

e - companion

ONLY AVAILABLE IN ELECTRONIC FORM

Electronic Companion—“Testing a Life-Cycle Theory of Cooperative Interorganizational Relationships: Movement Across Stages and Performance” by Sandy D. Jap and Erin Anderson, *Management Science* 2007, 53(2) 260–275.

Online Appendix. Measures**Relationship Phase (based on Jap (2001) and Jap and Ganesan (2000))**

Relationships typically evolve through a number of phases over time. Which of the following best describes your firm's *current* relationship with X? (Check only one)

1. Exploration—Both firms are discovering and testing the goal compatibility, integrity, and performance of the other as well as potential obligations, benefits, and burdens involved with working together on a long-term basis.

2. Buildup—Both firms are receiving increasing benefits from the relationship and a level of trust and satisfaction has been developed such that they are more willing to become committed to the relationship on a long-term basis.

3. Maturity—Both firms have an on-going, long-term relationship in which both are receiving acceptable levels of satisfaction and benefits from the relationship.

4. Decline—One or both members have begun to experience dissatisfaction and is contemplating relationship termination, considering alternative manufacturers or customers, and is beginning to communicate an intent to end the relationship.

5. Deterioration—The firms have begun to negotiate terms for ending the relationship and/or are currently in the process of dissolving the relationship.

All of the following scales are measured using 7-point scales in which 1 = strongly disagree and 7 = strongly agree. (R) indicates items that are reverse coded.

Goal Congruence (Adapted from Jap (1999))

We share the same goals in the relationship as this supplier.

Both firms have compatible goals.

We support each other's sales and profits objectives.

Our goals differ from this supplier's goals considerably. (R)

Relationship Harmony (Adapted from Kumar et al. (1992))

The relationship between this supplier and us can best be described as tense. (R)

We have significant disagreements in our working relationship with this supplier. (R)

We frequently clash with this supplier on issues relating to how we should conduct our business. (R)

Information Exchange Norms (Adapted from Heide and John (1992) and Dwyer and Oh (1987))

In this relationship, it is expected that any information that might help the other party will be provided to them.

Information is informally exchanged in this relationship.

It is expected that we keep each other informed about events or changes that may affect the other party.

Exchange of information in this relationship takes place frequently.

Note. Overall dependence is the sum of reseller's dependence on the supplier and the supplier's dependence on the reseller.

Reseller's Dependence on the Supplier (Adapted from Jap and Ganesan (2000))

If our relationship were discontinued with this supplier, we would have difficulty making up the sales volume in our trading area.

It would be difficult for us to replace this supplier.

We are quite dependent on this supplier.

We do not have a good alternative to this supplier in our trading area.

Supplier's Dependence on the Reseller (Adapted from Jap and Ganesan (2000))

If we discontinued our relationship with this supplier, they would have difficulty making up the sales volume in our trading area.

It would be difficult for this supplier to replace us.

This supplier is quite dependent on us.

This supplier does not have a good alternative to us in our trading area.

Bilateral Idiosyncratic Investments (Adapted from Anderson and Weitz (1992))

We have made a substantial investment in personnel dedicated to this supplier's product line.

We have invested a great deal in building up this supplier's business.

If this relationship were to end, we would be wasting a lot of knowledge regarding this supplier's products and procedures.

If either company were to switch to a competitive buyer or supplier, they would lose a lot of investments made in the present relationship.

This supplier has invested a great deal in this relationship.

Idiosyncratic Time Investments (Adapted from Cannon (1992))

Just for this supplier, we have invested time in

developing new information systems,

learning their products,

learning their procedures, and

training our employees.

Idiosyncratic Adaptation Investments (Adapted from Cannon (1992))

Your firm may have made investments in time, energy, and/or money specifically to accommodate this supplier and its products. These investments would be lost if your firm switched to another supplier. Please indicate the extent to which your firm has made investments or changes specifically to accommodate this supplier. (1 = none, 7 = a great deal)

Just for this supplier, we have changed our

product requirements,

sales personnel,

inventory and distribution procedures,

merchandising policies,

retailing strategy,

information systems, and

capital equipment and tools.

Reseller Trust in the Manufacturer (Adapted from Jap (1999))

Even when this supplier gives us a rather unlikely explanation, we are confident that they are telling the truth.

This supplier usually keeps the promises they make to our firm.

Whenever this supplier gives us advice on our business operations, we know they are sharing their best judgment.

We believe that this supplier is honest in their dealings with us.

When making important decisions, this supplier is concerned about our welfare.

We trust this supplier to deal fairly with us.

Willingness to Take Risks

We are willing to take risks on behalf of this supplier.

We are willing to take chances on this supplier's behalf.

We are willing to go out on a limb for this supplier.

Table EC.1 Construct Means, Standard Deviations, and Correlation Matrix for Phase Analysis ($n = 1,540$)

Construct	Mean	SD	Min	Max	α	1	2	3	4	5	6	7	8	9	10	11
1 Goal congruence	4.36	1.34	1	7	0.84	1										
2 Relationship harmony	4.76	1.54	1	7	0.83	0.69	1									
3 Information exchange norms	4.84	1.03	1	7	0.73	0.55	0.48	1								
4 Overall dependence	7.23	1.96	2	12.8	0.84, 0.69	0.24	0.15	0.25	1							
5 Bilateral idiosyncratic investments	4.41	1.11	1	7	0.78	0.47	0.35	0.58	0.43	1						
6 Idiosyncratic time investments	4.27	1.32	1	7	0.90	0.23	0.11	0.29	0.25	0.52	1					
7 Idiosyncratic adaptation investments	3.64	1.39	1	7	0.86	0.20	0.09	0.24	0.30	0.49	0.69	1				
8 Reseller's trust in the manufacturer	4.37	1.24	1	7	0.90	0.73	0.72	0.55	0.26	0.43	0.16	0.12	1			
9 Willingness to take risks	3.82	1.43	1	7	0.88	0.47	0.36	0.47	0.30	0.58	0.34	0.34	0.44	1		
10 Outcomes given comparison level of alternatives	4.08	1.34	1	7	0.87	-0.57	-0.53	-0.44	-0.27	-0.41	-0.22	-0.20	-0.58	-0.39	1	
11 Number of seriously considered alternatives	2.15	1.76	0	20	—	-0.18	-0.21	-0.16	-0.14	-0.14	-0.04	-0.04	-0.22	-0.12	0.22	1

Notes. All correlations greater than 0.04 are significant at $\alpha = 0.001$. α refers to Cronbach alpha reliabilities. In the case of overall dependence, the α of the reseller's dependence on the supplier is 0.84 and the α of the supplier's dependence on the reseller is 0.69.

Outcomes Given Comparison Level of Alternatives

How attractive is this supplier compared to your next best *alternative* supplier in terms of (1 = much less attractive, 7 = much more attractive)

- Generating sales.
- Generating profits.
- Providing support and selling services.

Number of Seriously Considered Alternatives

Of the alternative suppliers who could provide you with the products and services that this supplier provides, how many do you *seriously consider* when making a purchase order?

Reseller Trust in the Representative (Adapted from Jap (2001))

This representative
 has been frank in dealing with us,
 makes reliable promises,
 does not make false claims,
 is honest about problems that may arise,
 has made sacrifices for us in the past,
 cares for us,
 has gone out on a limb for us in times of shortages,
 is like a friend, and
 has been on our side.

Reseller's Overall Evaluation of Supplier Performance (Adapted from Kumar et al. (1992))

Our association with this supplier has been a successful one.
 This supplier's performance leaves a lot to be desired from an overall standpoint. (R)
 Taking all the different factors into account, this supplier's performance has been excellent.

Table EC.2 Construct Means, Standard Deviations, and Correlation Matrix for Movement Analysis ($n = 1,356$)

Construct	Mean	SD	Min	Max	α	1	2
1 Reseller trust in the salesrep	5.14	1.26	1	7	0.95	1	
2 Overall performance evaluation	4.36	1.47	1	7	0.90	0.62	1

Notes. The correlation between the two constructs is significant at $\alpha = 0.001$. α refers to Cronbach alpha reliabilities.

References

See references list in the main paper.

Cannon, J. P. 1992. A taxonomy of buyer-seller relationships in business markets. Doctoral dissertation, University of North Carolina at Chapel Hill, Chapel Hill, NC.

Dwyer, F. R., S. Oh. 1987. Output sector munificence effects on the internal political economy of marketing channels. *J. Marketing Res.* 24(November) 347–358.

Heide, J. B., G. John. 1992. Do norms matter in marketing relationships? *J. Marketing* 56(April) 32–44.

Jap, S. D. 1999. Pie-expansion' efforts: Collaboration processes in buyer-supplier relationships. *J. Marketing Res.* 36(4) 461–475.