

RESEARCH ARTICLE

Power Asymmetry in Ongoing Business Relationships

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Firms enter into partnerships to improve their competitive position, create and appropriate superior value, and increase their effectiveness and efficiency. Although balanced relationships (in terms of power and equitable value sharing) between the two partners exist, many researchers argue that these ideal relationships are not the norm and that asymmetry of power and unequal distribution of benefits are a reality of current business-to-business relationships. This study examines how power asymmetry affects the relationship climate in general and partner attitudes and behaviors in particular. Specifically, this study focuses on the sources of power exercised and how these impact value creation appropriation, partner satisfaction, and ultimately relationship continuity.

Structural equation modeling is used to analyze data from a national survey of a supplier organization's relationship with its main customer. The results indicate that coercive and non-coercive sources of power differentially influence value creation and stakeholder satisfaction. Value creation was then found to be positively related to value appropriation, a prerequisite for partner satisfaction and relationship continuity.

Conclusions and managerial implications arising from the results of the study are also presented.

Keywords: coercive power, non-coercive power, value creation-appropriation, relational satisfaction, relationship continuity.

JEL Classification: M31

Firms invest significant time and resources in developing, maintaining, and improving their business relationships, as such relationships offer demonstrable benefits in terms of operational and financial performance. Indeed, the academic literature highlights the importance of these relationships as a major source of value creation-appropriation and success for firms (Nyaga et al., 2013; Brito & Miguel, 2016).

Nevertheless, the presence of power asymmetry in such relationships affects partners' collaborative efforts, in part because it can encourage opportunism or excessive appropriation of value. Power asymmetry in supply chain relationships is an important area for research, as power differences between partners are generally unavoidable. Powerful partners may assume greater influence in the relationship, thereby ensuring its stability, or they may leverage their power advantage at the expense of weaker partners.

Although power is a critical element in business relationships, it is most often present implicitly (Chicksand & Rehme, 2018). As Hingley (2005) stated, "the concept of power is rarely discussed in supply chains, except to deny its importance" (p.849). Furthermore, few studies have examined the role of power asymmetry on the relationship climate in general, and in particular, on partner attitudes and behaviors (Crook & Combs, 2007; Brito & Miguel, 2016). The portion of created value that each member of the dyad manages to appropriate is a function of its relative power in the relationship, which influences its satisfaction and intentions for relational continuity. However, this has not been fully explored in the literature.

This lack of a clear understanding of what power means to the one who has the power, but also how it interacts with other constructs of the relational atmosphere, can cause significant relational difficulties and may well be one of the reasons why many relationships fail (Lacoste & Blois, 2015; Bandara et al., 2017; Chicksand & Rehme, 2018).

Therefore, it is important to develop a conceptual model that can provide us with a fairly comprehensive understanding of the nature and effects of the power structure to provide win-win situations for both partners in the business relationship (Cox et al., 2004; Nyaga et al., 2013).

In fact, firms have the power to the extent that other firms depend on them for resources (Crook & Combs, 2007; Pfeffer & Salancik, 1978). These resources include financial resources, expertise, information, services, legitimacy or status, as well as possession of attributes (e.g., attractiveness) or legitimate claims (e.g., contractual obligations) that can induce their partners to comply (Dwyer et al., 1987; Nyaga et al., 2013). Firms may use power to coerce partners to do what they would not otherwise do (obtain more favorable terms of exchange, a greater share of the value of the relationship), or they may forego the use of power and achieve better outcomes (Crook & Combs, 2007; Nyaga et al., 2013). Therefore, although the use of power may be beneficial for the stronger partner in appropriating more of the relationship value, it may negatively impact the relationship's value-creation potential, partner satisfaction, as well as relationship stability (Gulati & Sytch, 2007; Johnson et al., 1993).

Thus, if the use of power affects the relationship experience and the distribution of value created

influences perceived satisfaction and intentions for relationship continuity, it is necessary to study the interaction of these concepts.

Thus, our study aims to examine the effects of power on value creation and appropriation, the satisfaction of the partners, and their desire to maintain the relationship. The following section is devoted to the analysis of the literature and the development of hypotheses. Next, the research methodology of the study is presented, followed by a discussion of the results. Finally, the managerial implications of the research are presented.

Hypothesis Development and Conceptual Model

Figure 1 presents the conceptual model of the study. It is based on the theoretical contributions mainly from the marketing literature on distribution channels and business-to-business relationships. The model consists of six basic concepts, namely coercive power, non-coercive power, value creation, value appropriation, satisfaction, and relationship continuity. The proposed conceptual link between these concepts is as follows: the power exercised (coercive and non-coercive) is the starting point of the model and directly affects the creation of value. In turn, value creation positively affects value appropriation, which in turn positively affects both relational satisfaction and continuity. Finally, satisfaction is positively related to relationship continuity. The associations between the constructs are explained in more detail in the following paragraphs.

Power and Value Creation

In supply chain relationships, power generally refers to the ability, capacity, or potential to cause the other partner to do something, to command, influence, determine, or control its behavior, intentions, decisions, or actions in order to serve one's own interests (Fernandez, 2009).

Power is essentially a contested concept because of its complexity (Bandara et al., 2017). For some researchers, power is vital because it can take the relationship out of the realm of chance and give it purpose, order, and direction (Dwyer et al., 1987; Kumar, 2005). For others, power is associated with negative, aggressive, and unethical behavior (Schleper et al., 2017) in that it can lead to abuse, injustice, and exploitation (Mysen et al., 2012).

Although power is commonly associated with negative behavior, there are different bases or sources of power that affect the relationship in different ways. These power bases (i.e., coercive, reward, legitimate, referent, and expert), based on the work of French and Raven (1959), can be grouped into coercive (coercion) and non-coercive (reward, expertise, referent value, legitimacy) sources of power.

Coercive power is based on a party's perception in a business relationship that the partner has the ability to punish if their demands are not met (Lacoste & Blois, 2015). In this way, the exercise of this form of power reflects negative and aggressive behavior, essentially forcing the other party in the relationship to do things they would not have done otherwise (Frazier & Rody, 1991). Indeed, the use of coercive power can be seen as a form of opportunism, as the pressuring party often expects to benefit at the expense of the weaker firm (Nyaga et al., 2013). This is more likely to result in higher monitoring costs and intensify disagreements between the two partners, thus limiting value creation (Leonidou et al., 2008 ; Bandara et al., 2017).

According to Bandara et al. (2017), the coercive exercise of power hinders dyad members' attempts to establish successful, high-performance collaborative relationships. Similarly, Johnson et al. (1993) postulated that the coercive use of power leads to a decrease in relational value creation, primarily due to the economic sanctions imposed and the negative psychological pressure felt (Leonidou et al., 2008). Thus, the use of this source of power will increase perceived costs to a level that may exceed the benefits derived from the relationship and thus reduce value creation (Leonidou et al., 2008; Nyaga et al., 2013).

Many previous studies have confirmed the negative relationship between coercive power and dyad members' outcomes (Ferrer et al., 2010; Nyaga et al., 2013; Bandara et al., 2017). Therefore, we hypothesize the following:

H1: Coercive power has a negative impact on value creation.

In contrast to coercive power, which increases economic and psychological costs, the use of non-coercive power contributes to increased financial and social benefits, such as financial rewards, assistance or access to specialized information (Wilkinson, 1979). All of these elements will help promote shared

goals and common interests, thus contributing to the creation of higher value (Leonidou et al., 2008). As Belaya et al.(2009) asserted, non-coercive power can be used as "an effective tool to coordinate and promote harmonious relationships, resolve conflicts, and thereby improve the performance of the entire supply chain network" (p.167).

In other words, non-coercive power provides an impetus for teamwork, improved supply chain relationships, and superior performance (Arend & Wisner, 2005). From this perspective, non-coercive sources of power tend to increase the value of the relationship for both members by raising the level of cooperation (Jonsson & Zineldin, 2003). Several previous studies have shown that when power is not used coercively, there is an overall improvement in relationships and their performance (Crook & Combs, 2007; Frazier & Summers, 1986; Jonsson & Zineldin, 2003; Maloni & Benton, 2000 ; Benton & Maloni 2005; Nyaga et al., 2013; Bandara et al., 2017). Therefore, we postulate the following hypothesis:

H2: Non-coercive power has a positive impact on value creation.

Power and Satisfaction

Satisfaction is of fundamental importance in understanding business relationships. In fact, it is considered a function of relationship performance (Gustafsson et al., 2005) and a major factor in partner retention (Chiou & Droge, 2006). Although there are many definitions of satisfaction, several authors conceptualize it as "an affective state of mind resulting from the evaluation of all relevant aspects of a business relationship" (Geyskens et al., 1999, p.224).

Several studies have examined the relationship between power and satisfaction in supply chain relationships. Overall, these studies indicate that the use of power has significant but mixed effects on partner satisfaction. Coercive sources of power are negatively related to satisfaction, whereas non-coercive sources of power are positively related to satisfaction.

Indeed, the abusive use of power can lead to dissension, resentment, discontent, and consequently, dissatisfaction of partners, mainly due to the economic sanctions imposed and the negative psychological pressure felt (Benton & Maloni, 2005; Frazier & Summers, 1986; Gaski & Nevin 1985;). In other words, the exercise of this form of power will increase the

costs (economic and psychological) perceived by the target, thus leading to a decrease in their satisfaction (Anderson & Narus, 1990 ; Leonidou et al., 2008; Nyaga et al., 2013).

Moreover, by forcing the partner to comply with its demands, the source firm risks compromising its sense of autonomy and thus, its satisfaction (Frazier & Summers 1986; Ramaseshan et al., 2006).

This inverse association between the exercise of coercive power and satisfaction has been proven in several empirical studies (Gaski & Nevin, 1985; Geyskens et al., 1999; Ramaseshan et al., 2006; Leonidou et al., 2008; Pil et al., 2008). Therefore, the following hypothesis is made:

H3: Coercive power has a negative impact on satisfaction.

Conversely to coercive power, non-coercive power does not involve aggressive or competitive actions that will produce friction in the relationship. Instead, it actively inspires the interacting parties to develop relatively high levels of congruence and a better atmosphere for exchange. Therefore, conflict in the relationship will be reduced, while any form of disagreement will be functional rather than dysfunctional, thus promoting partner satisfaction (Leonideo et al., 2008).

Furthermore, because non-coercive power is associated with financial and social incentives, partners will benefit in terms of performance. Thus, the more and greater the incentives that arise from the relationship, the higher the member satisfaction will be (Wilkinson, 1979).

The positive association between the exercise of non-coercive power and satisfaction has been repeatedly established in the empirical literature (Gaski & Nevin, 1985; Geyskens et al., 1999; Ramaseshan et al., 2006; Leonidou et al., 2008; Pil et al., 2008). Hence the following hypothesis:

H4: Non-coercive power has a positive impact on satisfaction.

Creation and Appropriation of Value

Value creation and appropriation are two closely related perspectives on value. Value creation refers to the total value created by both partners in a business

relationship, whereas value appropriation refers to the parcel of the total value that one partner in the relationship receives.

According to Zhao et al. (2014), value creation is a prerequisite for value appropriation, whereas value appropriation is the purpose of value creation. In this way, the ultimate objective of each firm in the relationship is not simply to create value but to capture value through the relationship (Oxley & Silverman, 2008).

Thus, the greater the total value created in a relationship, the greater the value appropriated by each member (Wagner et al., 2010; Zhao et al., 2014).

Because value creation is sequential, it is expected that the benefits obtained by the parties will increase over time, leading to greater value capture (Chatain & Zemsky 2011). Therefore, we postulate the following hypothesis:

H5. Value creation has a positive impact on value appropriation.

Value Appropriation and Satisfaction

Satisfaction plays an integral role in business relationships. Considerable academic literature attests that mutually beneficial relationships improve member satisfaction (Kumar et al., 1995; Lambe et al., 2001; Meloni & Benton, 2005; Deligonul et al., 2006; Wagner & Lindemann, 2008).

According to social exchange theory, firms that receive a value that meets or exceeds their expectations and equals or exceeds the possible outcomes of the alternatives are likely to experience greater relationship satisfaction (Thibaut & Kelley 1959). In other words, the greater the value appropriated by a firm in a business relationship, the greater the perceived outcomes are deemed to be above prior expectations, and the fewer better alternatives are available in the market, which translates into greater satisfaction with the current relationship.

Many previous studies note that substantial value appropriation for dyad members increases relationship satisfaction (Kumar et al., 1995; Deligonul et al., 2006; Wagner & Lindemann, 2008). Hence, the following hypothesis:

H6. Value appropriation has a positive impact on relationship satisfaction.

Satisfaction and Continuity of the Relationship

Satisfaction is a key factor in business relationships. It plays a significant role in determining their future. In fact, in the absence of satisfaction, the members of the dyad are unable to cultivate the psychological factors and goodwill essential to the sustainability of the relationship (Meloni & Benton, 2005). Satisfaction is a sign of the continuity of the relationship over time. Its degradation makes the relationship difficult to manage and compromises its stability as well as its durability (Meloni & Benton, 2005).

Several researchers attest that satisfaction has a significant influence on partner behavioral outcomes, such as intentions to continue and develop the relationship, insofar as it increases willingness to continue the relationship while reducing business conflict (Geyskens & Steenkamp, 2000; Farrelly & Quester, 2005; Sivadas et al., 2012; Henneberg et al., 2016; Svensson et al., 2017).

Indeed, satisfied members are more willing to invest more in the relationship to ensure its long-term validity (Geyskens & Steenkamp, 2000; Farrelly & Quester, 2005; Svensson et al., 2017).

Because current experiences are expected to be replicated in future relationships, firms will only continue their relationships if their current outcomes

are satisfactory (Wagner et al., 2010). Therefore, we hypothesize the following:

H7. Satisfaction has a positive impact on relationship continuity.

Figure 1 illustrates the conceptual model and proposed hypotheses.

Methodology

Data Collection and Sampling

Data were collected from a sample of Moroccan suppliers through an online survey. This study focuses on the supplier perspective because customers are generally the most powerful partners in the relationship (for a number of reasons related to size, dependence, and intensity of competition). The survey base included approximately 1,000 firms operating in business markets in Morocco. It contained email addresses as well as telephone numbers.

Respondents were contacted primarily by email, containing a personalized link to the questionnaire. A total of 180 responses were obtained, representing a response rate of 18%. After verification, 170 responses

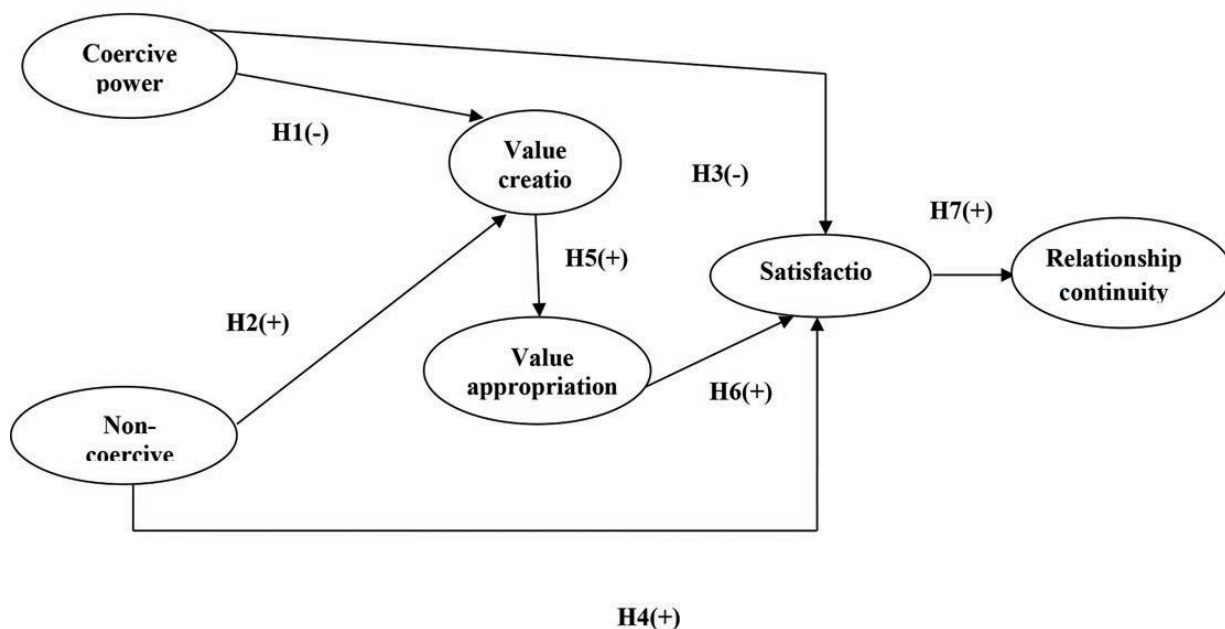


Figure 1. *Conceptual Model of the Research*

were deemed valid and complete. The respondents held positions of responsibility in their companies. They were, for the most part, senior executives with a global vision of the supply chain, as well as a perfect knowledge of the activities of their company's customers. Respondents were asked to consider a single relationship in which they were directly involved. The instructions explained that questions should be answered with reference to the main customer.

Nonresponse bias was estimated by comparing early and late respondents. For all model items examined, there was no statistically significant difference (Armstrong & Overton, 1977).

Measurement Scales

To measure the theoretical constructs of our model, we mobilized measurement scales already used in previous studies (Appendix 1). These have been adapted to suit the research context. In addition, because all the measurement scales are derived from Anglo-Saxon research, it was necessary to translate them. We proceeded with this translation through the technique of "back-translation". First, we called upon a bilingual professional to translate the scales in question into French. Then, the translated scales were back-translated again by another bilingual professional. Finally, this latest version was then compared with the original version to identify and reconcile any differences (Besson & Haddadj, 2003). The translation was done from English into French, which remains the language used by companies and their executives in the Moroccan professional context. We used a five-step Likert scale, as it is easier to use and shorter to answer.

To operationalize power (both coercive and non-coercive), this study adopts measurement scales developed by Leonidou et al. (2008). Regarding the measurement of value creation and value appropriation, we adopted the measurement scales developed by Wagner et al. (2010) and based on the global measure of equity (Scheer et al., 2003; Walster et al., 1978). The measure of relational satisfaction used the items developed by Crosby et al. (1990), whereas items designed by Kumar et al. (1995) were used to measure relationship continuity intentions (Appendix 1).

Once pronounced on the content of the questionnaire, it was pre-tested with a dozen companies to assess its acceptability and ease of understanding. Adjustments were made to the wording of certain items, the layout, and the length of the questionnaire.

Analysis and Results

The research model for this study (Figure 1) is analyzed using a multivariate analysis technique known as partial least squares structural equation modeling (PLS-SEM ; Ringle, et al., 2015). The PLS approach is based on maximizing the explained variance of endogenous latent variables. It is particularly appropriate for exploratory and predictive studies in which the researcher is attempting to estimate a complex model (Hair et al., 2017).

Furthermore, unlike the LISREL approach that relies on analysis of covariance, the PLS method does not impose minimum requirements or restrictive assumptions regarding measurement scales, sample size, or distributional assumptions (Hair et al., 2017).

According to standard evaluation guidelines (Hair et al., 2017), analysis and interpretation under the PLS-SEM approach involve two steps:

1. Evaluation of the measurement model (also called the external model and which relates individual items to their respective constructs); and
2. Testing the structural model (also known as the internal model and which relates certain dependent constructs to other constructs).

This study uses Smart-PLS 3 software (Ringle et al., 2015) for PLS-SEM analysis.

Measurement Model Test

First, we proceeded to the purification of our data using the SPSS software by performing a principal component factor analysis (PCA) for each of our latent variables to ensure their unidimensionality (Chandon, 2007). Secondly, we had to ensure the reliability of the constructs through Cronbach's alpha test (Nunnally, 1978).

Regarding the evaluation of the measurement model in PLS-SEM, it was based on several indices, namely: the reliability of each item, the reliability of the construct, the convergent validity, and the discriminant validity.

The reliability of individual indicators depends on the examination of standardized factor loadings. Reliability is considered acceptable when an indicator has a standardized factor loading of $\geq .70$ on its respective construct (Fornell & Larcker, 1981). Table

1 shows the standardized factor loadings for all constructs in the study.

Next, the reliability of all latent variables was assessed by analyzing two types of indicators: Cronbach's alpha and composite reliability. The recommended value is 0.70 or higher for both types of indices. Values of Cronbach's alpha and composite reliability exceeded the benchmark value of 0.70, confirming convergence or internal consistency of all variables in the model (Table 1).

Third, the average variance extracted (AVE) provides an indication of convergent validity. Fornell and Larcker (1981) recommended an AVE value ≥ 0.50 , which reflects the ability of the latent construct to explain more than half of the variance of its indicators.

Consistent with this recommendation, all constructs had AVE values greater than 0.50 (Table 1).

Fourth, we assessed discriminant validity based on the guidelines of Hair et al. (2017). Thus, we used two approaches: (a) the Fornell and Larcker criterion and (b) cross-loadings. Under the Fornell and Larcker (1981) criterion, the square root of the AVE for each construct was greater than its correlation with the other latent constructs. Compared to the second approach, all the factor loadings of the items attached to a construct were greater than their cross-loadings on other constructs. The results obtained confirm the discriminant validity of all our variables (Appendices 2 & 3).

Table 1. *Assessment Results of the Measurement Model*

Variables/ items	Factor loading	Cronbach alpha	Composite reliability	AVE
Coercive power		0.867	0.903	0.652
CP 1	0.792			
CP 2	0.884			
CP 3	0.820			
CP 4	0.765			
CP 5	0.771			
Non-coercive power		0.787	0.823	0.545
NCP 1	0.819			
NCP 2	0.520			
NCP 3	0.795			
NCP 4	0.778			
Value creation		0.826	0.896	0.742
VALUE1	0.975			
VALUE2	0.975			
Value appropriation		0.915	0.959	0.921
VAL SUPL1	0.958			
VAL SUPL2	0.961			
Satisfaction		0.914	0.946	0.853
SATISFAC1	0.897			
SATISFAC2	0.951			
SATISFAC3	0.922			
Relationship continuity		0.826	0.896	0.742
CONTIN 1	0.894			
CONTIN 2	0.830			
CONTIN 3	0.856			

Structural Model Test

This study follows the standard guidelines of Hair et al. (2017) for structural model evaluation. At first, the structural model was checked for collinearity between constructs. To this end, we examined the variance inflation factor value (VIF) for all independent variables of the structural model. As shown in Table 2, all VIF values were below the threshold of 5 (Hair et al., 2017), confirming that collinearity in the structural model was not an issue.

Next, the structural model was evaluated using the blindfolding procedure with an omission distance of 7. A Q^2 value greater than zero in the cross-validated redundancy report confirms predictive relevance. Table 3 shows that all Q^2 values were significantly greater than zero, confirming the predictive relevance of the model in terms of out-of-sample prediction (Hair et al., 2014; 2017). This result is also supported by the determination coefficient values (R^2). Indeed, all R^2 values are greater than 0.25, which proves that the structural model has a satisfactory predictive power in the sample (Hair et al., 2014; 2017).

Then, we examined the size and significance of the path coefficients in order to account for the validation or not of the research hypotheses. The significance of the path coefficients was calculated using the bootstrapping procedure (with 5000 bootstrap samples and 170 bootstrap cases). Figure 2 shows structural model results.

Table 4 provides a summary of hypothesis testing results (path coefficients, T-statistics, p-values, and 95% confidence intervals).

Analysis of the path coefficients and significance levels shows that all assumed direct relationships had been empirically validated.

Indeed, the results obtained show that coercive power has a negative and statistically significant impact on both value creation and partner satisfaction, whereas non-coercive power has positive and significant effects on both value creation and partner satisfaction. Thus, hypotheses H1, H2, H3, and H4 are supported.

The empirical results also show direct, significant, and positive relationships between value creation and value appropriation, value appropriation and relational

Table 2. *Colinearity Assessment Between the Constructs of the Structural Model*

	Value appropriation	Relationship continuity	Value creation	Satisfaction
Value appropriation	-	-	-	1.128
Relationship continuity	-	-	-	-
Value creation	1.000	-	-	-
Coercive power	-	-	1.000	1.072
Non-coercive power	-	-	1.000	1.055
Satisfaction	-	1.000	-	-

Table 3 *Predictive Validity of the Structural Model*

Variable	R^2	Significance	Q^2
Value appropriation	0.750	High	0.685
Relationship continuity	0.363	Moderate	0.225
Value creation	0.250	Low	0.220
Satisfaction	0.347	Low	0.290

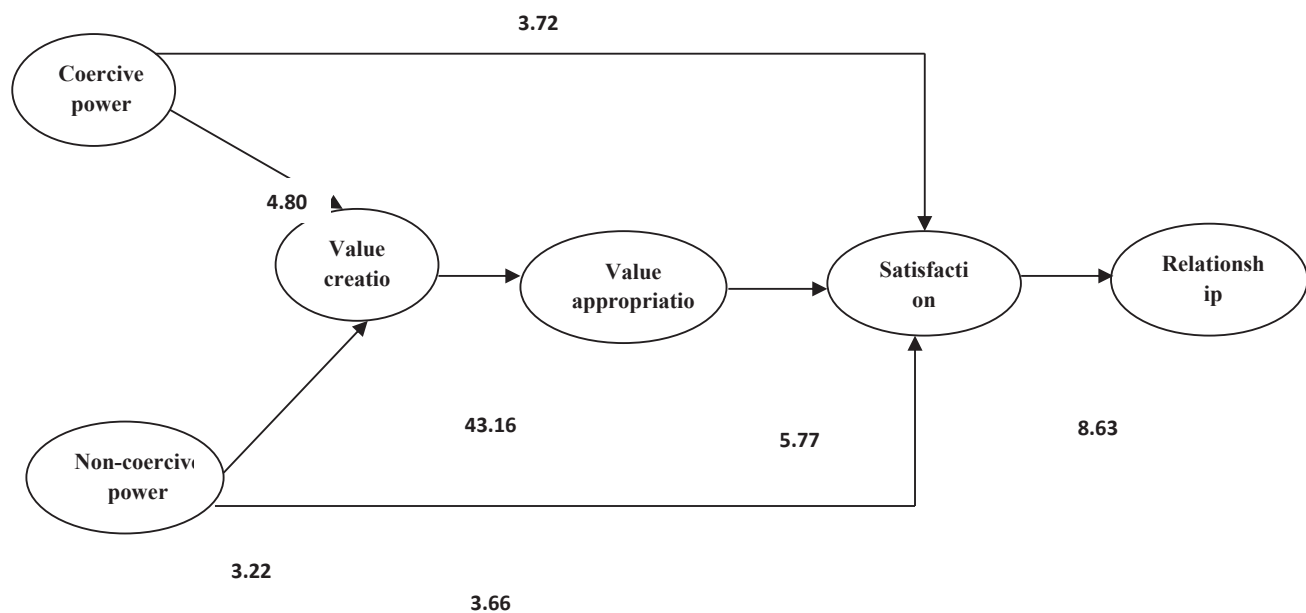


Figure 2. Structural Model Results

satisfaction, as well as relational satisfaction and relationship continuity. Therefore, hypotheses H5, H6, and H7 are confirmed.

Discussion

In this research, we have studied how the creation-appropriation of value and relational satisfaction are influenced by the exercise of power and how these constructs interact with each other to produce the intentions of relationship continuity.

First, this study confirms the negative effect of coercive power on both value creation and relational satisfaction. This result is consistent with findings from previous studies that assert that coercive power is generally destructive to business relationships insofar as it negatively impacts both relationship value and partner satisfaction (Geyskens & Steenkamp, 2000; Hingley, 2005; Leonido et al., 2006; Huxham & Beech, 2008; Chen et al., 2017).

Indeed, the coercive use of power is simultaneously risky and counterproductive, as it increases the costs (economic and non-economic) to the subject of power to a point where it can lead to high levels of dissatisfaction that can accelerate the abandonment of the relationship (Kasulis & Spekman, 1980; Leonidou et al., 2008). Similarly, the use of coercion can create a sense of exploitation in the target,

leading to reduced satisfaction (Johnson et al., 1990; Skinner et al., 1992).

Second, and unlike coercive power, non-coercive power has a positive and statistically significant influence on value creation and partner satisfaction. This result is consistent with previous studies that suggest that the use of non-coercive power avoids the rigid shortcomings of coercive power and actively inspires partners to work together for their common interests, thereby promoting value creation as well as stakeholder satisfaction (Skinner et al., 1992; Liu et al., 2010). In fact, the use of non-coercive power contributes more to increasing relational value and satisfaction for both partners through improved benefits, reduced costs, strengthened relationships, as well as better performance (Jonsson & Zineldin, 2003; Crook & Combs, 2007; Leonidou et al., 2008; Bendara et al., 2017).

The results of this study also confirm the positive impact of value creation on value appropriation. This is in line with the conclusions of previous studies, which attest that value creation is a prerequisite and indispensable condition for its appropriation: the greater the value creation, the greater will be its appropriation (Wagner et al., 2010; Zhao et al., 2014; Tescari & Brito, 2016; and Yan & Wagner, 2017).

For its part, value appropriation is positively related to relational satisfaction as perceived by suppliers. This

empirical evidence confirms the importance of value appropriation in a dyadic business context. Indeed, the satisfaction of dyadic partners is mainly affected by the value appropriation process. Any dysfunctional act in this process can lead to dissatisfaction of the actors, relational instability, or, at least, tensions even in the longest and most successful relationships (Ulag & Eggert, 2005; Deligonul et al., 2006; Wagner et al., 2010).

The last relationship tested was the one postulating a positive influence of relational satisfaction on relationship continuity. The estimation of path coefficients revealed a significant influence, in line with the results of previous studies, for which relational satisfaction has a direct impact on the partners' behavioral intentions insofar as it increases their intentions to expand the mutual activities while reducing the propensity to leave the relationship (Ulag & Eggert, 2005).

Conclusion and Managerial Implications

Over the past decades, business relationships and their management have attracted increasing interest from researchers and practitioners. This enthusiasm can be explained by the very essence of these relationships, which lies in their ability to create and appropriate superior and sustainable value for both the customer and the supplier. The share of the value that each partner is able to capture is a function of his relative power in the relationship, which has implications for relational satisfaction and relationship continuity. However, this has not been examined in depth in the literature. To address this gap, this study examines how power asymmetry influences the creation and appropriation of value, partner satisfaction, and, ultimately, relationship continuity.

Several managerial implications can be deduced from the results of this study. First, the results of this research highlight the need for managers to be aware of their power positions and choices. Indeed, the nature of the power source exercised plays an instrumental role in promoting or undermining value creation and partner satisfaction. Successful and satisfying business relationships can only be achieved if the use of power is non-coercive rather than coercive.

In fact, the application of non-coercive power will enhance the relationship's value-creation potential. Similarly, it is likely to promote both parties'

Table 4. *Estimation Results of the Structural Model*

Hypotheses	Structural relationship	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Decision	95% confidence intervals	
								Lower bound	Upper bound
H1	Coercive power -> Value creation	-0.312	-0.313	0.065	4.804*	0.000	Supported	-0.418	-0.202
H2	Non-coercive power -> Value creation	0.247	0.251	0.076	3.228*	0.001	Supported	0.127	0.371
H3	Coercive power -> Satisfaction	-0.211	-0.211	0.057	3.723*	0.000	Supported	-0.305	-0.117
H4	Non-coercive power -> Satisfaction	0.241	0.252	0.066	3.665*	0.000	Supported	0.150	0.353
H5	Value creation -> Value appropriation	0.866	0.866	0.020	43.165*	0.000	Supported	0.832	0.898
H6	Value appropriation -> Satisfaction	0.397	0.390	0.069	5.775*	0.000	Supported	0.274	0.499
H7	Satisfaction -> Relationship continuity	0.569	0.575	0.066	8.637*	0.000	Supported	0.464	0.681

*Significant at the 1 % level (one-sided test).

satisfaction. The degree and source of power must be used with care in business relationships, as its direct and indirect effects on other dimensions of the relationship atmosphere can lead to harmonious or problematic outcomes. It is, therefore, important to carefully analyze the nature of power exercised to identify sources of power that are conducive to healthy relationships while avoiding those that are harmful.

Second, this study details the interaction between value creation and value appropriation in ongoing business relationships, with a view to enabling managers to develop a deeper understanding of value in business relationships. This better understanding would allow managers to actively and profitably manage their business relationships.

Finally, the results of this research will help managers and business leaders to realize that satisfaction is a critical factor for stable and continuous business relationships. Thus, to maintain long-term business relationships, managers must focus on practices that enhance their partners' satisfaction, including a fair and equitable sharing of the value created.

Limitations

The first limitation of this work relates to the relatively small sample size compared to the total population of firms in Morocco. The second limitation of this study concerns the adoption of the sole perspective of the supplier to evaluate the business relationship.

A third potential limitation relates to the existence of respondent bias, which may arise when a single respondent is asked to assess both the nature of the relationship and its performance. Finally, the last limitation stems from our multi-sector survey field. Given the uneven distribution of sectors of activity, it is difficult to compare the sectors of activity among themselves.

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Appendix 1. Item Formulations

COERCIVE POWER	
CP1	Failure to comply with the requests of our main customer will result in financial and other penalties against our company.
CP2	Our main customer threatens to withdraw from what they originally promised if we do not comply with their request.
CP3	Our main customer threatens to take legal action if we do not comply with their requests.
CP4	Our main customer withholds important support for our firm, in requesting compliance with their demand.
CP5	Our main customer threatens to deal with another supplier, in order to make us submit to their demand.
NON-COERCIVE POWER	
NCP1	Our main customer offers specific incentives to us when we are reluctant to cooperate with them.
NCP2	Our main customer has the upper hand in the relationship due to power granted to them by the contract.
NCP3	Our main customer demands our compliance because of knowing that we appreciate and admire them.
NCP4	Our main customer use their unique competence to make our company accept their recommendations.
NCP5	Our main customer partner withholds critical information concerning the relationship to better control our company.
VALUE CREATION AND VALUE APPROPRIATION	
Input supplier	Our company's contributions to the relationship.
Input customer	Customer X's contributions to the relationship.
Outcome supplier	The outcomes we received from the relationship.
Outcome customer	The outcomes Customer X received from the relationship.
Tangible input supplier	Our company's tangible (financial and personnel) contributions to the relationship.
Tangible input customer	Customer X's tangible (financial and personnel) contributions to the relationship.
Tangible outcome supplier	The tangible (financial) outcomes we received from the relationship.
Tangible outcome customer	The tangible (financial) outcomes customer X received from the relationship.
Intangible input supplier	Our company's intangible (know-how and patents) contributions to the relationship.
Intangible input customer	Customer X's intangible (know-how and patents) contributions to the relationship.
Intangible outcome supplier	The intangible (know-how and patents) outcomes we received from the relationship.
Intangible outcome customer	The intangible (know-how and patents) outcomes customer X received from the relationship.

Relational satisfaction	
R SAT 1	We were very satisfied with the relationship with our main customer.
R SAT 2	We were pleased to work with our main customer.
R SAT 3	The relationship with our main customer was very favorable for us.
Relationship continuity	
R CONT 1	We expect our relationship with our main customer to continue for a long time.
R CONT 2	Renewal of relationship with our main customer is virtually automatic.
R CONT 3	It is unlikely that our firm will still be doing business with our main customer in two years.

Appendix 2. Discriminant Validity (Cross-loading)

	Value appropriation	Relationship continuity	Value creation	Coercive power	Non-coercive power	Relational satisfaction
VAL SUPL 1	0.958	0.436	0.808	-0.188	0.189	0.490
VAL SUPL 2	0.961	0.419	0.854	-0.289	0.232	0.478
R CONT 1	0.423	0.877	0.471	-0.238	0.156	0.586
R CONT 2	0.405	0.846	0.450	-0.410	0.221	0.438
R CONT 3	0.310	0.860	0.389	-0.326	0.077	0.415
VALUE 1	0.844	0.490	0.975	-0.297	0.231	0.503
VALUE 2	0.845	0.505	0.975	-0.311	0.253	0.499
PC 1	-0.139	-0.239	-0.218	0.792	0.070	-0.206
PC 2	-0.277	-0.302	-0.307	0.884	-0.030	-0.212
PC 3	-0.172	-0.384	-0.233	0.820	0.040	-0.248
PC 4	-0.126	-0.226	-0.199	0.765	0.034	-0.144
PC 5	-0.260	-0.321	-0.281	0.771	-0.071	-0.382
PNC 1	0.168	0.207	0.221	-0.152	0.819	0.333
PNC 2	-0.056	-0.016	-0.027	0.339	0.520	-0.031
PNC 3	0.191	0.093	0.181	0.117	0.795	0.248
PNC 4	0.140	0.068	0.152	0.216	0.778	0.090
R SAT 1	0.436	0.521	0.440	-0.296	0.231	0.898
R SAT 2	0.482	0.542	0.484	-0.281	0.318	0.951
R SAT 3	0.478	0.497	0.499	-0.266	0.337	0.921

Appendix 3. Discriminant Validity (Fornell and Larcker criterion)

	Value appropriation	Relationship continuity	Value creation	Coercive power	Non-coercive power	Relational satisfaction
Value appropriation	0.960					
Relationship continuity	0.445	0.861				
Value creation	0.866	0.510	0.975			
Coercive power	-0.249	-0.374	-0.311	0.808		
Non-coercive power	0.220	0.179	0.248	0.005	0.738	
Relational satisfaction	0.504	0.563	0.514	-0.304	0.320	0.924