

# Reciprocal value sharing in manufacturer-retailer relationships: the case of new product introductions

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**Abstract** Prior literature examined reciprocity in the context of value creation. However, research has yet to examine whether reciprocity exists in value sharing. To address this gap, the authors examine retailer's reciprocal value sharing with its manufacturer in relation to new product introductions. The authors test, via a survey of retail managers, whether reciprocal value sharing is influenced by an interaction of manufacturer's prior new product success with innovativeness of a manufacturer's products and the frequency of new product introduction. The results indicate that a retailer's reciprocal value sharing is greater when the manufacturer historically launched successful new products, and that this effect is decreased with the innovativeness of a manufacturer's products but increased with the frequency of new product introduction.

**Keywords** New product launch · Value sharing · Reciprocity · Manufacturer · Retailer

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## 1 Introduction

New products create value for both manufacturers and retailers by increasing sales and margins (Lilien et al. 2010; Vinhas et al. 2010). However, most of the costs and risks related to new products are borne by manufacturers (Desiraju 2001; Ailawadi et al. 2010). As retailers need to offer customers a wide selection of attractive products, they encourage manufacturers to invest in creating successful new products. For example, the CEO of Coles noted that his retail chain shuns brands that do not invest in innovative, value-added new products (Hefferman 2012). However, as long-term relationships are built upon reciprocity, a social norm where one party should give benefits in return for receiving benefits (Gouldner 1960; Hoppner and Griffith 2011; Kaufman and Dant 1992), it is important to understand how a retailer reciprocates a manufacturer's investments for the creation and introduction of successful new products.

The literature denotes that without cooperative reciprocal actions, exchange partners will not remain in a relationship (Axelrod 1984). One could argue that if a retailer does not engage in reciprocal actions, a manufacturer may select alternative retailers through which to introduce its new products. While scholars have studied how reciprocity influences joint value creation (enhancement of gains or joint economic rents) (e.g., Hoppner and Griffith 2011), research has yet to examine reciprocity in relation to value sharing. Value sharing refers to how profits or margins (the total customer benefits generated by the new product minus the costs [price] incurred to obtain and carry the product [Fang, Palmatier and Evans 2008]) are allocated between exchange partners (Ghosh and John 1999). Lack of attention to reciprocity in value sharing presents an important limitation as value sharing is characterized by self-interested behaviors (Brandenburger and Nalebuff 1997; Jap 2001).

To address this gap, we examine a retailer's reciprocal value sharing, defined as the extent to which the retailer allows the manufacturer to capture a greater share of profits on current new product launches, in response to the manufacturer's investments made in relation to prior new product introductions. We advance the literature by demonstrating that retailers are willing to share a greater portion of the value with manufacturers who have launched successful new products in the past. We also extend the literature by identifying conditions that stimulate or inhibit reciprocal value sharing, by examining the moderating influence of a manufacturer's frequency of new product introductions and new product innovativeness.

## 2 Background and hypotheses

### 2.1 Reciprocity and reciprocal value sharing

The norm of reciprocity dictates that to maintain ongoing relationships, partners must value the inputs of the other to the relationship, and reciprocate via compensatory inputs (Axelrod 2006; Gouldner 1960). Theoretically, inputs to the relationship can be anything of value to one's partner and can be concretely alike, as to what was received, or not (Gouldner 1960). For instance, Hoppner and Griffith (2011) demonstrate how a buyer reciprocated its supplier's relational behaviors, i.e., sharing information and

being flexible, with reciprocal relational behaviors, resulting in enhanced financial performance of the relationship and thus creation of joint value. However, while the creation of value is important, equally important is value sharing.

In this work, we examine reciprocal value sharing between a manufacturer and retailer within the context of new product introductions. We contend that a valuable input of the manufacturer into the relationship is its investment into the creation and introduction of successful new products, which increase the sales and profits for the retailer through which the product is offered. The manufacturer, who commits significant resources to ensure the success of new products, thus shares the value it creates with its retailer.

We argue that a retailer can reciprocate the value sharing of the manufacturer by increasing the manufacturer's portion of the value on new product introductions (i.e., reciprocal value sharing). For example, a retailer influences the way value is shared through items such as price, margins, slotting allowances, promotional support, discounts, display fees, and support activities, etc. (Bloom, Gundlach and Cannon 2000; Dean, Griffith, Calantone 2016). For instance, a retailer that has financially benefited from a manufacturer's prior new product successes can decrease its slotting allowances for the manufacturer's new product, reducing the manufacturer's costs and increasing its share of value captured on the new product. In this work, we adopt a broad conceptualization and measurement of value sharing as the division of profits or margins on new products between manufacturers and retailers.

Building on this conceptualization, we theorize that reciprocal value sharing is driven by the manufacturer's prior new product success (defined as the average commercial performance of a manufacturer's new products launched in the past [Gatignon and Xuereb 1997]). Further, as new product introductions occur within the context of the relationship, we incorporate innovativeness of a manufacturer's products (defined as the extent to which manufacturer's new products have been novel and their introduction changed marketing thinking and practice [Fang 2008]) and frequency of new product introductions (defined as the number of new products introduced by the manufacturer through a specific retailer), as moderators of this relationship.

## 2.2 Hypotheses

We theorize that prior new product success will positively influence a retailer's reciprocal value sharing. The logic underlying this is that as many new products fail, it becomes increasingly important that a retailer develops and maintains ongoing exchange relationships with manufacturers that are able to offer a continuing stream of successful new products that increase a retailer's sales and profits, necessitating reciprocal actions on the part of the retailer. As such, we contend that the retailer will engage in reciprocal value sharing in order to encourage the manufacturer to continue to launch new products through the retailer. Therefore,

H1: Prior new product success will positively influence a retailer's reciprocal value sharing.

We theorize that this relationship will be conditional on innovativeness of a manufacturer's products and frequency of new product introductions. We contend that when a manufacturer's products are highly innovative, the positive impact of prior new product success on a retailer's reciprocal value sharing will dampen. Highly innovative

new products are distinctive (Atuahene-Gima 2005) and typically abrupt departures from prior designs and/or technical capabilities. As such, retailers cannot draw on prior product introductions when evaluating the risks associated with more innovative new product launches. The uncertainty regarding the success of more innovative products limits a retailer's reciprocal value sharing, since reciprocal value sharing is dependent on the retailer's expectations of future returns (Heide and Miner 1992). Formally,

H2: When the innovativeness of a manufacturer's products is higher, the positive influence of prior new product success on a retailer's reciprocal value sharing is weaker than when the innovativeness of a manufacturer's products is lower.

Further, we contend that a higher frequency of new product introductions magnifies the influence of prior new product success on a retailer's reciprocal value sharing. As a manufacturer's prior product success increases, the probability of the manufacturer introducing a successful new product increases. Building on this, we theorize that when such a manufacturer has a higher frequency of new product introductions, the retailer's potential sales and customer value are enhanced (via a broader selection of successful products). Further, higher frequency allows the retailer to better assess the risks associated with the manufacturer's new products, as there are more examples to draw on for risk awareness. For instance, an introduction of a single successful new product will have less impact on retailer's reciprocal value sharing than repeated successful new product introductions. Alternatively, if a manufacturer's prior new product success is low, frequently launching new products increases a retailer's costs (e.g., stocking less successful products, resulting in higher discounting). We argue that the retailer will shift the increased costs back to the manufacturer, via decreased value sharing on current launches. This is consistent with the concept of negative reciprocity, wherein exchange partners reciprocate negative actions with negative actions (Bagozzi 1975; Rokkan et al. 2003). Formally,

H3: When a manufacturer's frequency of new product introductions is higher, the positive influence of prior new product success on a retailer's reciprocal value sharing on new product launches is greater than when the frequency of new product introductions is lower.

### 3 Methodology

We tested the hypotheses using a survey of retail managers in the food and health-and-beauty product categories. These categories were selected because of a large number of new products introduced each year. Additionally, these categories offer a large array of products that differ in terms of the magnitude of profit margins that manufacturers and retailers obtain. The diversity associated with this sample helps minimize any product-specific effects.

#### 3.1 Procedure and measurement

We administered an online survey. A random sample of 974 qualified respondents was selected from a market research company's panel of retail managers. Informants were compensated via a reward point system, where the panelists have the option to redeem points for various products. In total, 201 completed and usable questionnaires were

received for a response rate of 20.6%. This response rate is reasonable and within the range of acceptability based on prior literature (e.g., Slater, Olson and Finnegan 2011; White, Conant and Echambadi 2003). To assess non-response bias, we compared early and late respondents with regard to key demographic variables and study constructs. No differences were found.

Participants were screened based on their job titles (e.g., buyer, store manager), product categories (e.g., food, health-and-beauty), and involvement in decision making regarding new products. Participants meeting the screening criteria proceeded to the survey. Respondents were asked to identify a single manufacturer who supplied them with branded products and with whom they have been doing business for at least 3 years. The final sample represents a balance between the food (54.2%) and health-and-beauty (45.8%) product categories. The median retail sales of respondent firms is \$10 million, and the median number of employees is 300. The manufacturers selected by the participants were engaged with the retailer for an average of 15 years, and on average, 39% of the selected category business went to these manufacturers. Respondents had on average 15 years of industry experience and are a retail buyer (17.4%), category manager (29.9%), or store manager (52.7%).

We operationalized the key study constructs using multi-item reflective scales (see Appendix Table 3). Table 1 reports the descriptive statistics and correlations.

**Prior new product success** Building on Kabadayi et al. (2007), we operationalized prior new product success using a seven-item, five-point, scale ranging from “far below the industry average” to “far above the industry average,” capturing contribution of manufacturer’s new products to retail sales and profits.

**Innovativeness and frequency** We measured innovativeness of a manufacturer’s new products with a five-item, seven-point semantic differential scale adapted from Fang (2008). This measure captured the extent to which a manufacturer’s new products differed, on average, from new products launched by other manufacturers over the past

**Table 1** Descriptive statistics and correlations

Construct	Mean	SD	AVE	1	2	3	4	5	6	7	8
1. Prior new product success	3.44	0.69	0.70	0.94							
2. Innovativeness of manufacturer’s products	4.90	1.03	0.63	0.45	0.89						
3. Frequency of new product introduction	3.36	0.78	0.75	0.60	0.36	0.92					
4. Retailer’s reciprocal value sharing	3.39	0.74	0.62	0.25	0.21	0.15	0.76				
5. Advertising	3.37	0.84	0.67	0.32	0.37	0.22	0.26	0.76			
6. Degree of selectivity	3.05	1.04	0.72	0.28	0.27	0.27	0.36	0.12	0.83		
7. Relationship length (log)	0.98	0.39	N.A.	0.10	0.03	0.08	−0.07	0.16	−0.12	N.A.	
8. Power asymmetry	−0.12	0.73	N.A.	0.03	0.01	−0.04	−0.10	0.13	−0.05	0.05	N.A.

Cronbach’s alphas are reported on the diagonal

AVE average variance extracted, N.A. not applicable

3 years. We used a four-item, five-point scale, ranging from “far below the industry average” to “far above the industry average,” to capture frequency of new product introductions as the number of new products introduced over the past 3 years by the manufacturer through the retailer.

**Retailer’s reciprocal value sharing** To ensure we captured acts of reciprocity, following Hoppner and Griffith (2011), we measured retailer’s reciprocal value sharing by asking respondents to indicate how they “responded” to the manufacturer’s new product introductions over the past 3 years, using a two-item, five-point Likert scale. We provided a description of “share of value” to the respondents, defining the construct as a portion of the profits or margins claimed by the manufacturer.

**Control variables** We included four control variables (i.e., advertising, degree of selectivity, relationship length, and power asymmetry) in the model to address differences in a retailer’s value sharing that may have occurred due to product support or relationship-specific factors. Advertising captures the amount of dollars that a manufacturer spent on advertising for its new products. A manufacturer’s willingness to pay for advertising can influence reciprocal value sharing since manufacturer’s costs increase while retailer’s costs decrease. Degree of selectivity refers to the extent to which a manufacturer refrained in the past from launching new products through competing retailers (Fein and Anderson 1997). Offer of an exclusive territory can stimulate reciprocal value sharing since competing retailers cannot carry the manufacturer’s new products. Advertising and degree of selectivity were measured using two-item, five-point Likert scales. Relationship length captures the number of years that the retailer and manufacturer worked together and is included as reciprocal behaviors develop over time. To minimize skewness, the logarithm of the number of years was used to measure relationship length. Following Kumar et al. (1995), power asymmetry is the difference between the manufacturer’s dependence on the retailer and the retailer’s dependence on the manufacturer, where both dependencies were measured using five-point, Likert scales. Power asymmetry can influence reciprocal value sharing as a retailer that is easily replaceable may be more willing to reciprocate.

**Measurement model** We evaluated the psychometric properties of the constructs via confirmatory factor analysis (CFA). The Appendix presents the item loadings and Table 1 the composite reliabilities. The chi-square goodness-of-fit index for the model is 341.22 with 195 degrees of freedom. All measurement fit indices meet the critical values for a model of good fit (Hu and Bentler 1999): comparative fit index (CFI) of 0.95, root mean square error of approximation (RMSEA) of 0.06, and standardized root mean square residual (SRMR) of 0.04. All factor loadings are large (range 0.64 to 0.96) and significant ( $t$ -value  $> 2.00$ ), supporting convergent validity. The average variance extracted (AVE) for each construct exceeds the square of correlations between constructs, confirming discriminant validity (Fornell and Larcker 1981). Cronbach’s alphas indicate acceptable levels of construct reliability.

We first tested for common method variance using Harman’s one-factor test (Podsakoff et al. 2003). The results of the rotated component matrix reveal five factors with eigenvalues larger than 1, where the first factor explained only 23.6%

of the total variance. No general factor was apparent. We also entered all the items of latent variables into a single factor using CFA. The fit statistics for this model were poor (chi-square goodness-of-fit index of 1455.49, with 209 degrees of freedom; CFI of 0.58; RMSEA of 0.17; and SRMR of 0.13). Second, we used a marker variable test. We used the number of years that the respondents worked in the industry as the marker variable. We partialled out this coefficient from bivariate correlations and compared the results with the results obtained from the unadjusted correlations between study predictors and outcomes. The unadjusted correlations maintain their size and pattern of significance. Together, the results indicate that common method bias is not an issue within the data.

### 3.2 Results

We tested the hypotheses using a moderated regression model. In model 1, we estimated a retailer’s reciprocal value sharing as a function of a manufacturer’s prior new product success, innovativeness, frequency, and the control variables. In model 2, we added the interaction between prior new product success and (a) innovativeness and (b) frequency. To mitigate the potential threat to multicollinearity among the interaction terms and the other variables, we standardized all variables. The collinearity statistics reveal no multicollinearity issues (the smallest tolerance value is 0.54, and the largest VIF is 1.85). Table 2 shows estimated coefficients and associated t-statistics.

The results without interaction effects indicate that the main effect of prior new product success is significant ( $\beta = 0.14, p < .10$ ), supporting H1. The results also indicate a significant and positive effect of advertising ( $\beta = 0.21, p < .01$ ) and degree of selectivity ( $\beta = 0.29, p < .01$ ) on reciprocal value sharing, and a

**Table 2** Antecedents of retailer’s reciprocal value sharing

Independent variables	Model 1		Model 2	
	Standardized coefficients	t-values	Standardized coefficients	t-values
Prior new product success	0.14	1.62*	0.17	1.99**
Innovativeness of manufacturer’s products	0.01	0.18	−0.03	−0.33
Frequency of new product introduction	−0.07	−0.81	−0.06	−0.77
Prior new product success × innovativeness of manufacturer’s products	−	−	−0.15	−2.1**
Prior new product success × frequency of new product introduction	−	−	0.12	1.8**
Advertising	0.21	2.94***	0.21	2.99***
Degree of selectivity	0.29	4.21***	0.29	4.23***
Relationship length	−0.07	−1.11	−0.08	−1.13
Power asymmetry	−0.11	−1.69**	−0.12	−1.9**

Dependent variable is retailer’s reciprocal value sharing. Adjusted  $R^2$  for full model = 0.19

\* $p < .10$ ; \*\* $p < .05$ ; \*\*\* $p < .01$



significant negative effect of power asymmetry ( $\beta = -0.11, p < .05$ ). The results of the full model reveal that the interaction between prior new product success and innovativeness is negative and significant ( $\beta = -0.15, p < .05$ ), in support of H2. The interaction between prior new product success and frequency is positive and significant ( $\beta = 0.12, p < .05$ ), in support of H3. Although not explicitly hypothesized, we found that degree of selectivity (a control variable) is a highly significant influencer of a retailer's value sharing on new product launches.

To understand the moderation effects, we employed Schoonhoven's (1981) procedure (using unstandardized coefficients). Figure 1a shows the moderating effect of the innovativeness of a manufacturer's products. The vertical axis represents the effect of prior new product success on reciprocal value sharing, horizontal axis indicates the level of innovativeness, and the plotted line represents the change in reciprocal value sharing, given a change in prior new product success over the range of innovativeness. The effect of prior new product success on reciprocal value sharing is positive when innovativeness of a manufacturer's products is low or even moderate, whereas at high values of innovativeness, this relationship becomes negative. Figure 1b shows that the effect of prior new product success on reciprocal value sharing is positive over the range of frequency of new product introductions. Only at very low levels of frequency, prior new product success has no influence on a retailer's value sharing, as the inflection point (where the slope changes signs) falls at the low endpoint of the frequency scale.

As our data encompasses both the health-and-beauty and food categories, we also ran two models, one for each category. The results are subject to the limitations of regression models with small sample size, and therefore should be interpreted with caution. The results indicate differences across product categories models. The model based upon the health-and-beauty category data is generally consistent with the model results presented in Table 2 (with the exceptions that the interaction between prior new product success and the innovativeness of a manufacturer's product, and power asymmetry are not significant). This model also provides greater explanatory power (adjusted  $R^2 = .27$  from an adjusted  $R^2 = .19$ ). The findings are in contrast to the model based upon the food category data, where only the control variables of advertising, degree of selectivity, and power asymmetry were significant (adjusted  $R^2 = .12$ ).

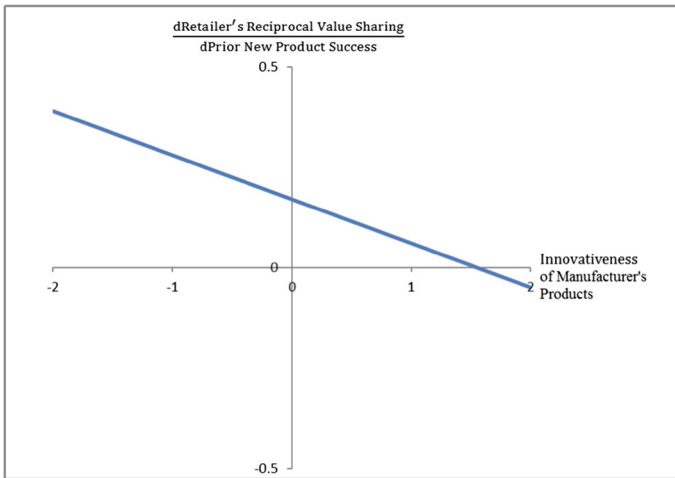
## 4 Discussion

Our findings make several important contributions to the literature. First, we extend the literature on reciprocity. While prior research applied reciprocity to value creation (e.g., Hoppner and Griffith 2011), its role in value division in the manufacturer-retailer context has not been examined. The distinction between value sharing and value creation is critical, as value creation is inherently cooperative and necessitates supportive actions (Lusch and Brown 1996), while value sharing is inherently competitive, characterized by self-interested behavior (Jap 2001). Our findings demonstrate that a retailer's desire to develop and maintain on-going relationships with manufacturers who are able to offer a continuing



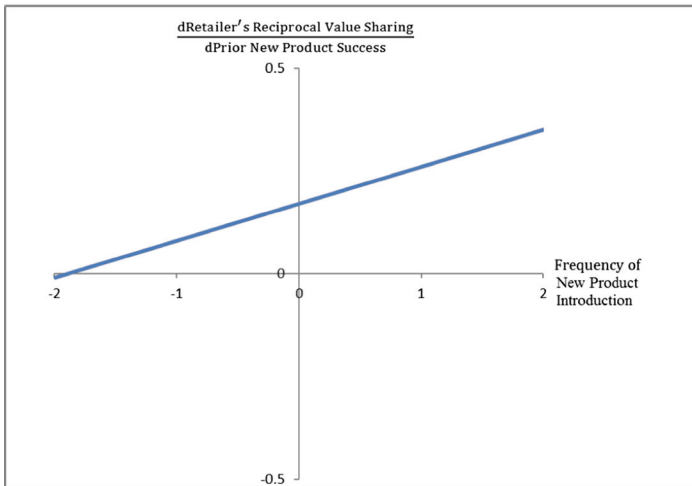
**A The effect of the innovativeness of manufacturer’s products**

$$\frac{d\text{Retailer's Reciprocal Value Sharing}}{d\text{Prior New Product Success}} = .17 - .11(\text{Innovativeness of Manufacturer's Products})$$



**B The effect of the frequency of new product introduction**

$$\frac{d\text{Retailer's Reciprocal Value Sharing}}{d\text{Prior New Product Success}} = .17 + .09(\text{Frequency of New Product Introduction})$$



**Fig. 1** Graphical interpretation of the moderation effects. **a** The effect of the innovativeness of manufacturer’s products. **b** The effect of the frequency of new product introduction

stream of successful new products (i.e., sharing the value the manufacturer creates) stimulates the retailer to engage in reciprocal value sharing. Interestingly, we also find that advertising, degree of selectivity, as well as power asymmetry influence a retailer’s reciprocal value sharing. Specifically, we find that retailers

are more likely to reward manufacturers who are willing to carry greater advertising costs, and who are willing to offer an exclusive territory for their new products. We also find that retailers are more likely to engage in reciprocal value sharing when the retailer has less power in the relationship than the manufacturer.

Second, we find that product launch decisions play a critical role in altering a retailer's level of reciprocity, wherein the willingness to share value with the manufacturer changes with the innovativeness of the manufacturer's products and the frequency of its new product introductions. A particularly interesting finding is that innovativeness inhibits the positive influence of product success on a retailer's reciprocal value sharing. This is an important insight into the relationship between innovativeness and performance. In spite of extensive research on new product innovativeness (e.g., Abdul 2000; Bao et al. 2012; Rubera and Kirca 2012), research has not examined how innovativeness influences value division between exchange partners. Our results suggest that the inherent risk associated with highly innovative new products drives retailers to be cautious about sharing value on such product launches, even if a manufacturer's products were previously successful. This highlights the difficulty that manufacturers launching innovative products face when trying to recoup high development and commercialization costs. However, it is important to note that this does not hold when prior new product success is lower. In such instances, the retailer is less likely to punish the manufacturer in value sharing when innovativeness is higher than when it is lower, suggesting that innovativeness protects the manufacturer from deteriorating conditions on value division, when new products have below average performance. Future research should investigate the conditions where this directionality could be reversed, e.g., when the relative advantage of an innovative product is clear to both the manufacturer and retailers.

Third, we also find that retailers are more sensitive to prior product successes when frequency of new product introductions is higher than when it is lower. This finding is important as thousands of new products are introduced yearly in the CPG markets alone (Mintel 2016). Since high frequency decreases a retailer's profits per SKU (Quelch and Kenny 1994) and increases costs (Achrol 2012), retailers share greater value with manufacturers only when frequent new product introductions are generated by manufacturers that have demonstrated success when introducing new products (where these retailers reap the benefits of increased volume due to product success).

## 5 Limitations and future research

While this study presents a number of new insights, it is not without its limitations. First, we adopted a broad conceptualization of value sharing using a perceptual measure with only a two-item scale. Beyond increasing the number of items to improve the construct's measurement, we will also note that there are multiple ways in which retailers can reward a manufacturer's prior new product success (much as there are many ways retailers work to extract value from manufacturers). Future research should examine different ways in which retailers

engage in reciprocal value sharing. For example, researchers may wish to examine whether a manufacturer's innovation strategies influence slotting allowances, or other commonly charged fees by retailers (such as those included in Bloom, Gundlach and Cannon 2000). Future research could also examine drivers of a retailer's willingness to make greater investments into the manufacturer's new products (and thus incur greater costs), such as customer education and support activities. Further, capturing value sharing via objective data could also shed more light on reciprocal value sharing and the role of reciprocity in manufacturer-retailer relationships.

Second, while this work is limited to the context of new product introductions, it provides a foundation for the study of reciprocal behaviors in value sharing. Although viewed as inherently competitive, there are instances in which firms may be willing to incur greater costs or share in greater monetary rewards, demonstrating cooperative behaviors when dividing value. For instance, Hoppner and Griffith (2011) cite an example where a supplier, at its own cost, designed an innovative solution for a US automaker's failing car part, where the increased costs decreased the supplier's share of the total value. Reciprocal value sharing is thus managerially relevant, but understudied. In addition to the manufacturer-retailer context, further research studying reciprocal value sharing could be engaged in the context of firm-customer relationships. Further, with greater emphasis on co-creation of offerings (e.g., Esmark et al. 2016), questions addressing reciprocal value sharing on the part of manufacturers and service providers in relation to contributing consumers would have important academic as well managerial implications.

Third, the sample used in this study is restricted to US retailers. While Gouldner (1960) argues that the norm of reciprocity is universal in nature, he and others (e.g., Hoppner, Griffith and White 2015) indicate that it could be culturally conditioned, suggestive of variance in its magnitude of effect across national cultures. We would encourage researchers to also study reciprocity across different cultures.

Fourth, the results presented are based upon pooled data from both the health-and-beauty and food categories. Our supplementary results, running the model within each category, suggests that prior new product success, innovativeness of new product and frequency of new product introduction, may be more appropriate to some categories of products than others. As such, future research bounding the model based upon theoretical category related aspects would be useful in advancing this line of inquiry.

Lastly, in this effort, we explored the potential three-way interaction between prior new product success, innovativeness of a manufacturer's products, and frequency of new product introductions. Although we did not find empirical support within our data, we recommend that future researchers examine the potential for such an interaction in other empirical contexts.

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## Appendix

**Table 3** Construct measures

Constructs: items	Item loadings
<b>Prior new product success</b>	
Over the past 3 years, this manufacturer's new products ("far below the industry average" to "far above the industry average")	
- Generated sales volume	0.81
- Generated sales revenue	0.81
- Performed relative to your sales targets	0.83
- Achieved a sales turnover	0.84
- Generated retail profits	0.83
- Contributed to the category profitability	0.86
- Generated total profits	0.86
<b>Innovativeness of manufacturer's products</b>	
Over the past 3 years this manufacturer's products were (relative to other manufacturers)	
- Very ordinary for its category/very novel for its category	0.67
- Not creative/creative	0.84
- Uninteresting/interesting	0.81
- Not challenging existing ideas in the category/challenging existing ideas in the category	0.80
- Not offering new ideas to the category/offering new ideas to the category	0.84
<b>Frequency of new product introduction</b>	
Over the past 3 years, in the selected product category ("far below the industry average" to "far above the industry average")	
- The number of new products introduced by this manufacturer through your chain was	0.89
- The frequency of new product introductions by this manufacturer through your chain was	0.89
- The number of new SKUs created for this manufacturer was	0.81
- The total number of new product introductions by this manufacturer for you chain was	0.89
<b>Retailer's reciprocal value sharing</b>	
In response to this manufacturer's new product introductions over the past 3 years, you now relative to a manufacturer with an average new product performance ("strongly disagree" to "strongly agree")	
- Allow this manufacturer to capture greater share of the value on current new product launches	0.85
- Recognize this manufacturer by increasing its share of value generated from current new product launches	0.72
<b>Advertising</b>	
("strongly disagree" to "strongly disagree")	
- The total dollars spent by this manufacturer on advertising for its new products exceed competitors	0.96
- This manufacturer spends substantial advertising dollars on new products	0.64
<b>Degree of selectivity</b>	
Over the past 3 years, this manufacturer ("strongly disagree" to "strongly agree")	
- Has given you an exclusive territory for its new products	0.92
	0.77

**Table 3** (continued)

Constructs: items	Item loadings
- Has voluntarily refrained from carrying its new products through retailers that would compete with you	
Relationship length	
The number of years that your organization has done business with this manufacturer	N.A.
Power asymmetry	
Average scores for the dependence of the manufacturer on the retailer and dependence of the retailer on the manufacturer were calculated. Asymmetry score was constructed by taking the difference between the manufacturer and retailer dependence scores.	N.A.

Standardized loadings are reported when applicable

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