buyer 3 operating on a large international scale and large relationship benefits that they anticipated anyway.

“(…) we intentionally adjusted, by making an extraordinary effort, to high demands on this customer (Buyer 3), because we knew, we would benefit from such cooperation in the long–run, directly in terms of development of this relationship and improving our management processes but also indirectly through a more competitive position on the market and within the supply chain.” (Supplier 2, President of Supervisory Board)

In time Supplier 2 largely improved own competences through inter-organizational learning and as a consequence, the asymmetry of non-mediated power became more balanced. Buyer 3 highly appreciated or even started admiring Suppliers 2’s development, especially with regard to the expert power source. Between 2011 and 2013, Supplier 2 developed core capabilities to such advanced level that become being perceived as a supply chain benchmark by Buyer 3. The representative of Buyer 3 when visiting Supplier 2 plant concluded “in our own factory in the other country an average time of assembling the same model of household appliance is about 40% longer than here. We would like to learn from them how it is possible”. (Buyer 3, Senior Manager Finished Goods)

The improvement of Supplier 2 power position came in general through achieving excellence in operations management and product quality, as a non-intentional actions impacted on power position change. One of the representatives of Supplier 2 gave a report from attending at the event organized by Buyer 3 for their suppliers:

“During a 'Suppliers Days Event', organized by our key customer for most important suppliers, our company was distinguished publicly few times as a benchmark supplier, in terms of quality indicators”. (Supplier 2, CEO)

Referent and informational power asymmetry dynamics was related to expansion of Supplier 2 within the value chain. Supplier extended its operational capabilities beyond the core area of assembling small home electronic devices into area of plastic injection moulding and developing own department for procurement components and materials. These changes increased specifically Supplier 2’s informational power (i.e. with regard to knowledge about value chain components). Simultaneously to expanding within the value chain Supplier 2
acquired new customers. All of these actions and decisions allowed Supplier 2 to rebuild its own market identity, which was blurred too much with the identity of Buyer 3. The increase of referent and informational power on Supplier 2’s side was eventually positively perceived by the Buyer 3 as well. According to our interviews, Buyer 3 assessed this relationship as even safer, when Supplier 2 acquired reasonable share in wallets of other business customers, which appeared to be especially important in the situation, when there was sudden decrease of the quantity of orders from Buyer 3, i.e. in such situation Supplier 2 did not bankrupt and even got bigger through orders from other customers. Buyer 3 tend to use a bankruptcy hazard indicator’ in their periodical assessment of suppliers. All of that mean that not only Supplier 2 but also Buyer 3 was eventually happy with more balanced power position in terms of referent and informational power sources, however power asymmetry changes were largely initiated on the supplier side.

In turn, the reward power asymmetry changed towards somewhat equal power and it was connected with undertaking more and more common inter-firm initiatives, which resulted in financial benefits for both sides, especially savings. For example when Supplier 2, encouraged by Buyer 3, engaged in 2 years consultancy project (aimed at decreasing operation costs through lean management), the achieved savings were shared 50/50 between partners. Buyer 3 co-financed this consultancy project. At the same time, Supplier 2 appeared much more effective in negotiating new contract terms with Buyer 3, which was interpreted as increase of Supplier 2’s legitimate power (see figure 5).

Interestingly, in the history of this relationship the power asymmetry with regard to coercive power was not changed when analysing beginning of this relationship in the mid of 90-ties and the period in which the case study researched was finished (2016). In both periods it was the Buyer strong advantage in coercive type of power. In between the power asymmetry changed (see fig. 5). According to one of Buyer 3’s interviewee, the policy of international corporation was to have always advantage over the suppliers, having a potential of coercion as an extremity, „we always want to have a possibility to make a pressure on our suppliers” (Buyer 3, Senior Manager Supply Chain). Supplier 2 tried to increase their coercive power in period under investigation, when Supplier 2 become the sole Buyers 3’s supplier in one type of popular product (2011-2013). It is visible (figure 5) the arrow crossing to the somewhat equal coercive power and back to the substantial power asymmetry with Buyer 3 advantage, because very quickly Supplier 2 reacted to new situation and diversified purchasing, as this was not treated as reasonable to have “all your eggs in one basket” (Buyer 3, Commodity Manager Finished Goods). In terms of Kraljic (1983) quadrants this was interesting period of cooperation, because of having “all eggs in one basket”, which symbolized the bottleneck items position, which move the power to the Supplier 2 side. Before, the items were positioned in leverage quadrant and later on eventually in strategic quadrant, especially when the Supplier 2 increased significantly the service orientation adding value to the relationship with Buyer 3. This assessment is done based on interpretation of interviewees from both sides of dyad analysed in Case 3. When the Buyer 3 diversified purchasing to change positioning the bottleneck items as being in “one basket”, this caused the flow of items of Supplier 2 again rather to leverage than strategic items quadrant, because of significant limitation of the quantity of orders and increasing the possibility of replacing the Supplier 2 by another supplier.

The shifts in asymmetry of referent and informational power between Supplier 2 and Buyer 3 (connected with increased competencies of Supplier 2 in plastic injection moulding) were eventually not independent to coercive power symmetry. As Supplier 2 was able to improve its position within value chain and diversify its customer portfolio, the coercive power asymmetry has changed from “substantial power asymmetry” to “power asymmetry”, still with advantage of Buyer 3 (see fig. 5), which is actual in years (2016-2018). This shift was accepted by the Buyer 3 not only because it made the Supplier 2 less vulnerable towards demand management,
but it was also the consequence of the shift of general purchasing policy of Buyer 3 that time, i.e. towards more diversified supplier portfolio and building own manufacturing capacities in some supply areas.

The analysis of Case 3 suggest that it is required the longitudinal research of power asymmetry shifts in buyer-supplier relationships and its consequences. The power distribution in Case 3 (see figure 5), although still looked eventually as Buyer 3 power advantage (which correlate with positioning Supplier 2’s items in leverage quadrant rather than strategic one), was significantly different in comparison to the beginning of business relationship. More symmetrical relationships meant here keeping some particular imbalances positions but achieving more balanced position with regard to “power sources mix” in general. Through process under consideration the relationship atmosphere was largely improved, including increased trust and common understanding, which appeared as a result of so far cooperation.

**CASE STUDY 4**

At the initial stage of cooperation with Buyer 4, Supplier 3 was a Polish company newly acquired by the Western corporation through privatization process. Supplier 3’s business processes and organizational culture was still much oriented at prior conditions of centrally planned economy, i.e. weak team spirit and low level of staff motivation, ineffective operations and the lack of measures for effectiveness in use. It was very different than in Case 3, because in Case 3 Polish supplier grew just after privatization and this growth was to large extent powered by relationship with Buyer 3, which in turn was very much based on adapting to Buyer 3.

The business relationship described in Case 4 was different than in Case 3 also, because, in contrast to Buyer 3, Buyer 4 did not attempt to establish substantial advantage of mediated power in relation with Supplier 3 (see figure 6). Such advantage was only enforced at the beginning of the cooperation, before Supplier 3 managed starting new production line (OEM service) dedicated to specific expectations of Buyer 4. When this production line was established, the relationship become much more balanced. During relatively short period of time the exit barriers from this relationship increased substantially for the Buyer 4 (e.g. costs of inventory, costs of used time and so far involvement, costs and time of adjusting cooperation with new potential supplier) through so far engagement together with Supplier 3 in “calibration” of the management processes of both, especially the touch points. It all cause increased coercive power on the side of Supplier 3, who, for instance, refused fulfilment some adjustments to detailed requirements of Buyer 4 (treated as “standard requirements” by Buyer 4 at that time).

Figure 6. Multidimensional power shifts in relationship between Supplier 3 and Buyer 4 (Case study 4)

<table>
<thead>
<tr>
<th>Case study 4</th>
<th>Power asymmetry position shifts from the beginning of buyer - supplier relationship (arrows)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Substantial power asymmetry - buyer has more power</td>
</tr>
<tr>
<td>mediated</td>
<td>coercive</td>
</tr>
<tr>
<td></td>
<td>legitimate</td>
</tr>
<tr>
<td></td>
<td>reward</td>
</tr>
<tr>
<td>non-mediated</td>
<td>referent</td>
</tr>
<tr>
<td></td>
<td>expert</td>
</tr>
<tr>
<td></td>
<td>informational</td>
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Legend: [ ] beginning of the relationship, [ ] the period in which case study was finished, [ ] the period between these two
Initially, in this relationship it was also substantial power asymmetry with advantage of Buyer 4 with regard to reward power source, because Supplier 3 was counting very much on cross-selling to Buyer 4. Through relationship development Supplier 3 has also built capacity for rewarding Buyer 4 and these initial incentives that were so meaningful for Supplier 3 were not relevant anymore. Supplier 3 extended the investment in inventory of components and raw materials dedicated only for Buyer 4, to increase its manufacturing flexibility, which meant for Buyer 4 potential shortage of a lead time of bigger orders execution.

According to our interviews, Buyer 4 initial approach was not to establish the standard, formalized contract with Supplier 3 but to cooperate systematically through informal agreements and discrete orders of products, manufactured and assembled in an OEM system by Supplier 3. The Buyer 4’s some little level of advantage with regard to legitimate power was related to some conditions of delivery, which were quite strict for the Supplier 4. For example, once it happened that all ordered products were returned to Supplier 3, because one item appeared to have some little damage while Buyer’s inspection. This advantage in legitimate power on buyer side was stable in Case 4.

Cooperation based on long run discrete orders (in contrast to signing contract) resulted in building fundamental trust between partners, which was necessary for further cooperative initiatives. After more less two years of cooperation Supplier 3 become quite open towards Buyer 2, i.e. started sharing information regarding its processes, including information about costs of purchased materials and components. In turn, such open communication resulted in more collaborative activities. It was described as follows:

“We didn’t have any written contract with them, in which it would be stated that they would buy an agreed amount of products under agreed conditions. This period where our cooperation was initiated, its beginnings and the subsequent years of cooperation was conducted in such a way, with such honesty and a solid, professional manner and, above all, in an atmosphere of partnership, that everyone saw only the benefits of the cooperation. This made us willing to continue cooperating with them, with the same feelings being expressed by the customer.” (Supplier 3, Manager of Construction Office)

Similarly to Case 3, in Case 4, inter-firm learning led to improved Supplier 3’s expert and informational power, which in turn resulted in more balanced business relationship. The referent power distribution changed, however Buyer 4 retained some little power advantage in this area, because Buyer 4 had one of most recognizable brand in its product category. This advantage was somehow utilized by Supplier 3 in successful attempts to diversify customer relationship portfolio. Specifically, Supplier 3 used references previously received from Buyer 4 to attract new profitable buyers. In the same vein, some “marketing traces” of the Buyer 4, e.g. labels on packaging with Buyer 4’s logo, appeared very helpful for Supplier 3 in impressing other potential buyers.

The processes of power asymmetry changes in direction of “somewhat balanced power” in Case 4 had a different nature than in Case 3, mainly because Buyer 4 had a different approach to coercive power than Buyer 3. Specifically, Buyer 4 in contrast to the Buyer 3, was not interested in keeping the strong coercive power, as a moderator of supplier’s behaviour. Additionally, the Buyer 4 was even motivating Supplier 3 to improve its own capabilities, which brought more non-mediated power to Supplier 3 and, at the same time, it made Supplier 3 more committed to relationship with Buyer 4.

The relationship development resulted in wide range of benefits for Supplier 3, such us: improvement of management processes, improvement of the quality of the processes, improvement of the organizational culture and increase of competitiveness (for instance cheaper sources of purchasing components and raw materials). After some initial period of
difficulties in cooperation atmosphere, relationship development built also the trust between companies on interpersonal level.

The processes of power asymmetry shifts influenced by multifaceted factors resulted in moving purchases from Supplier 3 into strategic quadrant of Buyer’s 4 purchasing portfolio. Based on interviewees opinion the earlier Supplier 3’s position was rather in leverage item quadrant. The additional interview that we conducted in 2018 provided the evidence that this more symmetrical form of relationship was maintained between Supplier 3 and Buyer 4 in long-time period and was treated as beneficial by both relationship partners.

**CROSS-CASE RESULTS WITH REGARD TO POWER SHIFTS IN BUYER-SUPPLIER RELATIONSHIPS**

The analysis of four case studies allowed to explore different factors influencing power shifts in buyer-seller relationships with regards to mediated and non-mediated power sources and that is way we named it as multidimensional power shifts. Identified drivers might be grouped in three main categories: partner’s intentional actions, partner’s non-intentional actions and processes and environmental and network factors (table 3). The first category which is intentional factors means undertaking the actions by weaker (actions: I.1-5) or stronger (actions: II.1-5) party in the relationship directly influencing on the shift of particular sources of power position. These actions are quite similar for researched buyers and suppliers and what makes difference in intentional actions approach is being a substantial weaker or stronger party. That is why we proposed grouping in table 3 these actions according to power position criterion. In four case studies the weaker parties are two buyers (Buyer 1 and 2) and two suppliers (Supplier 2 and 3), and the stronger parties are two buyers (Buyer 3 and 4) and one supplier (Supplier 1).

Table 3. Drivers for power shifts in asymmetrical buyer-seller relationship

<table>
<thead>
<tr>
<th>I. Intentional actions by the weaker party</th>
<th>II. Intentional actions by the stronger party</th>
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<tbody>
<tr>
<td>1. Investing in competences required by powerful partner (non-mediated power) (Case 1, 2)</td>
<td>1. Diversifying supplier base to shift advantage of coercive power position again on buyer side “all eggs in one basket” (mediated power) (Case 3)</td>
</tr>
<tr>
<td>2. Implementing product specialization strategy (non-mediated power) (Case 3)</td>
<td>2. Using discrete orders instead of uncomfortable contract (mediated power) (Case 4)</td>
</tr>
<tr>
<td>3. Making pressure on stronger partner in the next contract negotiations (mediated power) (Case 1, 2)</td>
<td>3. Implementing strategy of “sole distributor in the one territory” (mediated and non-mediated power), (Case 1, 2)</td>
</tr>
<tr>
<td>4. Achieving a position of a sole OEM supplier of concrete product (mediated and non-mediated) (Case 3)</td>
<td>4. Acknowledging supplier with reward at “Suppliers’ Days” (non-mediated power) (Case 3)</td>
</tr>
<tr>
<td>5. Diversifying customer portfolio (mediated power) (Case 3)</td>
<td>5. Adjustment to the weaker buyer’s market development of new products increased significance of expert power on the supplier side (non-mediated power) (Case 2)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>III. Non-intentional actions and processes of the weaker partners</th>
<th>IV. Non-intentional actions and processes of the stronger partners</th>
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<tbody>
<tr>
<td>The change of relationships key features:</td>
<td>The change of relationships key features:</td>
</tr>
<tr>
<td>1. Increased of trust level between of partners (e.g. on the stronger party side specifically the trust component as believe in competences of a weaker party (mediated and non-mediated power) (Case 1-4)</td>
<td>1. Investing in weaker partner’s competencies (non-mediated power) (Case 1, 2, 3, 4)</td>
</tr>
<tr>
<td>2. Achieving the higher level of goal congruence between parties as an adjustment process of a weaker party to the stronger one (mediated and non-mediated power) (Case 1-4)</td>
<td>2. Sharing product-related knowledge with weaker partner (non-mediated power) (Case 1, 2)</td>
</tr>
<tr>
<td>3. Achievement of satisfaction of both parties within so far relationship and high probability of continuity (mediated and non-mediated power) (Case 1-4)</td>
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V. Environmental and network factors

1. Change of the situation in macroenvironment (mediated and non-mediated power) (Case 2)
2. Change of the situation on the labour market (mediated and non-mediated power) (Case 1, 2)
3. Change of the conditions of making orders from sub-suppliers (mediated power) (Case 3)
4. Uncertainty of exchange rates move (mediated power) (Case 3)
5. The situation change within the network (e.g. value chain) allowed to the weaker party to got less dependent on the powerful partner (mediated power) (Case 2, 3, 4)
6. Intensifying competitive tensions mediated power sources (Case 1, 2)

As the analysis of multidimensional power shifts in four cases showed, from the one hand the level of power asymmetry decreased when compare the beginning of these relationships with substantial power asymmetry and the period in which the case studies were finished. This explains why all intentional actions of less powerful parties were directed on improving their multidimensional power positions, as well as why some intentional actions of stronger parties (actions: II.2-4) were oriented on helping the weaker ones on making them more powerful with regards to mediated and non-mediated power. These delivers evidences that substantial power asymmetry is a detrimental phenomenon with regards to researched business relationships.

From the other hand the parties of analysed dyads, especially those more powerful ones were interested in keeping some levels of power asymmetry with regard to different power sources. So these companies conducted the intentional actions related to countervailing power, being interested in achieving again more powerful position, which increased power asymmetry (actions: II.1,5). These results support the Hingley, Angell, & Lindgreen, (2015) positive perception of the position of power asymmetry in business relationships, meaning that the power asymmetry in itself is not negative within the relationship, but it is rather more positive than clearly power symmetrical situation for achieving relationship benefits.

When exploring non-intentional actions and processes of weaker and stronger partners of the relationship, still impacting on power position shifts, we identified and named the actions and processes in which such an influence was clearly visible in interviewee words. First of all non-intentional processes, with regard to power, of changes within relationships key features such as: trust, goal congruency and satisfaction (III/IV.1-3) were the same for weaker and stronger partners. The low trust characteristic in the beginning of the relationship with substantial power asymmetry is defined through low level of competency of weaker partners. It is also connected with inconsistency in goal congruency. Further development of researched dyads was conditioned by improvement of competency at weaker party side. When it happened, influenced also on decrease of non-mediated power asymmetry, especially through improving weaker partner’s expert power. The satisfaction of both partners from so far relationship was perceived as an condition for efficient cooperation in situation of power asymmetry.

We identified non-intentional actions specifically of weaker partners (actions: III.1-5) and stronger partners (actions: IV.1-6), which impacted on power position shifts (table 3). All of that non-intentional actions effect was improving power position of weaker partners. Such an actions of more powerful parties leded indirectly to improvement in the first place non-mediated power of the weaker sides (actions: IV.1-4,6). For instance in Case 2 and Case 3 it happened that less powerful parties when increased substantially non-mediated power (through
multifaceted factors), they undertook some actions against the interest of powerful partners (it was not a goal congruency than), which motivated the stronger partners to undertake the actions related to countervailing power. Further in table 3 there are distinguished non-intentional actions of weaker sides impacted indirectly both, on improvement mediated power position (actions: III.1,2,4,5,7) and on improvement non-mediated power position (actions: III.1,2,3-6) of this weaker party.

The last but not least type of factors influencing on power position shifts are the environmental and network factors, which are related to the changes in micro and macro environment of both partners. In our research we identified six such a factors: V.1-6. Changes of the particular country legal situation in the industry type under consideration in the Case 2 (which we classified to a factor V.1), allowed less powerful buyer for improvement of his market position within the end users customers and rapidly increase sales volume, which influenced on improvement power position with regard to mediated and non-mediated power sources. The example in relation to factor V.2 is also visible in Case 2. Appeared the accessibility of qualified employees allowed to Buyer 2 match with rapid increase in sales orders and this factor impacted on improvement Buyer 2’s mediated and nonmediate power sources.

In our research we proved that in business dyads the power in terms of symmetry / asymmetry shifts into a multidimensional, purposeful to some extent, set of different levels of asymmetries of power sources, which is influenced by intentional actions, non-intentional actions and processes and by environmental and network factors as well.

**RESEARCH DISCUSSION**

This study focuses explicitly on power asymmetry dynamics (Meehan & Wright, 2012; Lacoste & Johnsen, 2015) with regard to both: mediated and non-mediated power sources (French & Raven, 1959; Nyaga, Lynch, Marshall, & Ambrose, 2013; Benton & Maloni, 2005) in buyer-supplier relationships. The research contributes to our understanding of power position shifts between business partners, without dissolving it. We conducted a longitudinal in-depth case analysis of 4 relationships between buying and selling companies. The relationship beginning in all analysed cases was characterized by substantial power asymmetry, while in two dyads suppliers were initially strongly dominant parties, and in remaining two dyads buyers were originally much more powerful. On the general level, our research illustrated that in asymmetrical business relationships power position shifts may bring some fruitful financial and non-financial results and make relationships even stronger, if partners apply long-term relationship logic and are willing to face some challenges during such process.

Although some prior research, especially within IMP school, applied network approach towards understanding of relationship power (e.g. Zolkiewski, 2001; Haung & Wilkinson 2006), this research treated relationship power as a dyadic phenomenon, which is justified in industrial marketing (e.g. Leonidou, Aykol, Lindsay, Katsikeas, & Talias, 2014; Lacoste & Johnsen, 2015) and has some advantages of zoom-in approach. We focused on multi-level, multi-source power asymmetries and their shifts and through that we believe we were able to explain better relationship power dynamics than it could be achieved by incorporating wider, but also more distant network approach. Specifically, our qualitative abductive (Dubois and Gadde 2002) research approach allowed us to explore, which kind of drivers (intentional actions, non-intentional actions and processes and environmental and network factors) influenced on power asymmetry shifts within the relationships and how it happened. Considering that these consequences were found clearly mutually positive, this study supports the idea that the substantial or total power asymmetry (Kähkönen & Lintukangas, 2011) is a burden for a business relationship (Dwyer & Walker, 1981; Easton, 2002).
Although Business to Business research early acknowledged shifts in power between business partners, (Håkansson & Gadde, 1992; Johnsen & Ford, 2001), a little has been done to explain how such shifts happen. Our research fills this gap to some extent by presenting longitudinal cases of multidimensional power shifts between partners, where achieving the set of different levels of asymmetries of power sources has the purposive character to some extent because of influence of intentional actions. Other two kinds of drivers are not purposive one with regard to power shift. The power asymmetry shift in relationships appeared to be a very complex and perspective based phenomenon. The interconnectivity between different power sources in the perceived power position change was very evident in relationships we analysed. Our research provided also an evidence that “ideal” or “full” power symmetry is rather abstract in business relationships. Despite arriving at some level of asymmetries when achieving kind of “optimal” set of multidimensional power position meant for business partners eliminating some substantial asymmetries in the combination of power sources, because such combination was perceived as risky or non-optimal for expected relationship benefits. For example, in Case 3, expert power asymmetry shifted from Buyer 3 substantial power asymmetry to Supplier 2 substantial power asymmetry as a “countervailing power” (Lacoste & Johnsen, 2015) process, but at the same time, Buyer 3 was able to keep at least little domination in coercive power through all stages of relationship development. The Buyer 3 allowed just for a small shift in coercive power distribution, because such shift was in a good fit with their own changes in purchasing and manufacturing policies. Therefore, our research argues that even if power position shifts may be driven by one side in business relationship (authors name withheld to ensure anonymity during the review process; Pérez & Cambra-Fierro, 2015), it is based on interaction between both partners, which is in line with IMP school of business relationships (Håkansson & Ford 2002). Quite clearly power asymmetry in business relationships is a dynamic phenomenon (Lacoste & Johnsen, 2015), but neither party have a full control or monopoly over this asymmetry (Ford, Gadde, Håkansson, & Snehota, 2003; Waluszewski, 2004). Our research also illustrates that power shifts between business partners is also influenced by the nature of business relationship itself (i.e. relationship development cycle and its multi-stages) as well as the general business environment (e.g. competitive situation in the market of the buying company or general business climate). These impacts on business relationships reflect wider network structures, which remain complementary explanation to power-related processes we analysed.

Our research calls for a more nuanced approach towards power in buyer-seller relationships. On the one hand, our study supports the idea that power and some “weaker-stronger actors” are unavoidable in business relationships, (Cuevas, Julkunen, & Gabrielson, 2015; Blois, 2008), even if business actors make some conscious efforts to decrease substantial asymmetries. On the other hand, our study brings evidence that too much dominance is unhealthy for a business relationship (Rokkan & Haugland, 2002; Blomqvist, Hurmelina, & Seppanen, 2005); it is potentially harmful from long-term perspective and with regard to relationship benefits.

In each business relationship that we studied multidimensional power asymmetry shifts resulted in somewhat unique and complex set of power sources asymmetries, e.g. advantage in some types of power combined with disadvantage in other aspects. Generally, these unique power-related combinations cannot be treated as final ends, but rather as important steps in further relationship evolution. Consequently, so-called power asymmetry shift should be treated as a long-lasting management process aimed at getting closer to a “relationship golden mean” within the constraints of wider relational structures that surrounds business dyad. In a similar spirit the study of Cox, Watson, Lonsdale, & Sanderson (2004), showed that in achieving “ideal” performance outcomes in business relationship attention should be paid to finding appropriate level of interdependence between buyer and seller. Our study extends this...
suggestion, because Cox, Watson, Lonsdale, & Sanderson (2004) didn’t focused explicitly on power asymmetry change processes with regard to various power sources. Importantly, our study also illustrates that power asymmetry change may be sometimes extremely lengthy process and power asymmetry rather does not change with the same pace with regard to its all micro-elements. For example, Case 3 shows that buyer-seller relationships may be clearly asymmetrical with regard to coercive power for two decades and such dominance may be later broken eventually, but only after shifts in other power sources (i.e. expert, informational).

The research approach we applied allowed us to identify not only multidimensional character of power asymmetry shift but also its multi-directional nature, which means that shifting power towards one side of a dyad may be continued by further power shifts towards another side of a dyad. Such process was visible especially in Case 2, where power initially moved from Supplier 1’s dominance to somewhat balanced power, then power changed more to Buyer 2’s dominance and eventually to be more somewhat balanced again. Our study suggests that these cyclical shifts are driven by partners orientation at finding “appropriate” set of multidimensional power positions in relationship and rejecting such relationship forms, which are treated as too risky. On the other hand, the additional interviews we conducted several years after the main interviews (Case 4) provided the evidence that once such “appropriate” power position is found it stays in relationship for longer period.

Last but not least, our research corresponds with recent literature calls for controlling the risk of too strong relationship embeddedness and too deep inter-dependence (Szczepański & Światowic-Szczepańska, 2012) that may be an anti-innovation or even an anti-efficiency burden for the focal organization (Hagedoorn & Frankort, 2008; Villena, Revilla, & Choi, 2011; Chowdhury, Gruber, & Zolkiewski, 2016). Specifically, our research suggests that even in relationships with key customers, where the customer is usually perceived as ‘the king’, such risk management is well justified and simply possible, because too strong dependence on a given customer puts the focal supplier at serious risk and power asymmetry shifts does not need to come at the cost of losing “big fish” business counterpart. The portfolio approach which was suggested for a long time for controlling transactional vulnerability (Kraljic, 1983; Caniëls & Gelderman, 2007) may be a relevant tool not only for purchasing managers with regard to supply side, but also, after necessary adaptations, for key account managers with regard to their strategic customers.

MANAGERIAL IMPLICATIONS

This research motivates business practitioners involved in long-term relationships, firstly to careful analysis and understanding their own and the partner power positions with regard to mediated and non-mediated power source, and, secondly, to facilitate power position change in direction of the set of multidimensional power asymmetry, which is purposive to some extent. Our results showed that such a set is individual for each of researched four case studies, suggesting that dealing with it is a managerial task in business relationship development. So the one is to decrease the substantial power asymmetries to make the partners of the relationship better adjusted each other and the second is to keep some levels of power asymmetry with regard to different power sources. Managers should analyse which levels of power sources asymmetries positions are the best for the relationship and how all kinds of factors influence the power position shifts. This is a complex task, because it means most often maneuvering between asymmetries within different power sources. Nevertheless, this process is practical in nature, because it helps in maximizing the relationship benefits and mitigating risks connected with deep cooperation.

Our research reveals the need for implementing interactive approach towards power position shift. In general, the party being initially dominated should try to improve non-mediated power, which usually means developing competencies and delivering more
relationship value to powerful partner. On the other hand the dominating party should support the weaker partner in that power shift, because it finally leverages economic- and non-economic relationship benefits. Power shifts with regard to mediated power sources are also possible, but should be facilitated very carefully, because they seem to be most acceptable, when they appear as somewhat “natural” consequence in evolution of non-mediated power. For example, the focal company may gain some “reward power” after building an image of an expert, because such power emerges, when business partner needs some further adjustments and cooperative actions. Additionally, our study suggests that focal company should always try to build and keep good relationship atmosphere in business relationships, especially some close ties on interpersonal level. Our study illustrates that such atmosphere helps a lot in decreasing substantial power symmetry. Specifically, it prevents the dominating side from using coercive power, which could easily hamper relationship development and result in relationship dissolution.

RESEARCH IMPLICATIONS AND LIMITATIONS

There are several limitations of this study. Based on our longitudinal case studies, as a qualitative research strategy, we were able to interpret our research results in the context of the situation observed in selected industries and types of asymmetrical business relationships that we got access to. However, the interpretative character of our study combined with the complex character of power asymmetry may be treated as important limitation here. Despite me made various efforts to design our research carefully, including defining main constructs and drawing general research model, the perceptual character of power asymmetry means that some other scholars with different pre-understanding could interpret our findings in slightly different way. Being aware of these limitations, we tried to control for data analysis reliability (Krippendorff, 2004).

Our research findings are restricted to the small number of business relationship types we researched, and therefore cannot be uncritically generalised. Further research can extend the power position shifts studies in the context of other industries and other type of relationships (e.g. fading relationships). There is also the potential to conduct a quantitative study in the same research area. Such a study would demand the development of a measurement model for the extent to which various power shifts actions and processes were implemented within the given sample of suppliers and buyers. Some issues connected with power shift and especially relationship benefits can be potentially measured using a dyadic approach, i.e. measured partially in a survey among suppliers and partially in a survey among buying companies.

Apart from the methodological approach, our research is also limited in terms of its scope. In this research we have focused on dyadic buyer-supplier relationships, and we explored the power asymmetry change processes for these relationships. Therefore, our research ignored to a large extent the power-related mechanisms that go beyond the buyer-supplier dyad. Issues concerning a wider surrounding network were spontaneously mentioned by our informants (e.g. supporting final users in selling and installing products manufactured by Supplier 1 and distributed by Buyers 1 and 2 for individual customers, or using references from an existing dyad to acquire new partners), but we did not concentrate on these issues while interviewing. However, issues connected with power between relationship partners can be analysed from a network perspective (Zolkiewski, 2011; Olsen, Prenkert, Hoholm, & Harrison, 2014), so future research may try to incorporate this perspective to understand how suppliers deal with power asymmetry in the network that surrounds them.

REFERENCES


