

## DEALING WITH PERIODS OF TENSION IN BUYER-VENDOR RELATIONSHIPS

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### ABSTRACT

The construction and maintenance of successful relationships between retail firms and their vendor suppliers have frequently been suggested to be a source of competitive advantage for a retail organization. However, all relationships experience periods of tension that must be dealt with if the relationship is to survive and continue. This research employed a perspective and methodology commonly used in personal relationship literature to examine how successful buyer-vendor relationships deal with periods of tension.

Four retail firms from different sectors of the retail industry agreed to allow a set of their buyers to be interviewed for this research. Thirty buyers, representing over 305 years of buying experience, were interviewed during the course of the research. Data were gathered through semi-structured depth interviews similar to those used in consumer research. All interviews were audiotaped, transcribed, and checked for accuracy. Since this research was interested in successful buyer-vendor relationships, the buyers were asked only about experiences as they relate to a successful relationship. Grounded theory procedures described by Strauss and Corbin (1990) provided the framework for data analysis.

The process of analysis identified fifty-eight periods of tension from the thirty transcribed interviews. Analysis of these periods and how the buyers dealt with them identified two key dimensions underlying the individual coping strategies employed. The first dimension deals with whether the strategy calls for action by both parties or only one of the parties. The second dimension is associated with whether the coping strategy is trying to deal with tension based upon exchanges that have already occurred or are going to occur in the future. The strategies were labeled reframing, compromise, segmentation, and temporary acceptance. The last of these is unique to this research and has not been previously identified in either personal or marketing relationship literature.

The implementation of an temporary acceptance strategy is generally a court of last resort. If other attempts to deal with a particular tension situation have failed or only partially succeeded, a buyer may resign him- or herself to simply accepting the situation for the present and doing whatever is necessary to keep the relationship with the resource firm in place. But as the label suggests, this strategy represents only a temporary solution and the buyer will renew his or her efforts to deal with the root cause of the tension at a future date. Segmentation strategies imply that only one of the parties has to take some kind of action to cope with the tension being experienced and that the basis for the tension arises from exchanges that have already occurred. While only one of the parties has to take action to deal with the tension, the course of action may be proposed by the other party. It is common for the buyer to suggest a particular course of action to the vendor, and implementation of this suggestion may be encouraged through the use of overt or covert "pencil pressure." The use of a compromise strategy would frequently take place if a segmentation strategy proved to be unacceptable to the party required to perform a particular action. Then both parties would try to find a mutually satisfactory way to deal with the tension arising from a past exchange. Reframing strategies require action from both parties and create a new standard for interaction between the parties. This strategy is especially important in maintaining a successful relationship in the face of reducing the relationship scope. This type of strategy can also be usefully employed when trying to build a new resource into a more significant resource for the firm.

The choice of a coping strategy appears to be based upon a careful assessment of the individual situation, accounting for both retailer and vendor factors which may affect the strategy choice. Two additional aspects of how retail buyers cope with tension are important to note. First, the buyers appear very ready to enlist the aid of others in trying to cope with the tension. These others could be individuals from either their own organization or the vendor representative's organization. Second, buyers are frequently willing to make multiple attempts at finding a way to manage the tension experienced in the relationship.