



**ORGANIZATIONAL MUTUAL DEPENDENCE AND
POWER IMBALANCE BETWEEN MANUFACTURERS
AND RETAILERS AND THEIR CONSEQUENCES**

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ABSTRACT

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This thesis analyzes the effects of mutual dependence and power imbalance on embedded and opportunistic relations between manufacturers and retailers. It addresses the effects of mutual dependence and power imbalance between manufacturers and retailers on the embedded and opportunistic relations between them. It specifically conducts an empirical test of the simplified version of a theoretical model developed earlier. The model hypothesizes that mutual dependence between manufacturers and retailers is positively associated with embeddedness, but negatively associated with opportunism whereas power imbalance is negatively associated with embeddedness but positively associated with opportunism. The data was collected through the telephone interviews from 60 furniture manufacturers and 60 furniture retailers (total sample size of 120) located in the regions of Kısıkköy, Karabağlar and Çeşme. Exploratory factor analysis and reliability analysis were conducted for the validity and reliability of each variable measurement, and then hierarchical regression were used for testing the hypotheses. The findings yield supports to three out of four

hypotheses suggesting a positive association between mutual dependence and embeddedness, a negative association between mutual dependence and opportunism, and a negative association between power imbalance and embeddedness. However, they reject the hypothesis proposing a positive association between power imbalance and opportunism. The thesis contributes to the relevant literature and management in practice by providing a partial empirical validation of a theoretical model not tested before, validating the measures of mutual dependence, power imbalance, embeddedness, and opportunism for the Turkish context, and finally, and providing recommendations for entrepreneurs and managers.

Keywords: Resource Dependence Theory, Mutual Dependence, Embeddedness, Opportunism, Power Imbalance

ÖZET

ÜRETİCİLER VE SATICILAR ARASINDAKİ ÖRGÜTSEL ORTAK BAĞIMLILIK VE GÜÇ DENGESİZLİĞİ VE SONUÇLARI

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Bu çalışma, üretici ve satıcılar arasındaki ortak bağımlılık ve güç dengesizliğinin yerleşiklik ve fırsatçılık ilişkilerine etkisini araştırmaktadır. Tez, üreticilerle satıcılar arasındaki ortak bağımlılık ve güç dengesizliğinin yerleşik ilişkilere ve fırsatçılığa etkileri üzerinedir. Tezde, daha önce geliştirilmiş teorik bir modelin basitleştirilmiş hali görgül olarak test edilmektedir. Bu modelde, üretici ve satıcılar arasındaki ortak bağımlılığın yerleşiklik ile pozitif, ancak fırsatçılık ile negatif ilişkide olması savlanırken, güç dengesizliğinin yerleşiklik ile negatif ancak fırsatçılık ile pozitif ilişkide olması savlanmaktadır. Araştırmanın verisi, İzmir'in Kısıkköy, Karabağlar ve Çeşme bölgelerinden bulunan 60 mobilya üretici ve 60 mobilya satıcısı olmak üzere toplam 120 firmadan telefon görüşmesiyle toplanmıştır. Değişken ölçümlerinin geçerliliği için keşfedici faktör analizi ve güvenilirlik analizi; hipotez testi için hiyerarşik regresyon analiz kullanılmıştır. Araştırmanın bulguları dört hipotezden üçünü desteklemiştir. Buna göre, ortak bağımlılığın yerleşiklik ile pozitif, fırsatçılık ile negatif ilişkisi ve güç dengesizliğinin yerleşiklik ile negatif ilişkisi desteklenmiştir. Ancak, bulgular güç dengesizliği ile fırsatçılık arasındaki pozitif ilişkiyi reddetmiştir.

Tez, daha önce görgül çalışmayla test edilmeyen bir teorik modeli kısmen de olsa test ederek, ortak bağımlılık, güç dengesizliği, yerleşiklik ve fırsatçılık değişkenlerinin ölçümlerini Türkiye bağlamında geçerleyerek ve girişimcilere ve yöneticilere uygulamaya dönük öneriler sunarak ilgili literatüre ve uygulamaya katkıda bulunmaktadır.

Anahtar Kelimeler: Kaynak Bağımlılığı Teorisi, Ortak Bağımlılık, Yerleşiklik, Fırsatçılık, Güç Dengesizliği



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CHAPTER 1: INTRODUCTION

There have been interdependencies between organizations because none of organizations is self-sufficient. In order to survive, they are dependent on each other for various resources, such as raw materials, finance, human, technology, knowledge, even reputation. Therefore, organizational interdependencies have long been studied by several perspectives, particularly by Resource Dependence Theory (Pfeffer and Salancik, 1978). According to this theory, the survival of an organization mainly depends on its ability of managing its relations with other organizations through a series of strategies that minimize dependence and uncertainty while maintaining autonomy (Scott and Davis, 2016). The concept of organizational interdependency has later been refined with two interrelated subdimensions in dyadic relations: mutual dependence (or joint dependence), meaning the sum of two organizations' degree of dependency on each other, and power imbalance (or power asymmetry), meaning the difference between two organizations' degree of dependence on each other (Casciaro and Piskorski, 2005; Gulati and Sytch, 2007). Here, the main argument is that an increasing mutual dependence positively contributes to the performance of each partnering organization whereas an increasing power imbalance negatively affects the performance of organizations even if they have a favorable power imbalance, meaning having less dependence on the other one.

Although the influences mutual dependence and power imbalance on organizational performance has been well-studied, through which mechanisms they affect performance has been less studied. Instead, it has usually been assumed that mutual dependence helps organizations build close (embedded) relations (Granovetter, 1985 and 1992; Uzzi, 1996 and 1997) between them based on long-term, frequent, trustable, and reciprocal interactions, which in turn, result in greater performances. On the other hand, power imbalance prevents them building embedded relations, instead leads to less embedded, or arm's length (market) relations (Granovetter, 1985 and 1992; Uzzi, 1996 and 1997) based on short-term, less frequent, contract- and self-interest-based interactions, which may result in relatively poor performance. However, the relationship between mutual dependence and power imbalance is not a zero-sum game as suggested by Gulati and Sytch (2007) because an increase in power imbalance between two organizations may also cause an increase in mutual dependence between them. Therefore, although their individual effects on organizational performance seem

to be opposite, the relationship between them is more complicated than it appears, implying that both mutual dependence and power imbalance may contribute to both embedded and market relations, even to opportunistic relation where one party exploits the resources of the other (Özen, Uysal and Çakar, 2016).

By conducting a qualitative field study on the relationships between retailers, suppliers, and manufacturers in the Siteler Furniture District in Ankara, Özen, Uysal and Çakar (2016) developed a theoretical framework suggesting that mutually dependence between manufacturers and retailers positively contributes to building embedded relations between them whereas power imbalance between them leads to exploitation (or opportunistic behavior). The framework also suggests that these effects are also moderated by organizational size of manufacturers and competitive strategy of retailers. For instance, decreasing size of manufacturers increases their dependence on retailers, and consequently, leads them to build embedded relations with retailers that involve a risk of being exploited. On the other hand, increasing size of manufacturers generates an opposite effect on their dependence on retailers, which in turn, leads them to have arms' length relations with retailers. Regarding the strategies of retailers, differentiation strategy increases their dependence on manufacturers, and therefore leads them to build embedded relations with manufacturers that involve a risk of being exploited by manufacturers. On the other hand, low-cost strategy generates an opposite effect on their dependence on manufacturers, resulting in arms' length relations with them.

Although Özen, Uysal and Çakar's (2016) study enables us to better understand the relationship between organizational interdependencies and organizational relations, it just provided a series of theoretical propositions based on the qualitative case study. Therefore, these propositions need to be tested empirically by relying on a bigger sample size in order to understand to what extent these suggested effects of mutual dependence and power imbalance on the embedded and opportunistic relations are validated or falsified. Thus, this thesis is aims at partially testing the propositions developed by Özen, Uysal and Çakar (2016) in order to measure the validity of their theoretical model. It is a partial empirical test of the theoretical model because there are ambiguities about whether manufacturers' size and retailers' strategies are moderate variables between mutual dependence and embeddedness, and power imbalance and exploitation or they are antecedent variables of mutual dependence and

power imbalance. Additionally, since the concept of exploitation in the original frameworks was not well defined, it was replaced by a well-defined and similar concept of opportunism (Williamson, 1975) referring to the ability to capitalize on the mistakes of others or to exploit opportunities created by the errors. Therefore, in this thesis, the purpose is to empirically test a simplified version of the framework which focus only on the effects of mutual dependence and power imbalance on embeddedness and opportunism between organizations.

Relying basically on Özen, Uysal and Çakar (2016), a simplified version of the original model was reconstructed. This model consists of variations of two dimensions between manufacturers and retailers, mutual dependence and power imbalance as independent variables, and embeddedness and opportunism as dependent variables. The four hypotheses were developed, suggesting that mutual dependence between manufacturers and retailers is positively associated with embeddedness, but negatively associated with opportunism whereas power imbalance is negatively associated with embeddedness but positively associated with opportunism. The model also includes the control variables of organizational type (retailer or manufacturer), size, age, and strategy (differentiation and low-cost strategy). Then, reviewing the detailed literature on mutual dependence, power imbalance, embeddedness, and opportunism, the measurements for these variables were also designed by essentially relying on the existing literature. Afterwards the questionnaires were prepared separately for retailers and manufacturers. The data was collected through the telephone interviews from 60 furniture manufacturers and 60 retailers (120 in total) located in the regions of Kısıkköy, Karabağlar and Çeşme. After transferring all the data into the statistical software package, exploratory factor analysis and reliability analysis were conducted for the validity and reliability of each variable. Then, the hypotheses were tested by the hierarchical regression analysis by using IBM SPSS Statistics Version 21.

According to the data obtained from the research, the results support three of four hypotheses, specifically, supporting the hypotheses suggesting a positive association between mutual dependence and embeddedness, a negative association between mutual dependence and opportunism, a negative association between power imbalance and embeddedness whereas rejecting the hypothesis suggesting a positive association between power imbalance and opportunism. These finding indicates that the simplified version of the model proposed by Özen, Uysal and Çakar (2016) mostly works,

implying, as expected, that an increasing mutual dependence help partnering organizations to build more embedded relations, and to avoid opportunistic behaviors. On the other hand, an increasing power imbalance between the partners leads to less embedded relations between them, but not necessarily leads to more opportunistic behavior.

The thesis contributes to the relevant literature and management in practice in several respects. First, it provides a partial validation of a theoretical model (Özen, Uysal and Çakar, 2016) through an empirical study. Secondly, in doing this, it validates measures of mutual dependence, power imbalance, embeddedness, and opportunism for the Turkish context. Finally, it provides some recommendations for managers regarding how they should manage their interdependencies with other organizations to build more embedded and less opportunistic relations.

The thesis is organized into seven chapters. Chapter 1 is the introduction to the study, followed by Chapter 2, which reviews the literature on how mutual dependence, embeddedness, power imbalance, and opportunism between manufacturers and retailers. Chapter 3 provides theoretical framework and hypotheses. Chapter 4 is about the method of the study, including the sampling, sampling characteristics, development of the measurements, and data collection methods. This section also describes the survey design and data analysis methods used in this study. The results of the analyses and the hypothesis-testing are given in Chapter 5. Chapter 6 discusses the theoretical and practical implications of the research results. The thesis concludes with a summary of the research findings, limitations of the study and suggestions for further research.

CHAPTER 2: REVIEW OF RELEVANT LITERATURE

2.1 Theoretical Background

2.1.1 Resource Dependence Theory: Mutual Dependence and Power Imbalance

The dependencies between manufacturers and retailers and their consequences for the nature of relations between two groups are studied by drawing upon the resource dependence theory (RDT). RDT was developed by Jeffrey Pfeffer and Gerald Salancik by their book entitled *External Control of Organizations* (Pfeffer and Salancik, 1978). RDT mainly argues that organizations need resources to survive, however, since none of organizations is self-contained, they need some resources (i.e., money, technology, human, information, raw material, customers, distribution channels, sales outlets, etc.) held by other organizations, which results in the dependence of organizations on environment (i.e., other organizations) for resources (Pfeffer and Salancik, 1978). Therefore, the survival of an organization mainly depends on its ability of managing its relations with other organizations (Pfeffer and Salancik, 1978). The main question of RDT is how organizations manage their relationships with other organizations and therefore, it suggests a series of strategies that “organizations use to manage their exchange relations so as to balance the need to minimize dependence and uncertainty while also maintaining managerial autonomy” (Scott and Davis, 2016, p. 211). These strategies vary from establishing interorganizational linkages such as mergers, acquisitions, alliances, cooptation, interlocking directorates to controlling the environmental domain such as divestment, political activities, advertising, public relations, even illegitimate activities. Here in this thesis, informal alliances between manufacturers and retailers are focused.

Dependence is defined as the need for an organization to continue its business relationship with another organization in order to achieve its goals (Kumar, Scheer and Steenkamp, 1995). Generally, the members of the organization will be in the need and effort to maintain their relations with each other as long as their mutual interests continue. For this reason, dependence can be defined as a comparison between the benefits that both organizations gain from the relationship and the alternatives they have (Anderson and Narus, 1990). According to this definition, the overall quality (economically, socially, and technically) of the benefits obtained is evaluated according to the idea of which is the best alternative.

Organizational dependence has been related to comparative power in organizational relationships. RDT borrowed power concept from Social Exchange Theory (Emerson, 1962) which defines power as a capacity to influence someone to do something which he/she would not do normally. Emerson (1962) focused on power and asymmetry in dependence and suggested that if two organizations are balanced perfectly in terms power, they may provide benefits and improve their organizations than the others. This power is not a generalized power, but it may vary from exchange partner to another as a function of specific needs and resources (Scott and Davis, 2016). Power is also considered as the ability of any organization to control the strategic decision variables of another organization. For example, a manufacturer has power over the retailer to influence the retailer's decisions on strategic matters such as pricing, models of products to be sold.

Here, dependence emerges from comparative power of two organizations: dependence of organization A on organization B is the reverse of A's power over B. If A is less dependent on B, A would have more power over B. Three crucial factors that determine the degree of dependence are the importance of resources, discretion of the organization over the resources, and the extent to which alternative sources of the resources exist (Pfeffer and Salancik, 1978). This means that the more important to an organization certain resources are, the less discretion the organization has over those resources, and the less alternative sources of the resources, then the more dependent that organization is on the others. Thus, the dependence of an organization on the other organization with which it works is affected by the economic value (economic importance) obtained through the business relationship (Emerson, 1962). Moreover, to end the relationship with the organization, an alternative organization must be found in its place. If this alternative is not available for both organizations, the degree of dependence will be high (Heide and John, 1988).

Hence, interdependence between organizations “exists whenever one organization does not entirely control all of the conditions necessary for the achievement of an action or for obtaining the outcome desired from the action” (Pfeffer and Salancik, 1978, p. 40). Therefore, interdependence is obviously related with power. When an organization is dependent on its partner more than that partner is dependent on it, the partner will be more powerful than the focal organization. On the other hand, if this

organization is dependent on its partner less than its partner is dependent on it, then the organization will have more power than its partner.

Casciaro and Piskorski (2005) and Gulati and Sytch (2007) have recently refined the concept of interdependence in RDT. Both studies suggested that the concept of interdependence has two interrelated but conceptually different dimensions: mutual dependence and power imbalance. Power imbalance refers to the difference in power between the two organizations whereas the mutual dependence refers to the sum of the organization's dependencies on each other.

According to Casciaro and Piskorski (2005) and Xia (2011), power imbalance occurs when the level of dependence between organizations differs significantly in case of interdependence. Power imbalance and dependence levels are affected by new legal regulations, new technological developments, and political economic changes.

There are two important issues at this point. First, if an organization's dependence on the other increases, the power imbalance between them increases, and the less powerful organization has less chance to have access to resources than the other organization. On the other hand, this increase in the dependence of the organization also increases the mutual dependence between these organizations, which provides both sides with the opportunity for managing resources. Thus, the relationship between power imbalance and mutual dependence is not a zero-sum game: an increase in power imbalance between two organizations may also cause an increase in mutual dependence between them (Gulati and Sytch, 2007).

However, their effects on organizational outcomes may be opposite. According to Casciaro and Piskorski, (2005) and Gulati and Sytch, (2007), increasing power imbalance between has a negative impact on organizational performance whereas increasing mutual dependence between organizations has a positive impact on their organizational performance. Casciaro and Piskorski (2005) found that power imbalance decreases the likelihood of mergers and acquisitions whereas mutual dependence increases it. Similarly, Gulati and Sytch (2007) found that increasing mutual dependence results in better procurement relations of auto manufacturers whereas manufacturers' favorable power imbalance diminishes their performance, and supplier's favorable power imbalance does not significantly affect their performance. With long-term and non-contractual relationships, the powerful organizations can

create pressure on the less powerful ones. Power imbalance between organizations relationships influence that how to ensure trust to each other. According to Özen, Uysal and Çakar (2016) both studies imply that mutual dependence enhances embedded relations that involve long-term trust, mutual action, altruism, and information sharing, which result in greater performance whereas power imbalance diminishes possibility of establishing embedded relations and likely to influence performance negatively.

2.1.2 Embeddedness and Opportunism

Embeddedness refers to the quality and network architecture of material exchange relationships (Uzzi, 1997). It involves establishment of long-term relationships between organizations, collaborative solutions of common problems, exchanging valuable information and trusting each other (Granovetter, 1985; Uzzi, 1996). It is the opposite of arm's length relations that involve short-term and contract-based relations and maximizing self-interest at the expense of other organizations' interests. Accordingly, it decreases transaction costs by reducing risk of being deceived, and facilitates privileged access to valuable resources, exchange of resources difficult to price, rapid information-processing and problem recognition, effective learning and performance feedback, and intention of new solutions (Uzzi, 1997). Besides, embeddedness improves the stability of the relationship, and enhances organizational performance.

According to Zaheer and Venkatraman (1995) and Lusch and Brown (1996), the effect of mutual dependence on performance is mediated by specific elements of embeddedness such as joint action, trust, and the quality and scope of information exchange. Moreover, a high level of mutual dependence in a dyadic partnership also encourages the emergence of relational behavior and solidarity, causing to collaborative activities (Zaheer and Venkatraman, 1995; Lusch and Brown, 1996). Interorganizational trust is also likely to mediate the effect of mutual dependence and on an organization performance (Gulati, 1995; Zaheer, McEvily and Perrone, 1998). High levels of mutual dependence make the engagement in opportunistic behavior to risky because of the high investment in the relationship made by both parties. Relationships characterized by high mutual dependence raise culture of mutual reliance in which exchange partners exhibit decreased tendency to the opportunistic

behavior (Williamson, 1985). Organizations exchanging with smaller numbers of organizations become more dependent on them, and therefore they try to manage their information flow with those organizations (Dyer, 1996).

On the other hand, power imbalance is related to opportunistic behavior (Özen, Uysal and Çakar, 2016). Opportunism is defined self-interest seeking with guile (Williamson, 1975). Because of many reasons such as dishonesty, performance pressure, distrust, people may act opportunistically. In manufacturer-retailer relationships, opportunism includes deliberately, not delivering orders on time, not paying loans on time and continuously postponing the pay time, leaking the valuable knowledge of the partner to its competitors or appropriating this valuable knowledge, and telling lies (Özen, Uysal and Çakar, 2016).

Opportunism is one of the main concepts of transaction cost analysis (TCA) theory (Williamson, 1975). This theory assumes that human beings are boundedly rational and sometimes opportunistic. In economic transactions with particularly certain characteristics such as performance or price uncertainties, power imbalance between exchange partners, and the requirement of secret information sharing between exchange partners, partners may act opportunistically by lying, cheating or stealing (Scott and Davis, 2016), increasing the cost of transaction. Such opportunistic behaviors will obviously harm the trust between the partners and risk the exchange between them.

CHAPTER 3: THEORETICAL FRAMEWORK AND HYPOTHESIS

This chapter starts with a review of the studies which have analyzed the manufacturer and retailer mutual dependence and power imbalance in their embedded relationships. Suggestions on how independent and control variables may affect each of dependent variables will be discussed and hypotheses of the study will be presented.

3.1. Theoretical Framework

The effect of mutual dependence and power imbalance on embeddedness and opportunism has been studied empirically by Özen, Uysal and Çakar (2016) in Turkey. Studying the relationships between manufacturers and retailers in the Siteler furniture industrial district in Ankara with the methodology of developing theoretical propositions through the case analysis, they concluded that mutually dependence between manufacturers and retailers leads to embedded relations between them whereas power imbalance between them leads to exploitation (or opportunistic behavior). They also found that the effects of power imbalance and mutual dependence on embeddedness and opportunism between manufacturers and retailers are also moderated by organizational size of manufacturers and competitive strategy of retailers. Accordingly, decreasing size of manufacturers increases their dependence on retailers, and consequently, leads then to build embedded ties with retailers that involve a risk of being exploited. On the other hand, increasing size of manufacturers decreases their dependence on retailers, which in turn, leads them to have arms' length relations with retailers. Furthermore, differentiation strategy increases retailers' dependence on manufacturers, and therefore leads them to build embedded relations with manufacturers that involve a risk of being exploited by manufacturers. On the other hand, low-cost strategy, decreases retailers' dependence on manufacturers and results in arms' length relations with them.

Notwithstanding the invaluable contributions of Özen, Uysal and Çakar's (2016) study into the understanding of the relations between retailers and manufacturers from the RDT perspective, it has some limitation. The most important limitation of this study is its limited generalizability. Since it was an exploratory qualitative case study it reflected the facts in a single industrial district. Therefore, its propositions need to be operationalized and empirically tested by using bigger samples. Secondly, there is an

ambiguity in their framework about whether manufacturers' size and retailers' strategies are moderate variables between mutual dependence and embeddedness, and power imbalance and exploitation or they are antecedent variables of mutual dependence and power imbalance. Although they openly stated in their theoretical propositions that they are the moderate variables, in their illustration of the framework, they looked more the antecedent variables shaping dependencies between two parties. Finally, the construct of exploitation in the framework was not clearly defined. Therefore, it is not clear whether exploitation means opportunism in the sense that is used earlier in this thesis, or it means exploitation between social classes as used by critical, particularly the Marxist theory. It seems to be similar to the opportunism meaning that it is the ability to capitalize on the mistakes of others: to exploit opportunities created by the errors, weaknesses or distractions of opponents to one's own advantage.

The purpose of this thesis is to partially test the propositions developed by Özen, Uysal and Çakar (2016) in order to measure the validity of their theoretical model. Since they just developed some propositions, they need to be formulated more clearly by the testable hypotheses, the construct should be operationally defined as measurable variables, and data collection instrument, data collection and analysis methods should be properly chosen. However, in doing this, the model should be simplified to overcome its ambiguities described above.

In this study, the theoretical model adapted from Özen, Uysal and Çakar (2016) is presented in Figure 1. The model suggests that two dimensions of dependence between retailers and manufacturers, mutual dependence, and power imbalance as the independent variables, explain the variations in two dimensions of inter-organizational relations between retailers and manufacturers, namely embeddedness and opportunism as the dependent variables. Exploitation used in the original framework is replaced by opportunism because its similarity to this concept. The model also includes the control variables that potentially have impacts on embeddedness and opportunism independent from mutual dependence and power imbalance; namely, organization type (manufacturer or retailer), organization age, organization size, differentiation strategy and low-cost leadership strategy. Due to the ambiguity in the status of differentiation and low-cost leadership strategies (i.e., moderate or antecedent

variables) in the original model, they are kept in the present model as the control variables.

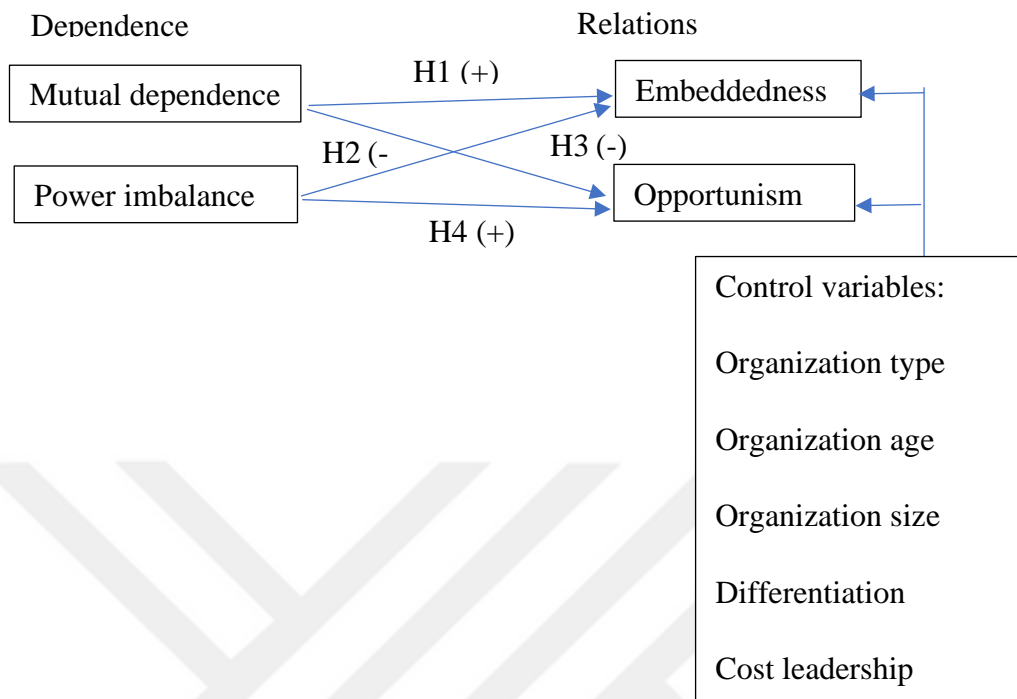


Figure 1. Theoretical Model of the Study

As defined earlier, mutual dependence refers to the sum of the dependencies of manufacturers and retailers on each other whereas the power imbalance is the difference between their dependencies on each other. Embeddedness refers to the nature of specific relations between retailers and manufacturer which is characterized by of long-term relationships, collaborative solutions of common problems, exchanging valuable information and trusting each other. On the other hand, as defined earlier, opportunism is self-interest seeking with guile (Williamson, 1975), i.e., capitalizing on the mistakes, weaknesses, errors of others for one's own advantage.

3.2 Hypotheses

As stated earlier, Özen, Uysal and Çakar (2016) suggest that mutual dependence between manufacturers and retailers contributes to the establishment of embedded relations between them. Furthermore, it is also argued that the effect of mutual

dependence on performance is mediated by embeddedness relations (Zaheer and Venkatraman, 1995; Lusch and Brown, 1996). This is because greater mutual dependence between organizations results in greater trust and commitment to each other, making the possibility of opportunistic behavior less likely. Strongly embedded relationships are expected to decrease transaction costs, reduced opportunism and uncertainty and are expected to increase rapid information-processing and problem recognition, and performance feedback. These considerations suggest the following hypothesis regarding the relationship between mutual dependence and embeddedness:

Hypothesis 1: Mutual dependence between manufacturers and retailers is positively associated with the embeddedness between them.

Although not considered in Özen, Uysal and Çakar (2016), mutual dependence can also be associated to opportunism. Since opportunistic relations are opposite of the embedded relations, it is expected that mutual dependence will reduce the likelihood of opportunistic behaviors by both sides. When both manufacturers and retailers become more dependent on each other, they reciprocally attempt to reduce uncertainties and opportunistic behaviors in order to reduce transaction costs. This is because the engagement in opportunistic behaviors will lead to decreased trust and commitment, signaling suspicion, and incites resentment (Morgan and Hunt, 1994; Moschandreas, 1997; Skarmeas et al., 2002; Wathne and Heide, 2000). If the trust and goodwill in the manufacturer-retailer relationship is abused, it is foreseen that the dependencies will be damaged, resulting in the low mutual dependence. Hence the following hypothesis is put forward:

Hypothesis 2: Mutual dependence between manufacturers and retailers is negatively associated with the opportunism between them.

According to the study of Özen, Uysal and Çakar (2016) power imbalance between manufacturers and retailers is detrimental to embedded relations. In the furniture district of Siteler, for instance, retailers were less dependent on manufacturers as

compared to the manufacturers' dependence on them because retailers were less in numbers, financially more resourceful, and structurally positioned to control the channels to the customers. Because of this power imbalance favorable to retailers, they tended to avoid establishing embedded relations and keeping the relations with manufacturers as arms' length, market relations. The main reason for this, retailers did not see many benefits from embedded relations with manufacturers, given their dominance on the relations. Therefore, the following hypothesis is formulated:

Hypothesis 3: Power imbalance between manufacturers and retailers is negatively associated with the embeddedness between them.

Finally, as argued by Özen, Uysal and Çakar (2016), power imbalance between retailers and manufacturers promotes opportunistic behaviors by the more powerful party. Since the retailers had a favorable power imbalance in the Siteler case, Özen, Uysal and Çakar (2016) reported many complaints by manufacturers about the opportunistic behaviors of retailers such as delaying their payments, even not paying them, forcing them to reduce prices, stealing their furniture models and having another manufacturer manufacture the model with lower cost. These are typical opportunistic behaviors as described by Williamson (1975) because opportunism, by definition, occurs when the other party has some weaknesses or mistakes and vulnerabilities. These considerations lead to the following hypothesis:

Hypothesis 4: Power imbalance between manufacturers and retailers is positively associated with the opportunism between them.

The model also includes the control variables. They are organizational type, age, size, differentiation, and low-cost leadership strategies. Organizational type refers to the position where an organization is located in the value chain of an industry. In this study, it has two categories, manufacturers, and retailers. This variable is expected to influence embeddedness and opportunism because in Özen, Uysal and Çakar (2016), retailers, which were more powerful than manufacturers because of their structural

position in the value chain preferred less embedded relations and frequently engaged in opportunistic behavior. On the other hand, manufacturers pushed the relations with retailers to embedded ones. However, when a manufacturer was bigger, that manufacturer was also able to engage in opportunism and pushed the relations toward market ones.

Organization age is the time passed till now since an organization was established and started its business. Wang, Assche and Turkina (2018) argued that organization age positively related to network centrality in an inter-organizational network, meaning that as organization get older, they become more embedded in their organizational network. The rationale behind this relationship is that establishing trust-based ties requires long-term commitment and repeated transactions over time (Uzzi, 1997). On the other hand, for younger organizations it is relatively difficult to build embedded relations because they are not well known by the other organizations, and therefore, they have relatively lower reputation and status (Bitektine, 2011). In this vein, it can also be expected that older organizations may engage in less opportunistic behavior than younger organizations because they do not want to diminish their already built high reputation and status.

Organizational size, which usually refers to the number of employees hired in an organization, is also relevant to embeddedness and opportunism. In Özen, Uysal and Çakar (2016), particularly the size of manufacturers is relevant: as manufacturers get bigger, they become more powerful and less dependent on retailers, and eventually, prefer arm's length relations rather than embedded relations. They may also act opportunistically based on the power imbalance favorable to them. On the other hand, Wang Assche and Turkina (2018) suggest the opposite relationship by arguing that since size of organizations are usually considered as a signal of their status and reputation, bigger organizations have more ability to build ties with other organizations and become closer to the center of its organizational network. In contrast, smaller organizations lacking high prestige and status also lack the ability to develop linkages with the key players in the network. In parallel to this argument, it is also expected that bigger organizations are less likely to engage in opportunistic behavior. Either negative or positive association with embeddedness and opportunism that organizational size has, it deserves to be controlled for its potential effects on the dependent variables.

Finally, competitive strategies of manufacturers and retailers may be associated with embeddedness and opportunism. According to Porter (1980), strategy is known as the means by which an organization achieves and sustains a competitive advantage over the other organization in the industry. For him, product differentiation and low-cost leadership strategies are two generic strategies. Differentiation strategy involves creating a product or service which is considered to be specific to the customer values. With differentiation strategy, a company to compete in the market based on its differences in quality, in service, or way of providing its products rather than offering lower prices. Furthermore, consumer brand loyalty is enhanced by differentiation. Differentiation strategy is usually followed in growing industries or to revive in mature industries. Regarding its relationship with embeddedness and opportunism, Özen, Uysal and Çakar (2016) founded that when retailers follow differentiation strategy, they need more talented and trustable manufacturers whom they could share their furniture models. Therefore, they tend to have embedded relations with manufacturers to reduce transaction costs. In order to continue these long-term relations with those manufacturers, they also less engage in opportunistic behaviors. Corsten and Kumar (2005) also suggest that the retailer following differentiation strategy usually prefers long-term deals, so they can take advantage of embedded relationships.

On the other hand, low-cost leadership stress cost-reduction (Porter, 1980). If an organization wants to have cost leadership, it must cut costs in all areas of the business activities such as procurement, human resources, production, marketing, distribution, and packaging. There are possible benefits of creating a low-cost strategy in terms of increasing production scale. Scaling the business leads to further reduction in the cost of raw materials and supplies because of increased bargaining power of ordering larger volumes, which can further reduce the cost of goods and can help organizations become cost leaders. On the other hand, cost leadership strategy focusing on price and cost control is usually followed in mature industries. In terms of this strategy's association with embeddedness and opportunism, Özen, Uysal and Çakar (2016) suggest that when retailers use low-cost leadership strategies, they usually sell standard furniture with lower prices. Since there are many small manufacturers than offer these products in competition with each other, retailers have many options to pick for subcontracting. Therefore, retailers do not need to build embedded relations, and prefer arms' length relations with manufacturers. In addition to that, they can act very

opportunistically against manufacturers due to their comparatively less dependence on manufacturers.



CHAPTER 4: METHODOLOGY

In order to empirically test the theoretical framework described in the previous section, a survey research was conducted. In this chapter, the sampling, sample characteristics, survey administration and data collection, the measures and their reliability analyses, and the data analysis techniques to be used to test the hypotheses are summarized in the forthcoming sections of this chapter.

4.1 Sampling

Since the theoretical framework that is tested in this thesis was originally developed through the data from the manufacturers and retailers in the furniture industry, the same industry was focused here by considering the possible specificity of the theory to that industry. For the sake of convenience, furniture firms located in İzmir were chosen. The up-to-date list of furniture manufacturers and retailers located in İzmir was obtained from the official website of the Izmir Chamber of Commerce. In February 2021, there were 80 furniture manufacturers and 180 retailers enlisted, which constituted the population of this study. Due to the resource constraints and pandemic situation (Covid-19), the survey was decided to be conducted via e-mail. However, the e-mail addresses of some firms could not be obtained due to the lack of information on their websites. Therefore, phone calls were made with the furniture companies located in industrial areas such as Karabağlar, Kısıkköy and Çeşme in Izmir, where the furniture industry is highly developed. Of the total 260 companies, 132 companies were excluded from the study because 15 did not have a website, 37 did not have the contact information on their websites. 16 refused to participate in the study on privacy grounds and 64 did not fill and send the questionnaire. As a result, the sample of the study consisted of 128 company.

At the beginning, it was planned to use the snowball sampling method in the study. However, as explained in the following section, the respondents did not want to provide the identify of their partnering firms with which they have worked most frequently and longest time. Therefore, the strategy to collect data from dyads regarding their dependence on each other and to what extent they perceived their relations with their partner embedded or opportunistic failed. Therefore, the convenience sampling method was used by covering the entire population as much as

possible and satisfied with an ultimate sample of responding firms from the population we could reach.

During the data analysis, it was also realized that eight companies were extremely bigger than the other companies in the sample. Although the average size of remaining 120 companies, in terms of the number of employees hired, was six, these eight firms have a size of 2595 on the average. Since large companies usually make other relatively small companies highly dependent on them because of their bargaining power, they would suppress the mutual embeddedness and power asymmetries in the sample. Therefore, they, as the outliers, were also excluded from the sample, leaving us the final sample size of 120. With its considerably high response rate, 46 percent (120/260), the sample size seems to be acceptable. However, it was less than optimum sample size of 151 calculated at the margin of error of 5% and the confidence interval of 95% (Taherdoost, 2016). Therefore, the results of the data analysis should be evaluated by considering this limitation which is largely due to the pandemic and associated economic crisis.

4.2 Sample Characteristics

The characteristics of the sampled 120 firms and their key informants are presented in Table 1. Of 120 key informants, 60 are manufacturers and 60 retailers. The average age of the respondents is 42 and 96.7 percent are male. 34 of the respondents are primary school graduates, 36 secondary school graduates, 36 high school graduates and 14 university graduates. 92 of the respondents are company owners and 28 are managers. Furthermore, 9 people who participated in the survey have at least 3 years, 9 people have at least 6 years, 2 people have at least 9 years and 110 people have more than 10 years of experience. It consists of 110 private companies, 7 family companies and companies established by the partnership of 3 different families. Nine of these companies are at least 10 years old, 24 are at least 15 years old and 87 are at least 16 years old. There are 100 companies employing a maximum of 5 people, 11 companies employing a maximum of 15 people, 4 companies employing a maximum of 30 people, 3 companies employing a maximum of 60 people and 2 companies employing a maximum of 100 people.

Table 1. The Sample Characteristics

Characteristic	Categories	Frequency	Percentage	Mean
Respondent's age	20-30	3	0,05	42
	31-40	14	3,85	
	41-49	24	2,25	
	50 or more	13	4,15	
Respondent's gender	Female	4	3,3	
	Male	116	96,7	
Respondent's education	Primary	34	28,3	
	Middle school	36	30	
	High School	36	30	
	Undergraduate and more	14	9,4	
Respondent's position	Owner	92	76,7	
	Manager	28	23,3	
Respondent's tenure	1-3 year	9	13,3	17
	4-6 year	9	13,3	
	7-9 year	2	60	
	10 and over year	110	1,09	
Company ownership	sole proprietorship	110		
	family partnership	7	5,8	
	partnership of different families	3	2,5	
Company's age	1-5 year			20
	6-10 year	9	0,075	
	11-15 year	24	0,2	
	16 and over year	87	1,38	
Number of employees	1--5	100	83,3	8
	6--15	11	9,2	
	16-30	4	3,3	
	31-60	3	2,5	
	61-100	2	1,7	

4.3 Survey administration and data collection

The data in this study were collected by using a questionnaire. The questionnaire was prepared to measure the focal firm's dependence on partner (hereafter, firm's

dependence) and, its partner's dependence on the local firm (hereafter, partner's dependence) to calculate mutual dependence and power imbalance between the partners as the main independent variables, embeddedness and opportunism as the dependent variables, and organizational features as the control variables. The demographics of the respondents were also asked to gather further information about the sample characteristics. Two separate questionnaires were created for manufacturers and retailers. Both questionnaires had similar 62 questions with some minor wording differences. As presented in Appendix A, the questionnaires were prepared in native language, Turkish. Their English translations can be found in Appendix B. In the questionnaires, the anonymity and confidentiality were guaranteed and the approval of the Ethics Committee of IUE was obtained.

The questionnaires have two parts. In the first part, the questions about demographic characteristics of the respondents, such as their age, gender, position and tenure(the questions from 1 to 3 and 5), and the features of the focal organization such as the time of foundation, ownership, number of people hired, size of the shop/store in square meter, the type of production/order, used capacity ratio, the products sold/manufactured, the groups of customers, and the number of manufacturers/retailers they worked with in a year (the questions 4 and from 6 to 14). In the second part, the questions about differentiation and low-cost leadership strategies followed by the focal organization (15 to 21 for differentiation and 22 to 28 low-cost leadership strategies), embeddedness (29 to 35 and 38,39, 40, 41, 43,44 and 46), opportunism (36, 37, 42, 45, and 47 to 50), the firm's dependence (51 to 55, and 57-to 60), and the partner's dependence (56, 61 and 62) were asked.

The questionnaires were tested first by applying to a group of respondents of ten to see whether the questions were understandable and had face validity. In this pilot study, it was realized that respondents were hesitant to answer some questions. In the first version of the questionnaire described above, respondents were asked to indicate the names of the partner they have worked most frequently and longest time in order to continue the survey by applying the questionnaire to the indicated partner, thus enlarging the sample through the snowball sampling method. However, most of the respondents did not want to give the names of their partners. Moreover, in the original version of the questionnaire, there was a question about the organization approximate

annual revenue. They also did not want to answer this question. Therefore, these two questions were eliminated.

The questionnaires were transferred into a Google Form. As explained earlier, the list of furniture manufacturers and retailers registered to Izmir Chamber of Commerce and the availability of information about them were searched. Although a list of 260 firms of which 180 retailers and 80 manufacturers was obtained, 52 of them were eliminated because of the lacking web site, phone and/or email information. Then, the Google Form link was sent to the remaining 208 firms through an e-mail which introduced the researcher and the purpose of the study. Their replies were tracked, and in case of no filled questionnaire received, the reminders were sent. Ultimately, 128 questionnaires were received, of which 64 were retailers and 64 manufacturers. As mentioned earlier, four firms were excluded from each group, eight firms in total, because of their sizes, resulting in a sample size 120 with equal number of retailers and manufacturers.

4.4 Measures

4.4.1 Dependent Variables

In this study, two variables are determined as the dependent variables, namely, embeddedness and opportunism.

4.4.1.1 Embeddedness

Embeddedness is defined as the degree of reciprocity and closeness among partners (Granovetter, 1992). The embeddedness of the relationship between manufacturer and retailer was measured in this study through the questions from 29 to 35, and 38,39, 40,41, 43, 44 and 46 (see Appendix A, also see Appendix E). The questions from 29 to 33 and 35, were adopted from scale developed by Özen et al. (2007) and Özen, Uysal and Çakar (2016). These questions, as presented in Table 2 are about the length, closeness, frequency, and social aspects of embedded relations which were previously described by Granovetter (1973 and 1985) and Uzzi (1997). All other questions for embeddedness were designed to measure mutual trust, noncontractual partnership, information sharing, collaborative problem solving, and altruism. All these questions, except the question 43, were also prepared through the insights from Uzzi (1997). The question 43, which is about the future extension of embeddedness, was adopted from

(Rindfleisch and Moorman, 2001). All questions related to embeddedness were asked to the participants to indicate their perception by using 5-point Likert scale, from 1= strongly disagree/never/very distant to 5 for strongly agree/always/very close. The questions of 38 and 44 were reverse coded.

An exploratory factor analysis (EFA) was conducted to uncover the underlying structure of these statements. First, the Kaiser-Myer-Olkin (KMO) test and the Bartlett's test of sphericity were conducted to evaluate the factorability. The KMO measure of sampling adequacy was .791, and the significance of Bartlett's test of sphericity was .000. Since the KMO value was greater than .60, and the significance of the Bartlett's test was less than .001, the EFA can be applied to the data gathered. Then, EFA was conducted to examine the construct validity, in which the principal component method was used for factor extraction, and Varimax with Kaiser Normalization method was used to rotate the extracted factors. The three factors were extracted according to the eigen value criterion of 1 and rotated as presented in the following table. These three factors together explained the cumulative variance at 58.94 %.

Table 2. Factor Loadings Results for Embeddedness

Items	Factor Loading		
	1	2	3
(35) We have ties to this retailer/manufacturer such as countryman, kinship, friendship and so on.	.859	.111	-.167
(33) What is the frequency of meeting with this retailer/manufacturer/manufacture in the evenings or on weekends for social reasons?	.817	.235	.022
(31) How closely do you have a relationship with this retailer/manufacture?	.785	.319	.092
(44) We do not do business without signing a contract with this retailer/manufacture (reverse).	.742	-.073	.164
(30) To what extent do you work open accounts with this retailer/manufacture?	.693	.134	.363
(32) What is the frequency of phone or face-to-face meetings with this retailer/manufacture due to work?	.520	.288	-.287
(32) What is the frequency of phone or face-to-face meetings with this retailer/manufacture due to work?	.123	.836	.115
(43) We intend to work with this retailer/manufacture in the future.	.078	.784	.219
(41) We easily solve the problems we encounter with this retailer/manufacture.	.089	.716	-.154
(40) This retailer/manufacture handles us in difficult situations.	.098	.675	-.430
(46) This retailer/manufacture is sensitive to our problems and demands.	.169	.576	-.186
(34) This retailer/manufacture shares with us critical information about new products, technologies and the market	.160	.545	.017
(38) I hesitate to do business with this retailer/manufacture without predetermining all the conditions (reverse).	.235	-.055	.742
(29) How often did you have a disagreement with the retailer/manufacture?	-.048	-.007	.676

As the estimate of internal consistency, which indicates the reliability of the scale, Cronbach's alpha was used. The Cronbach's alpha was originally .811. Deleting the items (38) and (29), an increased alpha value of .836 was obtained, meaning that the embeddedness scale with single factor has a good internal consistency. According to the analysis, no further deletion of the items produced a greater alpha value. Therefore,

we created the variable of embeddedness by calculating the mean of 12 items for each firm.

4.4.1.2 Opportunism

As described earlier, opportunism involves seeking self-interest in relation with business partner. Opportunism was measured by the questions of 36, 37, 42, 45, and 47 to 50 in the questionnaire (see Appendix A, also see Appendix F). As seen in Table 3, these questions are about taking advantage of the partner's weaknesses (36, 37, 42 and 45), appropriating the valuable assets of the partner (47), and honesty and integrity (48, 49, and 50). In developing these items, Williamson (1975 and 1985) and Özen, Uysal and Çakar (2016) were drawn. All these questions were asked to the participants to indicate their perception by using 5-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree). The questions of 45, 48, 49 and 50 were reverse coded.

The KMO value of .691 and the significance value of Bartlett's test of .000 allowed us to apply EFA to the items of opportunism. EFA with the principal component and Varimax methods yielded three factors as presented in the following table. These three factors together explained the cumulative variance at 62.65 %.

Table 3. Factor Loadings Results for Opportunism

Items	Factor Loading		
	1	2	3
(50) This retailer/manufacturer keeps its promises (reverse).	.852	.116	.045
(49) This retailer/manufacturer has always been honest in his relationship with us (reverse).	.845	.077	.131
(48) This retailer/manufacturer does not commit to what they cannot do (reverse).	.839	-.119	.062
(47) This retailer/manufacturer often takes our product models and makes/does products cheaper/busines with another manufacturer/retailer.	.171	-.704	.278
(37) This retailer/manufacturer often delays our payments/orders.	.072	.704	.036
(45) This retailer/manufacturer delivers the payments on time (reverse).	.267	.536	.422
(42) This retailer/manufacturer makes demands that challenge us.	-.087	-.232	.737
(36) If this retailer/manufacturer had the opportunity, they could benefit from the situations against us.	.223	.129	.707

As seen in Table 3, factor loadings are quite dispersed and low. In the reliability analysis, the Cronbach's alpha value was increased by eliminating the items that reduce the alpha value. After seven iterations, the Cronbach's alpha value of .816 was achieved by including the items of 48, 49, and 50. Since it was a good internal consistency value, we created the variable of opportunism by calculating the scores for each firm by taking the mean of three items.

4.4.2 Independent Variables

4.4.2.1 Mutual Dependence and Power Imbalance

As Casciaro and Piskorski (2005) suggested, mutual dependence is the sum of each organization's dependence on the other within a dyad whereas power imbalance is the difference between their reciprocal dependences on each other. Therefore, in order to reach mutual dependence and power imbalance between manufacturers and retailers in this study, each firm's dependence on the partnering firm was measured. This indicator was called *dependence*, meaning each manufacturer's dependence on its partnering retailer or each retailer's dependence on its partnering manufacturer. Furthermore, each firm's perception about the degree to which its partnering firm was dependent on it was also measured. This indicator, on the other hand, was called *other's dependence*, meaning each manufacturer's perception about its partnering retailer's dependence on it or each retailer's perception about its partnering manufacturer's dependence on it. Thus, the mutual dependence score for each firm was calculated by summing each firm's dependence and other's dependence scores whereas the power imbalance score was calculated by subtracting its other's dependence score from its dependence score.

Dependence indicator was measured in this study through the questions from 51 to 55 and from 57 to 60 (see Appendix A, also see Appendix C). The questions from 51 to 55 and from 57 to 60, were adopted from the scale developed by Özen et al. (2007) and Özen, Uysal and Çakar (2016). These questions were developed to measure the extent to which the focal firm is dependent on the resources such as information, customer, product, money held by the partnering firm and therefore, dependent on it for its successful operation. All questions related to dependence were asked to the participants to indicate their perception by using 5-point Likert scale, from 1= strongly disagree to 5 for strongly agree. The question of 58 were reverse coded.

The KMO value of .773 and the significance value of Bartlett's test of .000 allowed us to apply EFA to the items of dependence indicator. EFA with the principal component and Varimax methods yielded three factors as presented in the following table. These three factors together explained the cumulative variance at 63,626 %. Deleting the item (54), the alpha value of .791 was obtained. Then, the average of remaining items was calculated as the scores of the dependence indicator.

Table 4. Factor Loadings Results for Dependence

Items	Factor Loading		
	1	2	3
(52) Thanks to this retailer/manufacturer, we gain important knowledge and skills related to our business.	.824	-.063	.119
(57) We receive important information about product innovations from this retailer/manufacturer.	.794	.181	.069
(55) Thanks to this retailer/manufacturer, we can sell/ produce quality or cheap product.	.753	.136	.067
(59) This retailer/manufacturer is very important for our future profitability.	.628	.472	.211
(53) When this retailer/manufacturer delays the order / payment, we are in difficult situation.	.106	.876	-.011
(51) When this retailer/manufacturer does not produce / buy goods for us, we are in very difficult situation as a company.	.103	.708	.323
(60) We are dependent on this retailer/manufacturer.	.182	.227	.763
(58) If this retailer/manufacturer fails to meet our expectations, we easily cut ties. (reserve).	.287	.221	.708
(54) Thanks to this retailer/manufacturer, we learn about product and technology innovations.	.350	.248	-.482

The indicator of other's dependence was measured by the items of 56, 61 and 62. In these questions, respondents were asked to indicate to what extent their partner firm was dependent on them. For the other dependence dimension, factor analysis was applied to the items 56 (reversed), 61 and 62. The one factors were extracted. This factor explained the cumulative variance at 67.28 %. Afterwards, item (56) was deleted, and the Cronbach's alpha value increased from .718 to .887. The other dependence variable was created by taking the average of these two items.

Table 5. Factor Loadings Results for Other's Dependence

Items	Factor Loading
	1
(61) If this retailer/manufacturer, does not work with us he will be in a difficult situation.	.917
(62) This retailer/ manufacturer is dependent on our company.	.905
(56) This retailer/ manufacturer may stop working with us at our slightest mistake. (reverse)	.599

Finally, the mutual dependence variable score for each firm was calculated by taking the sum of its dependence and other's dependence score. Since both indicators theoretically take values between 1 and 5, the mutual dependence values would be between 2 and 10. Furthermore, the power imbalance score for each firm was calculated by subtracting the other's dependence score from its dependence. Since both indicators take values between 1 and 5, the power imbalance scores theoretically take values between -4 and 4. If the score is greater than zero, it means that the focal firm is more dependent on the other firm than the other firm is dependent on it. If the score is negative, it means that the other firm is more dependent on the focal firm than it is dependent on the other firm. Thus, as the power imbalance value increases, the power imbalance unfavorable to the focal organization increases.

4.4.3 Control variables

In the theoretical framework of the study, organizational strategy, age, type and size were employed as the control variables because they were considered as the variables which may potentially affect the dependent variables as independent from the independent variable.

The strategy is determined over the costs from production to marketing, from supply to sales in relation to the business partner. Strategies in which a company offers a relatively low price to stimulate demand and gain market share are low-cost. It is used

where the product has little competitive advantage or where economies of scale can be achieved with higher production volumes. A differentiation strategy is when a company sells/produces products that are unique, different, and different from the products that its competitors can offer in the market share.

Differentiation strategy was measured with questions from 15 to 21 in the questionnaire (see Appendix A, also see Appendix F). As seen in Table 6, these questions are about better product quality, new services to the customer, and customer loyalty. While developing these items, Porter (1980), and Özen, Uysal and Çakar (2016) were drawn. For all these questions, the participants were asked to indicate their perceptions using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The KMO value of .815 and the significance value of Bartlett’s test of .000 enabled us to conduct EFA to the items of differentiation strategy. Using the principal component and Varimax methods, EFA analysis yielded two factors as presented in Table 6. The two factors together explained 69,626 percent of the cumulative variance. The reliability analysis for all the items resulted in the Cronbach’s alpha value .830 for differentiation strategy.

Table 6. Factor Loadings Results for Differentiation Strategy

Items	Factor Loading	
	1	2
(21) The average price of our products is higher than the rival products	.858	.087
(20) Unlike rival retailer/manufacturer, we offer new services to customer in addition to our products.	.791	.180
(19) We compete with rival retailer/manufacturer by differentiating our products.	.748	.261
(18) The quality and image of our products are higher than the competing products.	.594	.562
(15) We compete with rival retailer/manufacturer by producing better quality products.	.572	.512
(16) We establish long-term relationships with our customers.	.157	.878
(17) We have a large number of permanent customers.	.175	.859

Low-cost strategy was measured with questions from 22 to 29 (see Appendix A, also see Appendix G). As seen in Table 7, the questions were always about minimizing cost, avoiding differentiation and additional services, and offering standard products

with lower prices. Porter (1980) and Özen, Uysal and Çakar (2016) were drawn to develop these items. Similar analyses were also conducted for low-cost strategy. EFA resulted in the KMO value of .836 and the significance value of Bartlett's test of .000, EFA yielded only one factor which explained 56.841 percent of the total variance. All items were loaded on the factor with loadings greater than .40 as seen in Table 7. The reliability analysis for all the items resulted in the Cronbach's alpha value .868 for low-cost strategy.

Table 7. Factor Loadings Results for Low-cost Strategy

Items	Factor Loading
	1
(22) We compete with rival retailer/manufacturer by producing lower priced products.	.853
(26) We avoid providing additional services to the customer alongside the products as it increases costs.	.850
(28) The average price of our products is lower than that of competing products.	.819
(27) We avoid differentiating our products from competing products because they increase costs.	.796
(23) We try to reduce supply/ production and sales cost as much as possible.	.750
(25) Cutting all costs from supply/raw material to sales/marketing is the most important factor in the competition for us.	.698
(24) We sell/produce standard products available on the market.	.418

Organization type refers to the position an organization occupies in the value chain of an industry. In this study, it is discussed whether it is a manufacturer or a retailer. Organization age is the time that has elapsed since an organization was founded and started operating. The data were analyzed with the information of the year the company was founded. Organization age was measured with question 5 (see Appendix A). Organizational size refers to the number of employees hired in an organization. It is measured by the total number of people in the company and the square meter data of the company. Also, Organizational size was measured with questions 8 and 9 (see Appendix A).

4.5 Data Analysis

The relationships hypothesized in the conceptual framework were tested using hierarchical multiple linear regression analysis. For each analysis, the control variables of differentiation and low-cost strategies, organizational age, type and size were first entered in model to control their effects on the dependent variable. Then, the independent variable was introduced the model. IBM SPSS Statistics Version 21 was used for data analysis.

Assumptions of linearity, multicollinearity, and normally distributed errors were also checked for each regression analysis performed (see Appendix H). The results show that these assumptions are satisfactorily met by the data set.



CHAPTER 5: FINDINGS OF THE STUDY

5.1 Descriptive Statistics

The mean, minimum and maximum values of the dependent, independent and control variables are shown in Table 8.

There are theoretical values at which these variables can take between the minimum and maximum values. For example, the values of embeddedness, opportunism, differentiation, and low-cost strategy are between 1 to 5. However, the values of mutual dependence are between 2 and 10, and those of power imbalance are between -4 and +4, whereas organization type between 1 to 2, size between 0 to 4.61, age range between 5 to 61. Thus, the mean value for embeddedness, 3.52, is interpreted as high, and the mean of opportunism, 1.49, is considered high, the mutual dependence is moderately high with the mean of 5.52 and the mean value for power imbalance, 1.22, is low. The mean of organization type is meaningless because it is a binary variable. The mean value for organization size (logarithmic) is 1.32, and the mean age of organization is 21.35. In addition, firms prefer differentiation strategy instead of low-cost strategy with a remarkable surplus. While the mean of differentiation variable is 4.20, it is 2.20 for cost leadership.

Correlation values given in Table 8 consist of the values of the associations between the dependent variables and the independent variables in the hypotheses. In support of Hypothesis 1, suggesting a positive association between mutual dependence and embeddedness, the significantly positive correlation ($r = .776$, $p < .01$) was obtained. For hypothesis 2, The significant negative correlation between mutual dependence and opportunism ($r = -.266$, $p < .01$) is also supportive. For Hypothesis 3, suggesting that the relationship between power imbalance and embeddedness is predicted to be negative, the resulting negative but weak ($r = -.190$, $p < .05$) correlation is also supportive. Finally, the correlation between power imbalance and opportunism is positive but insignificant ($r = .040$), suggesting the rejection of Hypothesis 4 that predicts a positive significant association between these variables.

Table 8. Descriptive Statistics

Variables	N	Mean	Min	Max	SD	1	2	3	4	5	6	7	8	9
1.Embeddedness	120	3.52	2.18	4.91	.53	1	-.380*	.776**	-.190*	.042	.187*	.126	.213*	-.259*
2.Opportunism	120	1.49	1.00	2.40	.387	-.380**	1	-.266**	.040	.012	-.125	-.154	-.337**	.322**
3.Mutual dependence	120	5.517	2.63	10.00	1.296	.776**	-.266**	1	-.302**	.159	.108	-.097	.140	-.179
4.Power imbalance	120	1.22	1.00	3.38	.76	-.190*	.040	-.302**	1	.202*	.095	.162	.068	-.104
5.Org. type	120	1.50	1.00	2	.50	.042	.012	.159	.202*	1	.149	.090	.296**	-.233*
6.Org. size (Log)	120	1.32	.00	4.61	.97	.187*	-.125	.108	.095	.149	1	.412**	.412**	-.444**
7.Org. age	120	21.35	5.00	61.00	10.00	-.126	-.154	-.097	.162	.090	.412**	1	.158	-.181*
8.Differentiation	120	4.20	2.86	5.00	.64	.213*	-.337*	.140	.068	.296**	.412**	.158	1	-.760**
9.Low-cost	120	2.20	1.00	4.43	.86	-.259**	.322**	-.179	-.104	-.233*	-.444**	-.181*	-.760**	1

* Correlation is significant at the 0.05 level (2-tailed)

**Correlation is significant at the 0.01 level (2-tailed)

The values given in Table 8 indicate that there is a positive correlation between the control variable organizational type and dependent variable embeddedness. The positive significant correlation between organizational type and power imbalance ($r = .202, p < .05$) means that retailers reported more power imbalance than manufacturers. This is interesting because in the original study in Siteler (Özen, Uysal and Çakar, 2016), manufacturers were more dependent on retailers. A weak but significant correlation between organizational size and embeddedness ($r = .187, p < .05$) is surprising because it is generally expected that large firms will develop distance relationships with their partners rather than embeddedness due to their strength. Additionally, size has not significant association with other dependent and independent variables. This is contradictory to the role of the organizational in interorganizational relations as predicted by Özen, Uysal and Çakar (2016). Organizational age has similarly no significant relations with any dependent and independent variables. Finally, differentiation strategy's positive association with embeddedness ($r = .213, p < .05$) and negative association with opportunism ($r = -.337, p < .05$) means creation of differentiation in product and services needs more embedded relations with collaboration with partners and less opportunism to build trust with the partners. This is consistent with the expectation in Özen, Uysal and Çakar (2016). As being negatively correlated with differentiation ($r = -.760, p < .01$), low-cost strategy is expectedly correlated negatively with embeddedness ($r = -.7259, p < .01$) and positively with opportunism ($r = .322, p < .01$), meaning that when firms follow low-cost strategy, they usually focus on the internal process to reduce cost rather than developing embedded relations with their partners.

5.2 Relational Statistics and Testing Hypothesis

5.2.1 Mutual Dependence and Embeddedness

Table 9 presents the findings from regression analyses of embeddedness. Two models were tested, one with control variables only (Model 1) and another with the independent variable as well (Model 2). In Model 1, only organizational age is significantly negative ($B = -.013, p = .013$) associated with embeddedness, suggesting that as organizations' age increases, their embedded relations with their partner decreases. This model is significant ($F = 3.210, p = .010$) but explains only 12.3% of the variance in embeddedness ($R^2 = .123$). After including mutual dependence in Model 2,

the total variance explained by the model increased to 64.9 %, with R2 change of 52.6% (F = 34.210, p = .0001). This model suggests a significant positive association between mutual dependence and embeddedness (B= .298, p= .0001), which strongly supports H1, suggesting that mutual dependence between manufacturers and retailers is positively associated with the embeddedness between them. The Model 2 also indicates that organization type (1=Manufacturer, 2=Retailer) is significantly negative associated with embeddedness (B = -.125, p = .046). This means that being retailer, instead of being manufacturer decreases the likelihood of having embedded relations with manufacturers.

Table 9. Regression Analysis of Embeddedness with Mutual Dependence (n=120)

Variables	Embeddedness	
	Model 1	Model 2
Constant	3.902*** (.630)	2.204*** (.421)
Organization type	-.020 (.097)	-.125* (.062)
Organization age	-.013* (.005)	-.006 (.003)
Organization size	.102 (.058)	.060 (.037)
Differentiation	.017 (.114)	.040 (.073)
Low-cost leadership	-.128 (.114)	-.053 (.054)
Mutual dependence	-	.298*** (.023)
Degrees of freedom	5	6
F	3.210*	34.210***
R2	.123	.649
R2 change	.123	.526

* p<.05, ** p<.01, *** p<.001

5.2.2 Mutual Dependence and Opportunism

Table 10 presents the findings from the regression analyses of opportunism. Two models, Model 1 with control variables and Model 2 with independent variables additionally, were tested. Although Model 1 is significant (F=4.135, p=.002) but explains only 15.4% of the variance in opportunism (R²=.154). none of the variables is significantly negative associated with opportunism. The only variable with a significance level near to .05 (p = .054) is the differentiation strategy which is negatively associated with opportunism (B = -.185), meaning that as firms implement more differentiation strategy, they report less opportunistic behavior about their

partner in firm. After including mutual dependence in Model 2, the total variance explained by the model increased to 21.6, with R^2 change of 6.3% ($F = 5.203$, $p = .0001$). This model suggests a significant weak negative association between mutual dependence and opportunism ($B = -.087$, $p = .003$), which supports H2, suggesting that mutual dependence between manufacturers and retailers is negatively associated with the opportunism between them. The Model 2 also indicates that differentiation strategy is significantly negative associated with opportunism ($B = -.192$, $p = .039$). This means that when firms adopt differentiation strategy, it is less likely to have opportunistic behavior from their partner firm.

Table 10. Regression Analysis of Opportunism with Mutual Dependence (n=120)

Variables	Opportunism	
	Model 1	Model 2
Constant	1.917*** (.524)	2.415*** (.533)
Organization type	.114 (.081)	.145 (.079)
Organization age	-.006 (.004)	-.008 (.004)
Organization size	.043 (.048)	.056 (.047)
Differentiation	-.185 (.095)	-.192* (.092)
Low-cost leadership	.087 (.071)	.065 (.069)
Mutual dependence	- -	-.087** (.029)
Degrees of freedom	5	6
F	4.135**	5.203***
R2	.154	.216
R2 change	.154	.063

* $p < .05$, ** $p < .01$, *** $p < .00$

Table 11 presents the findings from the regression analyses of embeddedness with power imbalance. Two models were tested, one for the control variables only (Model 1) and the other for the independent variable of power imbalance (Model 2). In Model 1, only organizational age was significantly negative in relation to embeddedness ($B = -.013$, $p = .010$), meaning that as organization age increases, embedded relations of that organization with its partners decreases. This model is significant ($F = 3.210$, $p = .010$) and explains only 12.3% of the variance in embeddedness ($R^2 = .123$). After including power imbalance in Model 2, the total variance explained by the model increased to 16.1% with a change in R^2 of 3.8% ($F = 5.203$, $p = .0001$). This model suggests a

significant negative relationship between power imbalance and embeddedness ($B = -.140$, $p = .026$), which strongly supports H3, suggesting the negative association between power imbalance and embeddedness. Model 2 also shows that organizational age is still negatively related with embedded relations ($B = .011$, $p = .027$).

Table 11. Regression Analysis of Embeddedness with Power Imbalance (n=120)

Variables	Embeddedness	
	Model 1	Model 2
Constant	3.902*** (.630)	4.068*** (.623)
Organization type	-.020 (.097)	.021 (.097)
Organization age	-.013* (.005)	-.011* (.005)
Organization size	.102 (.058)	.102 (.057)
Differentiation	.017 (.114)	.003 (.112)
Low-cost leadership	-.128 (.085)	-.140 (.084)
Power Imbalance	-	-.140* (.062)
Degrees of freedom	5	6
F	3.210**	3.616**
R ²	.123	.161
R ² change	.123	.038

* $p < .05$, ** $p < .01$, *** $p < .001$

5.2.4 Power Imbalance and Opportunism

The findings of the regression analyses of opportunism with power imbalance are presented in Table 12. Model 1 with control variables is significant ($F = 4.135$, $p = .002$) and explains only 15.4% of the variance in opportunism ($R^2 = .154$). However, none of the variables is significantly related to opportunism in this model. As in the previous analysis, differentiation strategy is negatively related to opportunism at a significance level near .05 ($B = -.185$, $p = .054$). After including power imbalance into analysis in Model 2, the total variance explained by the model increased only to 15.8% with a change in R^2 value of .4% ($F = 5.203$, $p = .0001$). This model does not support H4, suggesting that there is a significant positive relationship between power imbalance and opportunism because the association between these two variables in the model is positive but insignificant ($B = .039$, $p = .462$). In this model, differentiation strategy is also related to opportunism with a significant value near .05 ($B = -.181$, $p = .06$).

Table 12. Regression Analysis of Opportunism with Power Imbalance (n=120)

Variables	Opportunism	
	Model 1	Model 2
Constant	1.917*** (.524)	1.871*** (.529)
Organization type	.114 (.081)	.103 (.082)
Organization age	-.006 (.004)	-.006 (.004)
Organization size	.043 (.048)	.043 (.048)
Differentiation	-.185 (.095)	-.181 (.095)
Low-cost leadership	.087 (.071)	.091 (.071)
Power Imbalance	- -	.039 (.053)
Degrees of freedom	5	6
F	4.135**	3.523**
R2	.154	.158
R2 change	.154	.004

* p<.05, ** p<.01, *** p<.001

CHAPTER 6: DISCUSSION AND CONCLUSION

In this thesis, it was aimed at testing empirically the simplified version of a theoretical framework, originally developed by Özen, Uysal and Çakar (2016), that explains the effects of mutual dependence and power imbalance on the embedded and opportunistic relations between manufacturers and retailers. The four hypotheses were proposed in the model : (1) Mutual dependence between manufacturers and retailers is positively associated with the embeddedness between them; (2) mutual dependence between manufacturers and retailers is negatively associated with the opportunism between them, (3) power imbalance between manufacturers and retailers is negatively associated with the embeddedness between them, and finally (4) power imbalance between manufacturers and retailers is positively associated with the opportunism between them. but negatively associated with opportunism whereas power imbalance is negatively associated with embeddedness but positively associated with opportunism. The data was collected through the telephone interviews from 60 furniture manufacturers and 60 retailers (total sample size of 120) located in the regions of Kısıkköy, Karabağlar and Çeşme. In the data collection, the measures that were designed for the main four variables by relying on the existing literature were used. In the data analysis, exploratory factor analysis and reliability analysis were conducted for the validity and reliability of each variable, and the hierarchical regression analysis was used for the hypothesis testing. The findings support three out of four hypotheses, suggesting a positive association between mutual dependence and embeddedness, a negative association between mutual dependence and opportunism, and a negative association between power imbalance and embeddedness. However, they reject the hypothesis suggesting a positive association between power imbalance and opportunism.

The finding regarding mutual dependence indicates that as two business partners become more dependent on each other, their relations with each other becomes more embedded and less opportunistic. This finding is consistent with the findings and propositions of the earlier studies such Lusch and Brown (1996), Özen, Uysal and Çakar (2016), Zaheer and Venkatraman (1995), Zaheer, McEvily and Perrone, (1998). This means that an increasing mutual dependence between two partners stimulates mutual trust between them, which further contributes to embedded relations between them (see also, Weber, Malhotra and Murnighan, 2005; Subramani and Venkatraman,

2003). This also results in minimizing opportunistic behavior for both sides because both the partners do not want to give up the benefits they get from the already embedded relations, therefore, become less prone to opportunistic behavior (Williamson, 1985). On the other hand, the findings regarding the effect of power imbalance also partially support the findings of previous studies. As the power imbalance between partners increases, having embedded relations between them becomes less likely, thus the relations will turn into more arms' length (market) relations.

Furthermore, the findings about the effects of power imbalance on embeddedness and opportunism provide mix results. Although the study supports the hypothesis that power imbalance between manufacturers and retailers is negatively associated with the embeddedness between them, it rejects the last hypothesis suggesting a positive association between power imbalance and opportunism. This means that although increasing power imbalance between the business partners diminishes their embedded relations, this does not mean that this would result in opportunistic relations. The former finding is consistent with the main tenets of RDT (Pfeffer and Salancik, 1978) and the transaction cost theory (Williamson, 1975), suggesting that when there is high power imbalance between two partners, the relations between them will be more market-based relations which also frequently involves opportunistic behaviors engaged usually by the less dependent or more powerful partner (see also, Özen, Uysal and Çakar, 2016). However, the latter finding implies that this power imbalance does not necessarily cause opportunistic behavior of the other party, contrary to our expectations. This would be due to the fact that the study was conducted on the firms within the industrial districts where geographical proximity of member firms, inter-firm cooperation, and embeddedness (Staber and Morrison, 1999). In such highly embedded environment emerged from face-to-face and long-term interactions, firms in industrial districts may avoid opportunistic behaviors even if they have favorable power imbalance by thinking that their opportunistic behavior will be known immediately by the other organizations within the district, and will destroy their relations, and performance in the future. The reason for this is that having a reputation and power is very important in business life, but it is not preferred for long-term business since opportunistic behaviors will not leave a good reputation.

The control variables used in the analyses, i.e., organizational type, age, size, and differentiation and low-cost strategies. Organizational type refers to the position where an organization is located in the value chain of an industry, i.e., manufacturers and retailers coded 1 and 2 respectively. Özen, Uysal and Çakar (2016) argued that retailers, which were more powerful than manufacturers because of their structural position in the value chain preferred less embedded relations and frequently engaged in opportunistic behavior. In contrast, manufacturers pushed the relations with retailers to embedded ones. In parallel to this argument, the significant negative association between organization type and embeddedness in Table 9 implies that retailers have relatively less embedded relations than manufacturers. However, organization type has no significant relations with other independent and dependent variables.

On the other hand, an organizational age has a very weak but significant negative association with embeddedness, meaning that older organizations have less embedded relations with their partner than the younger ones. This is an unexpected finding because we expected that older organizations have more embedded relations because building embedded relations requires long-term commitment (Uzzi, 1997). The finding implies this is not true. This may be because that the older the organization is, the more prestigious it is and therefore, the more powerful it is, suggesting it is not much in need to establish embedded relations and follows rather arms' length relations with their partners.

This would be more interesting because we expected this line of association with embeddedness from organization size. As Özen, Uysal and Çakar (2016) suggested that when manufacturers are bigger, they become more powerful against retailers, and push the relations toward market ones and often engage in opportunistic behavior. However, the findings yield no significant association of size with any of independent and dependent variables for any group of manufacturers or retailers, rejecting the possible moderator effect of organizational size in the original framework in Özen, Uysal and Çakar (2016).

Finally, only the strategy of differentiation has a significant negative association with opportunism. This implies that when an organization follows a differentiation strategy, it faces less opportunism from its partners. This makes sense because as Özen, Uysal and Çakar (2016) suggested, differentiation strategy requires close collaboration with

the partners due to its specific, unique talent and knowledge-sharing, reciprocal commitment. Therefore, the partners may avoid acting opportunistically.

The thesis has several contributions to the theory development and managerial practice. It first enables, although partially, us to know to what extent the theoretical model proposed earlier by Özen, Uysal and Çakar (2016) is valid. The results indicate that the model is valid except the relationship between power imbalance and opportunism. There was an ambiguity in the original model about whether strategy of retailers and size of manufacturers are moderator variables moderating the effects of mutual dependence and power imbalance on embeddedness and opportunism or independent variables that are the antecedents of mutual dependence and power imbalance. That's why strategy and size were included in the analysis as the control variables to see their potential position. Moreover, in an additional analysis, strategy and size were included in the analysis as antecedent and moderator variables. However, these analyses could not yield significant results. This might be because of industrial district differences between İzmir and Ankara, or due to the time differences, or due to the small sample size in the recent study. In the future research with greater sample size, the full model can be tested by including strategy and size as moderator or antecedent variables.

Secondly, the thesis provides a set of valid and reliable measures of mutual dependence, power imbalance, embeddedness, opportunism, and different and low-cost strategies. Relying on the Turkish and foreign literature regarding how these variables were defined and measured, the statements as the indicators of the variables were chosen, and the scales were developed. Then, exploratory factor analysis and reliability analysis were conducted for each variable. In conclusion, the reliable measures with Cronbach's Alpha values range of .791 and .868 were developed. Since the primary aim of this thesis was the scale development but the model testing, this attempt should be evaluated as the first attempt to the further development of these measures with greater samples. In the future research, these measures should be further validated by using confirmatory factor analysis.

Finally, the thesis implies some recommendations for managers/entrepreneurs in practice, particularly in the context of industrial districts. The findings of the study implies that there is nothing wrong with depending on other firms as long as other

firms are also dependent on you. This would increase mutual dependence, and ultimately increase the likelihood of close, embedded relationships which reduce transaction costs. However, what is important here is that these interdependencies should be balanced. Therefore, business owners should pay attention to the balance between their firms' dependence on others as well as the others' dependence on them. The findings imply that if your company becomes more dependent on others than they are dependent on you, embedded relations are less likely. Fortunately, the finding implies that this power imbalance would not result in opportunistic behavior. According to these findings, when entrepreneurs think that their firms are too dependent on other firms, they should find the ways to increase other firms' dependence on them by providing, for instance, unique resources such as knowledge, skills, and trust in order to balance their powers.

The most important limitation of the study was the COVID-19 pandemic. In the year 2021 during the data collection was implemented, many manufacturers and retailers had to lay off their employees due to the impact of the pandemic-driven economic crisis. There were manufacturers and retailers who were struggling with the full shutdown process. Therefore, partially because of the decreasing number of firms, partially because of the business owners' low morale, greater sample could not be reached: the firms were closed, or business owners did not want to participate in the research. Moreover, because of social distance and curfew conditions, visiting the firms physically and interview them face-to-face were not much possible. Therefore, phone interviews were conducted. As a result, the sample size of 120 could be reached. Because of this data collection limitation, we had to use the same dataset for both the scale validation and the hypothesis-testing, which is not preferable in normal conditions. Although, relatively small sample size did not much negatively affect the reliability of the analyses, the findings of this study should be evaluated in this regard. Therefore, the repetition of this study with greater sample in future, hopefully no-pandemic conditions, is strongly recommended.

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APPENDICES

Appendix A: Questionnaires in Turkish Language for Retailers and Manufacturers

(FOR RETAILERS)

İZMİR EKONOMİ ÜNİVERSİTESİ

LİSANSÜSTÜ EĞİTİM ENSTİTÜSÜ, İŞLETME TEZLİ YÜKSEK LİSANS PROGRAMI

TEZ ARAŞTIRMASI

Bu soru kağıdı, firmalar arası ilişkileri inceleyen bir yüksek lisans tezi araştırması için gerekli bilgileri toplamayı amaçlamaktadır. Soru kağıdı, firma sahibi veya firmanın diğer firmalarla ilişkilerine vakıf bir üst düzey yönetici tarafından doldurulmalıdır. Kesintisiz olarak yaklaşık 20 dakikada doldurulabilecek olan soru kağıdı, firmanızla ve firmanızın çalıştığı diğer firmalarla ilgili soruları içermektedir. Lütfen, soruları, eksiksiz bir biçimde, gerçekte ne olduğuna ve ne düşündüğünüze göre cevaplayınız. Cevaplarınız, bireysel olarak hiçbir üçüncü şahıs veya kuruluşla paylaşılmayacaktır. Soru kağıdında vereceğiniz firma isimleri hiçbir şekilde bilimsel yayınlarda firma kimliğini açıklayacak biçimde kullanılmayacaktır. Bu araştırmaya katkılarınızdan dolayı teşekkür ederiz.

Beril TAYİZ

Tez Öğrencisi

Yaşınız	
Cinsiyetiniz	<input type="checkbox"/> Erkek <input type="checkbox"/> Kadın
Eğitiminiz	<input type="checkbox"/> İlkokul <input type="checkbox"/> Ortaokul <input type="checkbox"/> Lise <input type="checkbox"/> Düz Lise <input type="checkbox"/> Meslek Lisesi <input type="checkbox"/> İki yıllık yüksek okul <input type="checkbox"/> Dört yıllık fakülte <input type="checkbox"/> Yüksek Lisans veya Doktora
Firmanızdaki göreviniz nedir?	<input type="checkbox"/> Firma sahibi-yönetici <input type="checkbox"/> Ücretli yönetici <input type="checkbox"/> Satın almadan sorumlu <input type="checkbox"/> Pazarlamadan sorumlu <input type="checkbox"/> İmalattan sorumlu <input type="checkbox"/> Diğer
Firmanız hangi yılda kuruldu?	
Hangi yıldan bu yana bu firmada çalışıyorsunuz?	
Firmanızın sahiplik yapısı nedir?	<input type="checkbox"/> Şahıs firması (bir kişiye ait) <input type="checkbox"/> Aile ortaklığı (bir ailenin üyelerine ait) <input type="checkbox"/> Farklı ailelerin (kişilerin) ortaklığı <input type="checkbox"/> Diğer
Firmanızda kaç kişi çalışmaktadır?	
Satış mağazanız kaç metre karedir?	
Firmanızda kullanılan sipariş yöntemi nedir?	<input type="checkbox"/> Siparişe göre özel (tek tek) ürün <input type="checkbox"/> Siparişe göre parti ürün <input type="checkbox"/> Fabrikasyon usulü standart ürün Diğer(belirtiniz).....
Şu anda bu kapasitenin yüzde kaçını kullanıyorsunuz?	
Satışını yaptığımız ettiğiniz ürünler nelerdir? (birden fazla işaretleyebilirsiniz)	<input type="checkbox"/> Aksesuar <input type="checkbox"/> Bahçe Mobilyası <input type="checkbox"/> Okul, Hastane, Otel mobilyası <input type="checkbox"/> Bebe, Genç Odası

	<input type="checkbox"/> Büro Mobilyası <input type="checkbox"/> Dekorasyon <input type="checkbox"/> Metal, Bronz, Pirinç Mobilya <input type="checkbox"/> Kanepe, Koltuk, Oturma Grubu <input type="checkbox"/> Sandalye ve Koltuk İskelet <input type="checkbox"/> Mutfak ve Banyo <input type="checkbox"/> Yemek, Oturma Odası ve Yatak Odası <input type="checkbox"/> Diğer (belirtiniz).....
Son bir yıldaki satış hacminin yüzde kaçını hangi müşteri grupları oluşturmaktadır?	Diğer satıcılar %..... Bireysel tüketiciler %..... Kurumsal tüketiciler %.....- Diğer (belirtiniz) %.....
Bir yıl boyunca kaç farklı imalatçı ile çalışıyorsunuz?

Aşağıdaki sorular firmanızın rekabet stratejisi ile ilgilidir. Lütfen soruları, firmanızın gerçekteki durumunu düşünerek cevaplayınız.

(1)	(2)	(3)	(4)	(5)	
Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum ne katılmıyorum	Katılıyorum	Kesinlikle katılıyorum	
Rakip satıcılarla daha kaliteli ürünler satarak rekabet ederiz.	1	2	3	4	5
Müşterilerimizle uzun vadeli ilişkiler kurarız.	1	2	3	4	5
Çok sayıda daimi müşterimiz vardır.	1	2	3	4	5
Ürünlerimizin kalitesi ve imajı rakip ürünlerden yüksektir.	1	2	3	4	5
Rakip satıcılarla, ürünlerimizi farklılaştırarak rekabet ederiz.	1	2	3	4	5
Rakip satıcılardan farklı olarak ürünlerimize ilaveten müşteriye yeni hizmetler sunarız.	1	2	3	4	5

Ürünlerimizin ortalama fiyatı rakip ürünlere göre daha yüksektir.	1	2	3	4	5
Rakip satıcılarla daha düşük fiyatlı ürünler üreterek rekabet ederiz.	1	2	3	4	5
Tedarik ve satış maliyetlerini mümkün olduğunca düşürmeye çalışırız.	1	2	3	4	5
Piyasada bulunan standart ürünleri satarız.	1	2	3	4	5
Tedarikten satışa tüm maliyetleri kısmak bizim için rekabette en önemli faktördür.	1	2	3	4	5
Ürünlerin yanında müşteriye ilave hizmetler sunmaktan maliyetleri artırdığı için kaçınıyoruz.	1	2	3	4	5
Ürünlerimizi rakip ürünlerden farklılaştırmaktan, maliyetleri artırdığı için kaçınıyoruz.	1	2	3	4	5
Ürünlerimizin ortalama fiyatı rakip ürünlere göre daha düşüktür.	1	2	3	4	5

Lütfen aşağıdaki soruları, EN SIK ve UZUN SÜRE çalıştığınız bir imalatçı firmayla ilişkilerinizi düşünerek cevaplandırınız.

Bu süre içinde ne kadar sıklıkla anlaşmazlık yaşadınız?	<input type="checkbox"/> Her zaman <input type="checkbox"/> Sık sık <input type="checkbox"/> Bazen <input type="checkbox"/> Nadiren <input type="checkbox"/> Hiç
Bu imalatçı ile ne ölçüde açık hesap çalışırsınız?	<input type="checkbox"/> Her zaman <input type="checkbox"/> Sık sık <input type="checkbox"/> Bazen <input type="checkbox"/> Nadiren <input type="checkbox"/> Hiç
Bu imalatçı ile ne kadar yakın ilişki içindesiniz?	<input type="checkbox"/> Çok yakın <input type="checkbox"/> Yakın <input type="checkbox"/> Ne Yakın Ne Mesafeli <input type="checkbox"/> Mesafeli <input type="checkbox"/> Çok Mesafeli
Bu imalatçı ile iş gereği telefonla ya da yüz yüze görüşme sıklığınız nedir?	<input type="checkbox"/> Her gün <input type="checkbox"/> Haftada bir <input type="checkbox"/> Ayda bir <input type="checkbox"/> İki ayda bir veya daha az
Bu imalatçı ile akşamları veya hafta sonları sosyal nedenlerle görüşme sıklığınız nedir?	<input type="checkbox"/> Her zaman <input type="checkbox"/> Sık sık <input type="checkbox"/> Bazen <input type="checkbox"/> Nadiren <input type="checkbox"/> Hiç

(1)	(2)	(3)	(4)	(5)
Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum ne katılmıyorum	Katılıyorum	Kesinlikle katılıyorum

Bu imalatçı bizimle, yeni ürünler, teknolojiler ve piyasayla ilgili kritik bilgileri paylaşır.	1	2	3	4	5
Bu imalatçı ile hemşerilik, akrabalık, ahabalık ve benzeri bağlarımız vardır.	1	2	3	4	5
Bu imalatçı fırsatını bulsa aleyhimize olan durumlardan fayda sağlayabilir.	1	2	3	4	5
Bu imalatçı ürünlerimizi sıklıkla geciktirir.	1	2	3	4	5
Bu imalatçı ile bütün şartları önceden belirlemeden iş yapmakta tereddüt ederim.	1	2	3	4	5
Bu imalatçı ile ilişkimiz karşılıklı güvene dayalıdır.	1	2	3	4	5
Bu imalatçı zor durumda bizi idare eder.	1	2	3	4	5
Bu imalatçı ile karşılaştığımız sorunları kolayca çözeriz.	1	2	3	4	5
Bu imalatçı, bizi zorlayan taleplerde bulunur.	1	2	3	4	5
Bu imalatçı ile gelecekte de çalışmayı düşünüyoruz.	1	2	3	4	5
Bu imalatçı ile sözleşme imzalamadan iş yapmayız.	1	2	3	4	5
Bu imalatçı ürünlerimizi zamanında teslim eder.	1	2	3	4	5
Bu imalatçı sorun ve taleplerimize duyarlıdır.	1	2	3	4	5
Bu imalatçı sıklıkla ürün modellerimizi alıp rakip satıcılara da iş yapar.	1	2	3	4	5
Bu imalatçı yapamayacağı şeyleri taahhüt etmez.	1	2	3	4	5
Bu imalatçı bizimle ilişkisinde hep dürüst olmuştur.	1	2	3	4	5
Bu imalatçı verdiği sözleri tutar.	1	2	3	4	5
Bu imalatçı bize mal üretmediğinde firma olarak çok zor durumda kalırız.	1	2	3	4	5
Bu imalatçı sayesinde işimizle ilgili önemli bilgi ve beceriler ediniyoruz.	1	2	3	4	5
Bu imalatçı ürünleri geciktirdiğinde zor durumda kalırız.	1	2	3	4	5

Bu imalatçı sayesinde ürün ve teknoloji yeniliklerini öğreniriz.	1	2	3	4	5
Bu imalatçı sayesinde kaliteli ya da ucuz ürünler satabiliyoruz.	1	2	3	4	5
Bu imalatçı en küçük hatamızda bizimle çalışmayı kesebilir.	1	2	3	4	5
Bu imalatçıdan ürün yenilikleri ile ilgili önemli bilgiler alırız.	1	2	3	4	5
Bu imalatçı beklentilerimizi karşılayamadığında kolaylıkla bağımızı keseriz.	1	2	3	4	5
Bu imalatçı gelecekteki kârlılığımız için çok önemlidir.	1	2	3	4	5
Bu imalatçıya bağımlıyız.	1	2	3	4	5
Bu imalatçı bizimle çalışmazsa zor durumda kalır.	1	2	3	4	5
Bu imalatçı bizim firmamıza bağımlıdır.	1	2	3	4	5

(FOR MANUFACTURERS)

İZMİR EKONOMİ ÜNİVERSİTESİ

LİSANSÜSTÜ EĞİTİM ENSTİTÜSÜ, İŞLETME TEZLİ YÜKSEK LİSANS
PROGRAMI

TEZ ARAŞTIRMASI

Bu soru kağıdı, firmalar arası ilişkileri inceleyen bir yüksek lisans tezi araştırması için gerekli bilgileri toplamayı amaçlamaktadır. Soru kağıdı, firma sahibi veya firmanın diğer firmalarla ilişkilerine vakıf bir üst düzey yönetici tarafından doldurulmalıdır. Kesintisiz olarak yaklaşık 20 dakikada doldurulabilecek olan soru kağıdı, firmanızla ve firmanızın çalıştığı diğer firmalarla ilgili soruları içermektedir. Lütfen, soruları, eksiksiz bir biçimde, gerçekte ne olduğuna ve ne düşündüğünüze göre cevaplayınız. Cevaplarınız, bireysel olarak hiçbir üçüncü şahıs veya kuruluşla paylaşılmayacaktır. Soru kağıdında vereceğiniz firma isimleri hiçbir şekilde bilimsel yayınlarda firma kimliğini açıklayacak biçimde kullanılmayacaktır. Bu araştırmaya katkılarınızdan dolayı teşekkür ederiz.

Beril TAYİZ

Tez Öğrencisi

Yaşınız	
Cinsiyetiniz	<input type="checkbox"/> Erkek <input type="checkbox"/> Kadın
Eğitiminiz	<input type="checkbox"/> İlkokul <input type="checkbox"/> Ortaokul <input type="checkbox"/> Lise <input type="checkbox"/> Düz Lise <input type="checkbox"/> Meslek Lisesi <input type="checkbox"/> İki yıllık yüksek okul <input type="checkbox"/> Dört yıllık fakülte <input type="checkbox"/> Yüksek Lisans veya Doktora
Firmanızdaki göreviniz nedir?	<input type="checkbox"/> Firma sahibi-yönetici <input type="checkbox"/> Ücretli yönetici <input type="checkbox"/> Satın almadan sorumlu <input type="checkbox"/> Pazarlamadan sorumlu <input type="checkbox"/> İmalattan sorumlu <input type="checkbox"/> Diğer.....
Firmanız hangi yılda kuruldu?	
Hangi yıldan bu yana bu firmada çalışıyorsunuz?	
Firmanızın sahiplik yapısı nedir?	<input type="checkbox"/> Şahıs firması (bir kişiye ait) <input type="checkbox"/> Aile ortaklığı (bir ailenin üyelerine ait) <input type="checkbox"/> Farklı ailelerin (kişilerin) ortaklığı <input type="checkbox"/> Diğer
Firmanızda toplam kaç kişi çalışmaktadır?	
Atölyeniz kaç metre karedir?	
Atölyenizde kullanılan imalat yöntemi nedir?	<input type="checkbox"/> Siparişe göre özel (tek tek) üretim <input type="checkbox"/> Siparişe göre parti üretimi <input type="checkbox"/> Fabrikasyon Usulü Seri üretim Diğer(belirtiniz).....
Şu anda bu kapasitenin yüzde kaçını kullanıyorsunuz?	
İmal ettiğiniz ürünler nelerdir? (birden fazla işaretleyebilirsiniz)	<input type="checkbox"/> Aksesuar <input type="checkbox"/> Bahçe Mobilyası <input type="checkbox"/> Okul, Hastane, Otel mobilyası <input type="checkbox"/> Bebe, Genç Odası

	<input type="checkbox"/> Büro Mobilyası <input type="checkbox"/> Dekorasyon <input type="checkbox"/> Metal, Bronz, Pirinç Mobilya <input type="checkbox"/> Kanepe, Koltuk, Oturma Grubu <input type="checkbox"/> Sandalye ve Koltuk İskelet <input type="checkbox"/> Mutfak ve Banyo <input type="checkbox"/> Yemek, Oturma Odası ve Yatak Odası <input type="checkbox"/> Diğer (belirtiniz).....
Son bir yıldaki satış hacminin yüzde kaçını hangi müşteri gruplarından elde ettiniz?	Saticılar %..... Diğer imalatçılar %..... Bireysel tüketiciler %..... Kurumsal tüketiciler %.....- Diğer (belirtiniz) %.....
Bir yıl boyunca ortalama kaç farklı satıcıya ürün satıyorsunuz?

Aşağıdaki sorular firmanızın rekabet stratejisi ile ilgilidir. Lütfen soruları, firmanızın gerçekteki durumunu düşünerek cevaplayınız

(1)	(2)	(3)	(4)	(5)	
Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum ne katılmıyorum	Katılıyorum	Kesinlikle katılıyorum	
Rakip imalatçılarla daha kaliteli ürünler üretrek rekabet ederiz.	1	2	3	4	5
Müşterilerimizle uzun vadeli ilişkiler kurarız.	1	2	3	4	5
Çok sayıda daimi müşterimiz vardır.	1	2	3	4	5
Ürünlerimizin kalitesi ve imajı rakip ürünlerden yüksektir.	1	2	3	4	5
Rakip imalatçılarla, ürünlerimizi farklılaştırarak rekabet ederiz.	1	2	3	4	5
Rakip imalatçılardan farklı olarak ürünlerimize ilaveten müşteriye yeni hizmetler sunarız.	1	2	3	4	5

Ürünlerimizin ortalama fiyatı rakip ürünlere göre daha yüksektir.	1	2	3	4	5
Rakip imalatçılarla daha düşük fiyatlı ürünler üreterek rekabet ederiz.	1	2	3	4	5
Üretim maliyetlerini mümkün olduğunca düşürmeye çalışırız.	1	2	3	4	5
Piyasada bulunan standart ürünleri üretiriz.	1	2	3	4	5
Hammaddeden pazarlamaya tüm maliyetleri kısmak bizim için rekabette en önemli faktördür.	1	2	3	4	5
Ürünlerin yanında müşteriye ilave hizmetler sunmaktan maliyetleri artırdığı için kaçınılırız.	1	2	3	4	5
Ürünlerimizi rakip ürünlerden farklılaştırmaktan, maliyetleri artırdığı için kaçınılırız.	1	2	3	4	5
Ürünlerimizin ortalama fiyatı rakip ürünlere göre daha düşüktür.	1	2	3	4	5

Lütfen aşağıdaki soruları, EN SIK ve UZUN SÜRE çalıştığınız bir satıcı firmayla ilişkilerinizi düşünerek cevaplandırınız.

Bu süre içinde ne kadar sıklıkla anlaşmazlık yaşadınız?	<input type="checkbox"/> Her zaman <input type="checkbox"/> Sık sık <input type="checkbox"/> Bazen <input type="checkbox"/> Nadiren <input type="checkbox"/> Hiç
Bu satıcıyla ne ölçüde açık hesap çalışırsınız?	<input type="checkbox"/> Her zaman <input type="checkbox"/> Sık sık <input type="checkbox"/> Bazen <input type="checkbox"/> Nadiren <input type="checkbox"/> Hiç
Bu satıcıyla ne kadar yakın ilişki içindesiniz?	<input type="checkbox"/> Çok yakın <input type="checkbox"/> Yakın <input type="checkbox"/> Ne Yakın Ne Mesafeli <input type="checkbox"/> Mesafeli <input type="checkbox"/> Çok Mesafeli
Bu satıcıyla iş gereği telefonla ya da yüz yüze görüşme sıklığınız nedir?	<input type="checkbox"/> Her gün <input type="checkbox"/> Haftada bir <input type="checkbox"/> Ayda bir <input type="checkbox"/> İki ayda bir veya daha az
Bu satıcıyla akşamları veya hafta sonları sosyal nedenlerle görüşme sıklığınız nedir?	<input type="checkbox"/> Her zaman <input type="checkbox"/> Sık sık <input type="checkbox"/> Bazen <input type="checkbox"/> Nadiren <input type="checkbox"/> Hiç

(1)	(2)	(3)	(4)	(5)	
Kesinlikle katılmıyorum	Katılmıyorum	Ne katılıyorum ne katılmıyorum	Katılıyorum	Kesinlikle katılıyorum	
Bu satıcı bizimle, yeni ürünler, teknolojiler ve piyasayla ilgili kritik bilgileri paylaşır.	1	2	3	4	5

Bu satıcı ile hemşerilik, akrabalık, ahabalık ve benzeri bağlarımız vardır.	1	2	3	4	5
Bu satıcı fırsatını bulsa aleyhimize olan durumlardan fayda sağlayabilir.	1	2	3	4	5
Bu satıcı ödemelerimizi sıklıkla geciktirir.	1	2	3	4	5
Bu satıcı ile bütün şartları önceden belirlemeden iş yapmakta tereddüt ederim.	1	2	3	4	5
Bu satıcı ile ilişkimiz karşılıklı güvene dayalıdır.	1	2	3	4	5
Bu satıcı zor durumda bizi idare eder.	1	2	3	4	5
Bu satıcı ile karşılaştığımız sorunları kolayca çözeriz.	1	2	3	4	5
Bu satıcı, bizi zorlayan taleplerde bulunur.	1	2	3	4	5
Bu satıcı ile gelecekte de çalışmayı düşünüyoruz.	1	2	3	4	5
Bu satıcı ile sözleşme imzalamadan iş yapmayız.	1	2	3	4	5
Bu satıcı ödemelerimizi zamanında yapar.	1	2	3	4	5
Bu satıcı sorun ve taleplerimize duyarlıdır.	1	2	3	4	5
Bu satıcı sıklıkla ürün modellerimizi alıp başka imalatçılara daha ucuza yaptırır.	1	2	3	4	5
Bu satıcı yapamayacağı şeyleri taahhüt etmez.	1	2	3	4	5
Bu satıcı bizimle ilişkisinde hep dürüst olmuştur.	1	2	3	4	5
Bu satıcı verdiği sözleri tutar.	1	2	3	4	5
Bu satıcı bizden mal almadığında firma olarak çok zor durumda kalırız.	1	2	3	4	5
Bu satıcı sayesinde işimizle ilgili önemli bilgi ve beceriler ediniyoruz.	1	2	3	4	5
Bu satıcı ödemelerini geciktirdiğinde zor durumda kalırız.	1	2	3	4	5
Bu satıcı sayesinde müşterinin ne istediğini öğreniriz.	1	2	3	4	5
Bu satıcı sayesinde kaliteli ya da ucuz ürünler üretebiliyoruz.	1	2	3	4	5

Bu satıcı en küçük hatamızda bizimle çalışmayı kesebilir.	1	2	3	4	5
Bu satıcıdan ürün yenilikleri ile ilgili önemli bilgiler alırız.	1	2	3	4	5
Bu satıcı beklentilerimizi karşılayamadığında kolaylıkla bağımızı keseriz.	1	2	3	4	5
Bu satıcı gelecekteki kârlılığımız için çok önemlidir.	1	2	3	4	5
Bu satıcıya bağımlıyız.	1	2	3	4	5
Bu satıcı bizimle çalışmazsa zor durumda kalır.	1	2	3	4	5
Bu satıcı bizim firmamıza bağımlıdır	1	2	3	4	5



Appendix B: Questions in English Language in the Questionnaires for Retailers and Manufacturers

MANUFACTURER SURVEY QUESTIONS

- 1) What is your age?
- 2) What is your gender?
- 3) What is your education status?
- 4) What is your role in the company?
- 5) In what year was your company established? (Control variable)
- 6) How long have you been working in the company?
- 7) What is the ownership structure of your company? (Control variable)
- 8) How many people work in your company? (Size)
- 9) How many square meters is your workshop? (Size)
- 10) What is the production method used in your company?
- 11) What percentage are you using now?
- 12) What are the products you produce?
- 13) What percentage of the production volume is constructed by which customer groups?
- 14) How many different retailers do you work with for a year?
- 15) We compete with rival manufacturers by producing better quality products. (Differentiation strategy)
- 16) We establish long-term relationships with our customers. (Differentiation strategy)
- 17) We have a large number of permanent customers. (Differentiation strategy)
- 18) The quality and image of our products are higher than the competing products.(differentiation strategy)
- 19) We compete with rival manufacturers by differentiating our products. (Differentiation strategy)

- 20) Unlike rival manufacturers, we offer new services to the customer in addition to our products. (Differentiation strategy)
- 21) The average price of our products is higher than the rival products. (Differentiation strategy)
- 22) We compete with rival manufacturers by producing lower priced products. (Differentiation strategy)
- 23) We try to reduce production costs as much as possible. (low-cost strategy)
- 24) We produce standard products available on the market. (low-cost strategy)
- 25) Cutting all costs from raw materials to marketing is the most important factor in the competition for us. (low-cost strategy)
- 26) We avoid providing additional services to the customer alongside the products as it increases costs. (low-cost strategy)
- 27) We avoid differentiating our products from competing products because they increase costs. (low-cost strategy)
- 28) The average price of our products is lower than that of competing products. (low-cost strategy)
- 29) How often did you have a disagreement with the retailer? (Embeddedness)
- 30) To what extent do you work open accounts with this retailer? (Embeddedness)
- 31) How closely do you have a relationship with this retailer? (Embeddedness)
- 32) What is the frequency of phone or face-to-face meetings with this retailer due to work? (Embeddedness)
- 33) What is the frequency of meeting with this retailer in the evenings or on weekends for social reasons? (Embeddedness)
- 34) This retailer shares with us critical information about new products, technologies and the market. (Embeddedness)
- 35) We have ties to this retailer such as countryman, kinship, friendship and so on. (Embeddedness)

- 36) If this retailer had the opportunity, they could benefit from the situations against us. (Opportunism)
- 37) This retailer often delays our payments. (Opportunism)
- 38) I hesitate to do business with this retailer without predetermining all the conditions. (Embeddedness)
- 39) Our relationship with this retailer is based on mutual trust. (Embeddedness)
- 40) This retailer handles us in difficult situations. (Embeddedness)
- 41) We easily solve the problems we encounter with this retailer. (Embeddedness)
- 42) This retailer makes demands that challenge us. (Opportunism)
- 43) We intend to work with this retailer in the future. (Embeddedness)
- 44) We do not do business without signing a contract with this retailer. (Embeddedness)
- 45) This retailer delivers the payments on time. (Opportunism)
- 46) This retailer is sensitive to our problems and demands. (Embeddedness)
- 47) This retailer often takes our product models and makes products cheaper with other manufacturer. (Opportunism)
- 48) This retailer does not commit to what they cannot do. (Opportunism)
- 49) This retailer has always been honest in his relationship with us. (Opportunism)
- 50) This retailer keeps its promises. (Opportunism)
- 51) When this retailer does not buy products from us, we are in a very difficult situation as a company. (Dependence)
- 52) Thanks to this retailer, we gain important knowledge and skills related to our business. (Dependence)
- 53) When this retailer delays the payments, we are in a difficult situation. (Dependence)
- 54) Thanks to this retailer, we learn about product and technology innovations. (Dependence)

- 55) Thanks to this retailer, we can produce quality or cheap products. (Dependence)
- 56) This retailer may stop working with us at our slightest mistake. (Dependence)
- 57) We receive important information about product innovations from this retailer. (Dependence)
- 58) When this retailer fails to meet our expectations, we easily cut ties. (Dependence)
- 59) This retailer is very important for our future profitability. (Dependence)
- 60) We are dependent on this retailer. (Dependence)
- 61) If this retailer does not work with us, he will be in a difficult situation. (Dependence)
- 62) This retailer is dependent on our company. (Dependence)

RETAILER SURVEY QUESTIONS

- 1) What is your age?
- 2) What is your gender?
- 3) What is your education status?
- 4) What is your role in the company?
- 5) In what year was your company established? (Control variable)
- 6) How long have you been working in the company?
- 7) What is the ownership structure of your company? (Control variable)
- 8) How many people work in your company? (Size)
- 9) How many square meters is your sales store? (Size)
- 10) What is the sales method used in your company?
- 11) What percentage are you using now?
- 12) What are the products you sell?
- 13) What percentage of the sales volume is constructed by which customer groups?

- 14) How many different manufacturers do you work with for a year?
- 15) We compete with rival retailers by producing better quality products. (Differentiation strategy)
- 16) We establish long-term relationships with our customers. (Differentiation strategy)
- 17) We have a large number of permanent customers. (Differentiation strategy)
- 18) The quality and image of our products are higher than the competing products. (Differentiation strategy)
- 19) We compete with rival retailers by differentiating our products. (Differentiation strategy)
- 20) Unlike rival retailers, we offer new services to the customer in addition to our products. (Differentiation strategy)
- 21) The average price of our products is higher than the rival products. (Differentiation strategy)
- 22) We compete with rival retailers by producing lower priced products. (low-cost strategy)
- 23) We try to reduce supply and sales costs as much as possible. (low-cost strategy)
- 24) We produce standard products available on the market. (low-cost strategy)
- 25) Cutting all costs from supply to sales is the most important factor in the competition for us. (low-cost strategy)
- 26) We avoid providing additional services to the customer alongside the products as it increases costs. (low-cost strategy)
- 27) We avoid differentiating our products from competing products because they increase costs. (low-cost strategy)
- 28) The average price of our products is lower than that of competing products. (low-cost strategy)
- 29) How often did you have a disagreement with the manufacturer? (Embeddedness)

- 30) To what extent do you work open accounts with this manufacturer? (Embeddedness)
- 31) How closely do you have a relationship with this manufacturer? (Embeddedness)
- 32) What is the frequency of phone or face-to-face meetings with this manufacturer due to work? (Embeddedness)
- 33) What is the frequency of meeting with this manufacturer in the evenings or on weekends for social reasons? (Embeddedness)
- 34) This manufacturer shares with us critical information about new products, technologies and the market. (Embeddedness)
- 35) We have ties to this manufacturer such as countryman, kinship, friendship and so on. (Embeddedness)
- 36) If this manufacturer had the opportunity, they could benefit from the situations against us. (Opportunism)
- 37) This manufacturer often delays our orders. (Opportunism)
- 38) I hesitate to do business with this manufacturer without predetermining all the conditions. (Embeddedness)
- 39) Our relationship with this manufacturer is based on mutual trust. (Embeddedness)
- 40) This manufacturer handles us in difficult situations. (Embeddedness)
- 41) We easily solve the problems we encounter with this manufacturer. (Embeddedness)
- 42) This manufacturer makes demands that challenge us. (Opportunism)
- 43) We intend to work with this manufacturer in the future. (Embeddedness)
- 44) We do not do business without signing a contract with this manufacturer. (Embeddedness)
- 45) This manufacturer delivers the products on time. (Opportunism)
- 46) This manufacturer is sensitive to our problems and demands. (Embeddedness)

- 47) This manufacturer often takes our product models and does business with other retailers. (Opportunism)
- 48) This manufacturer does not commit to what he cannot do. (Opportunism)
- 49) This manufacturer has always been honest in his relationship with us. (Opportunism)
- 50) This manufacturer keeps its promises. (Opportunism)
- 51) When this manufacturer does not produce goods for us, we are in a very difficult situation as a company. (Dependence)
- 52) Thanks to this manufacturer, we gain important knowledge and skills related to our business. (Dependence)
- 53) When this manufacturer delays the products, we are in a difficult situation. (Dependence)
- 54) Thanks to this manufacturer, we learn about product and technology innovations. (Dependence)
- 55) Thanks to this manufacturer, we can sell quality or cheap products. (Dependence)
- 56) This manufacturer may stop working with us at our slightest mistake. (Dependence)
- 57) We receive important information about product innovations from this manufacturer. (Dependence)
- 58) When this manufacturer fails to meet our expectations, we easily cut ties. (Dependence)
- 59) This manufacturer is very important for our future profitability. (Dependence)
- 60) We are dependent on this manufacturer. (Dependence)
- 61) If this manufacturer does not work with us, they will be in a difficult situation. (Dependence)
- 62) This manufacturer is dependent on our company. (Dependence)

Appendix C: Questions for the Measurement of Dependence

“To what extent do you agree with the following statements? “1=strongly disagree” to “5=strongly agree”

1)When this manufacturer does not produce products for us, we are in a very difficult situation as a company.

2)Thanks to this manufacturer, we gain important knowledge and skills about our business.

3)When this manufacturer delays the products, we are in a difficult situation.

4)Thanks to this manufacturer, we learn about product and technology innovations.

5)Thanks to this manufacturer, we can sell quality or cheap products.

6)This manufacturer may stop working with us at our slightest mistake.

7)We receive important information about product innovations from this manufacturer.

8)When this manufacturer fails to meet our expectations, we easily cut ties. Being able to easily disconnect from dependency criteria is an inverse question. 1 " strongly agree", 2 " agree", 3 " neither agree nor disagree, 4 "disagree" and 5 " strongly disagree".

9)This manufacturer is crucial to our future profitability.

10)We are dependent on this manufacturer.

11)If this manufacturer doesn't work with us, they are in trouble. Since the other side should be considered when evaluating the dependency variable, the answers given must be inversely proportional. Therefore, 1 " strongly agree", 2 " agree", 3 " neither agree nor disagree, 4 "disagree" and 5 are expressed as " strongly disagree".

12)This manufacturer is dependent on our company. When scaling the dependency variable, 1 is indicated as " strongly agree", 2 " agree", 3 " neither agree nor disagree, 4 "disagree and 5 "strongly disagree".

Appendix D: Questions for the Measurement of Embeddedness

“To what extent do you agree with the following statements?

1)How often did you have a disagreement with the manufacturer? For the answers to this question, 1 corresponds to the expression "never". 2 correspond to "rarely", 3 "sometimes" 4 "frequently" and 5 "always".

2)To what extent do you work open accounts with this manufacturer? When evaluating the embeddedness criteria, 1 refers to "never", 2 refers to "rarely", 3 "sometimes" 4 "frequently" and 5 "always".

3)How closely do you relate to this manufacturer? For the answers to this question, 1 "multi-distance" corresponds to 2 "distances", 3 "neither close nor distant" 4 "close" and 5 "very close".

4)What is the frequency of phone or face-to-face interviews with this manufacturer as a result of work? For this question, 1 "every two months or less" corresponds to 2 "once a month", 3 "once a week" and 4 " every day".

5)What is the frequency of meeting with this manufacturer in the evenings or on weekends for social reasons? For answers to this question, 1 scaled to "never", 2 "rarely" to 3 "sometimes" 4 "frequently" and 5 to "always".

6)This manufacturer shares critical information with us about new products, technologies and the market. This question corresponds to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4" agree" and 5 "strongly agree".

7)We have ties to this manufacturer such as countryman, kinship, friendship and so on. This question corresponds to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4" agree" and 5 " strongly agree".

8)I hesitate to do business with this retailer without predetermining all the conditions. This question is actually an inverse question. Therefore, 1 " I strongly agree", 2 " agree", 3 " neither agree nor disagree with, 4 "disagree" and 5correspond to "I strongly disagree".

9)Our relationship with this manufacturer is based on mutual trust. This question corresponds to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4" agree" and 5 "strongly agree".

10)This manufacturer handles us in difficult situations. This question corresponds to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4" agree" and 5 "strongly agree".

11)We easily solve the problems we face with this manufacturer. This question corresponds to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4" agree" and 5 "strongly agree".

12)We intend to work with this manufacturer in the future. The answers to this question correspond to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4" agree" and 5 "strongly agree".

13)We don't do business without signing a contract with this manufacturer. For this question, answer 1 "strongly agree" 2 "agree", 3 "neither agree nor disagree, 4 "disagree and 5 "strongly disagree"

14)This manufacturer is sensitive to our problems and demands. This question corresponds to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4" agree" and 5 "strongly agree".

Appendix E: Questions for the Measurement of Opportunism

“To what extent do you agree with the following statements?

1) If the manufacturer had the opportunity, they could benefit from the situations against us. For this question correspond to 1 "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4 "agree" and 5 "strongly agree".

2) This manufacturer often delays our payments. When evaluating opportunism, abuse is at the forefront, so for the answers to the question, 1 corresponds to "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4 "agree" and 5 "strongly agree".

3) This manufacturer makes demands that forces us. Forcing a company, trying to harm a company in any case is a scale that should be emphasized in the criteria of opportunism. And for the answers, 1 is defined as "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4 "agree" and 5 "strongly agree".

4) This manufacturer delivers the products on time. Asked as an inverse question, since products that are not delivered on time will put the retailer in a difficult situation, the answers refer to 1 "strongly agree", 2 "agree", 3 "neither agree nor disagree", 4 "disagree" and 5 "strongly disagree" statements.

5) This manufacturer often takes our product models and does business with other retailers. For answers from this question, 1 is defined as "absolutely disagree", 2 "disagree", 3 "neither agree nor disagree", 4 "agree" and 5 "strongly agree".

6) This manufacturer doesn't commit to things he can't do. This question is a question that should be understood inversely, so the answers given also correspond to the expressions 1 "strongly agree", 2 "agree", 3 "neither agree nor disagree", 4 "I do not agree" and 5 "strongly disagree".

7) This manufacturer has always been honest in his relationship with us. Being honest provides the opposite ratio in opportunistic criteria, so the answers given are defined as 1 "strongly agree", 2 "agree", 3 "neither agree nor disagree", 4 "disagree" and 5 "strongly disagree".

8)This manufacturer keeps its promises. Keeping promises is considered counterproductive in opportunistic criteria. The answers given are 1 "strongly agree", 2 "agree", 3 "neither agree nor disagree", 4 "disagree" and 5 "strongly disagree".



Appendix F: Questions for the Measurement of Differentiation Strategy

In order to evaluate differentiation strategies, 7 questions were included in the survey. The answers to these questions were answered by the 5 Point Likert scale. Answer 1: strongly disagree, answer 2: disagree, answer 3: neither agree nor disagree; Answer 4: agree and Answer 5 strongly agree. These questions are:

- 1) We compete with rival retailers by producing better quality products.
- 2) We establish long-term relationships with our customers.
- 3) We have a large number of permanent customers.
- 4) The quality and image of our products is higher than that of competing products.
- 5) We compete with rival manufacturers by differentiating our products.
- 6) Unlike rival retailers, we offer new services to the customer in addition to our products.
- 7) The average price of our products is higher than that of competing products.

Appendix G: Questions for the Measurement of Low-Cost Strategy

In order to differentiate the companies implementing low-cost strategy, 7 different questions were included in the survey. The answers to these questions were answered by scaling from 1 to 5 Likert scale. Answer 1: strongly disagree; Answer 2: disagree; Answer 3: neither agree nor disagree; Answer 4: agree and Answer 5 strongly agree. These questions are as specified in order.

- 1) We compete with rival retailers by producing lower priced products.
- 2) We try to reduce procurement and sales costs as much as possible.
- 3) We produce standard products available on the market.
- 4) Cutting all costs from supply to sales is the most important factor in our competition.
- 5) We avoid providing additional services to the customer alongside the products because it increases costs.
- 6) We avoid differentiating our products from competing products because it increases costs.
- 7) The average price of our products is lower than that of competing products.

Appendix H: Analyses for Multicollinearity, Normality, and Linearity.

The analyses were done for each regression model for each hypothesis.

There is no serious multicollinearity problem in the models since Durbin Watson values of the models were around 2.00, 2.023 for H1, 2.93 for H2, 1.936 for H3, and 1.950 for H4.

As seen in the following graphics for each model of each hypothesis, the regression models met the assumption of linearity and normality since the histograms resemble bell curve of normal distribution, the cases line up along the diagonal in Normal P-P plots, and the cases are oval-shaped in the scatterplots (Tabachnick, and Fidell, 2007).

The graphics for Hypothesis 1:

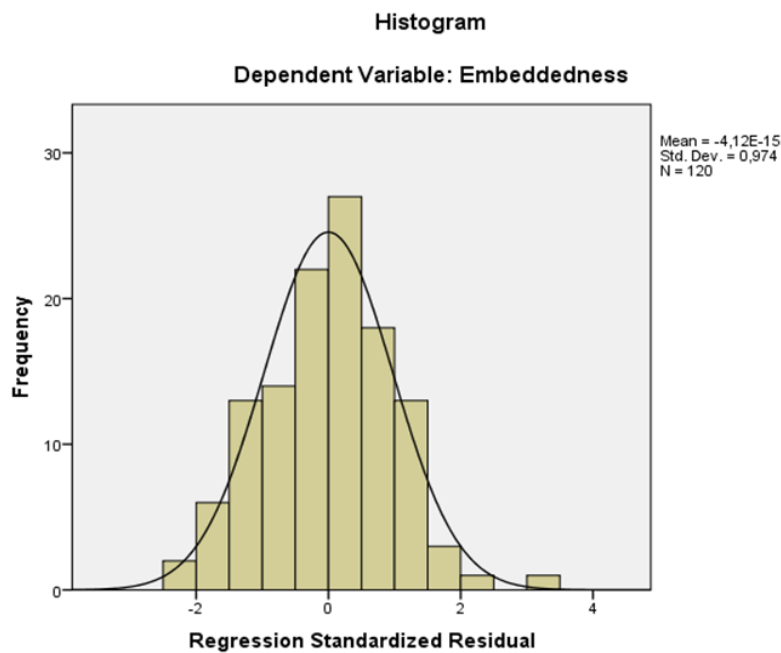


Figure 2. Normality Histogram of the Analysis for Hypothesis 1

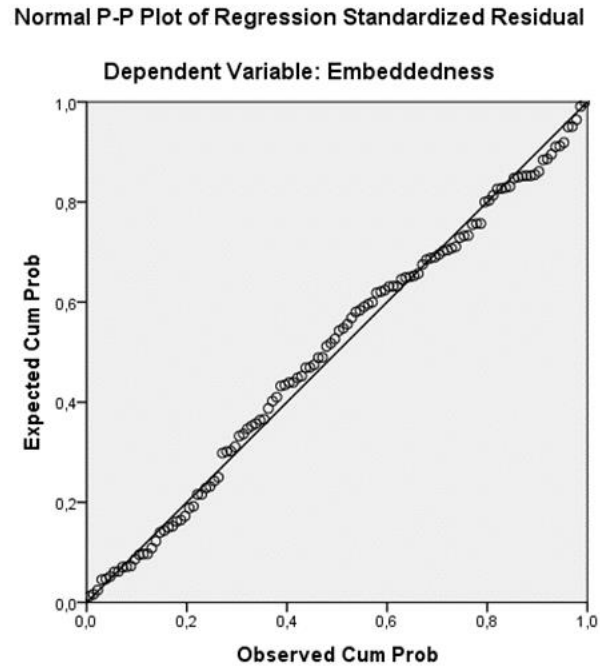


Figure 3. Normal P-P Plot of the Analysis for Hypothesis 1

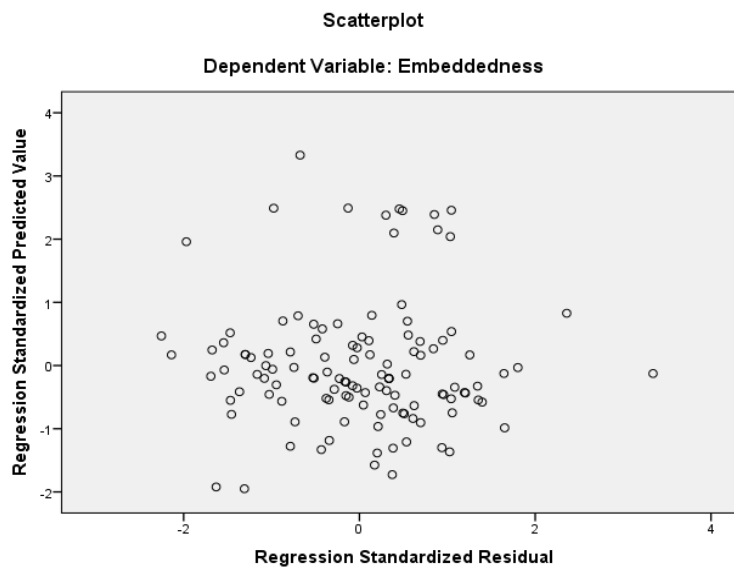


Figure 4. Scatter Plot of the Analysis for Hypothesis 1

The graphics for Hypothesis 2:

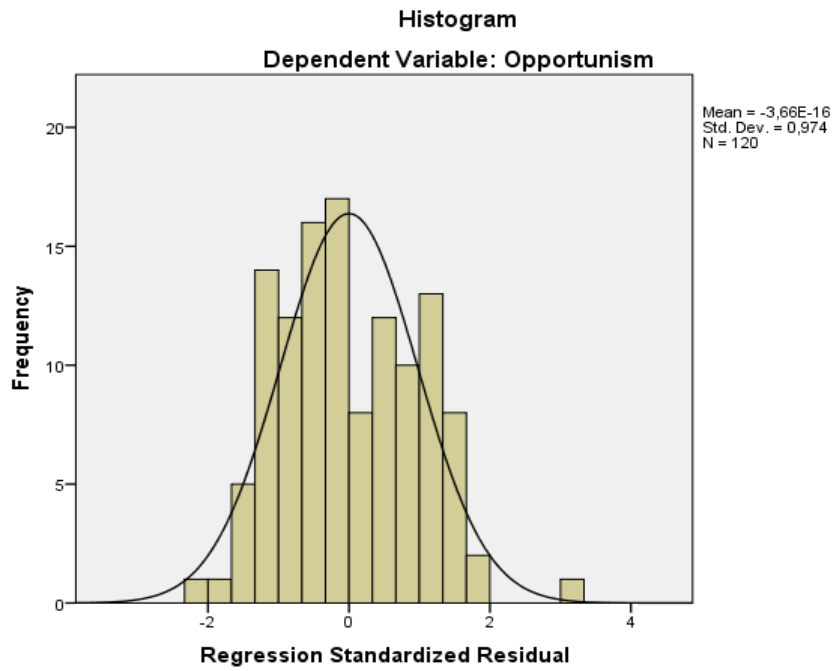


Figure 5. Normality Histogram of the Analysis for Hypothesis 2

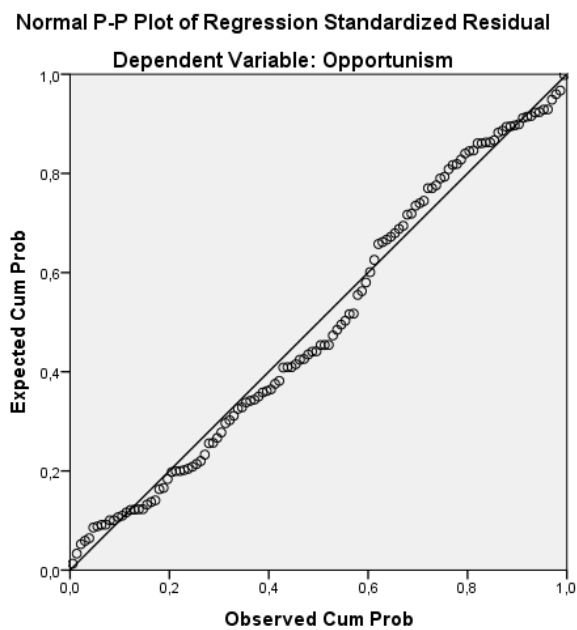


Figure 6. Normal P-P Plot of the Analysis for Hypothesis 2

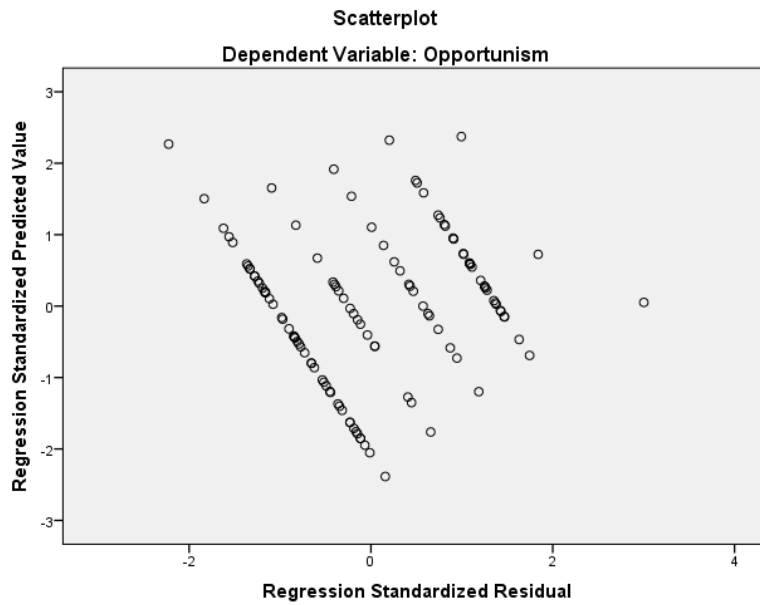


Figure 7. Scatter Plot of the Analysis for Hypothesis 2

The graphics for Hypothesis 3:

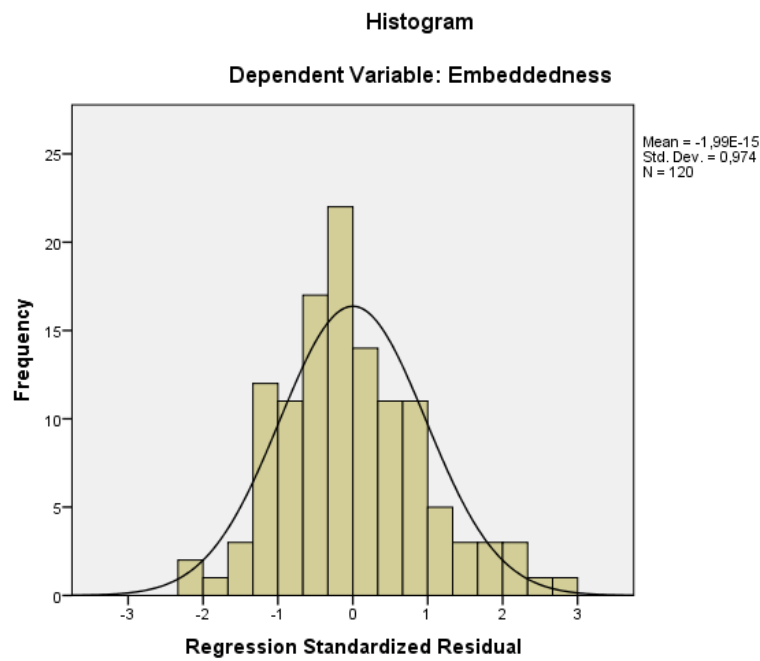


Figure 8. Normality Histogram of the Analysis for Hypothesis 3

Normal P-P Plot of Regression Standardized Residual

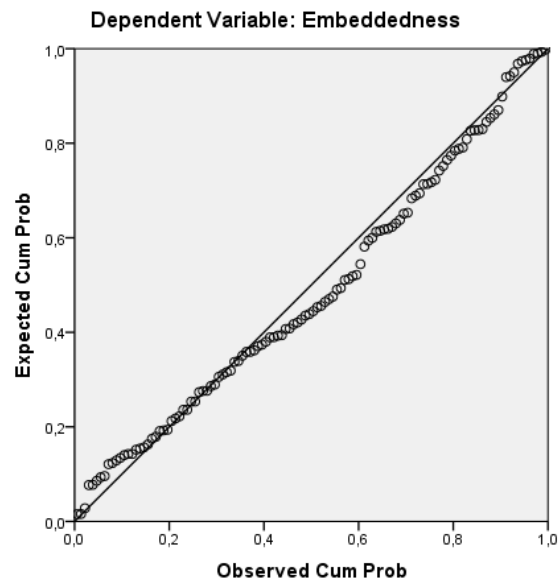


Figure 9. Normal P-P Plot of the Analysis for Hypothesis 3

Scatterplot

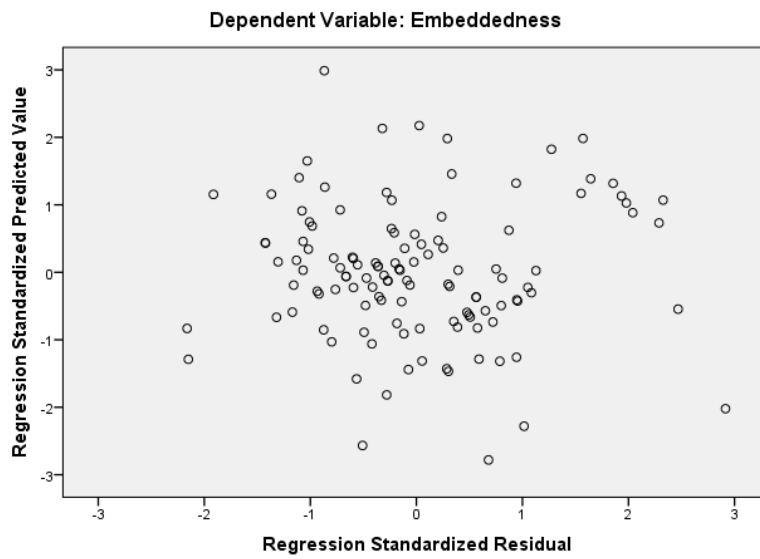


Figure 10. Scatter Plot of the Analysis for Hypothesis 3

The graphics for Hypothesis 4:

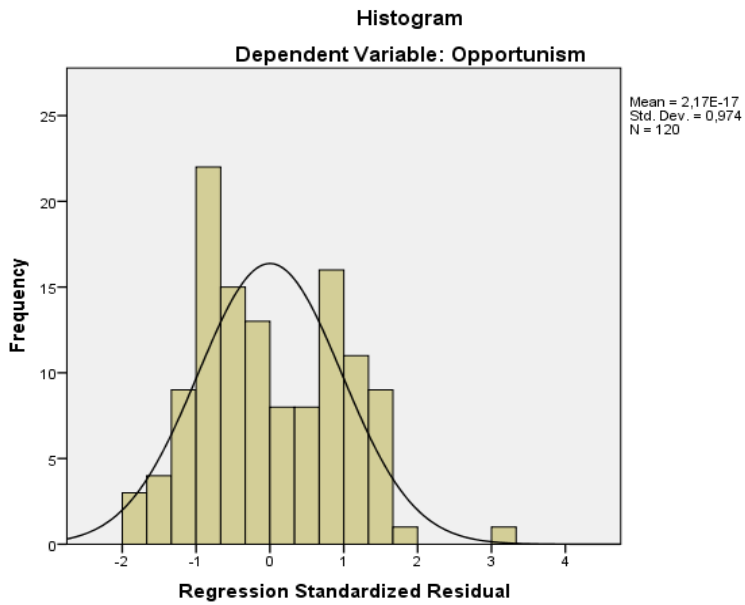


Figure 11. Normality Histogram of the Analysis for Hypothesis 4

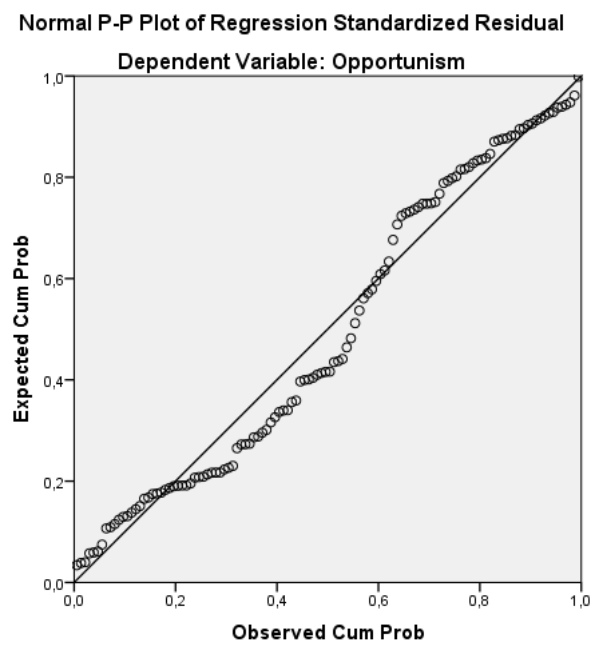


Figure 12. Normal P-P Plot of the Analysis for Hypothesis 4

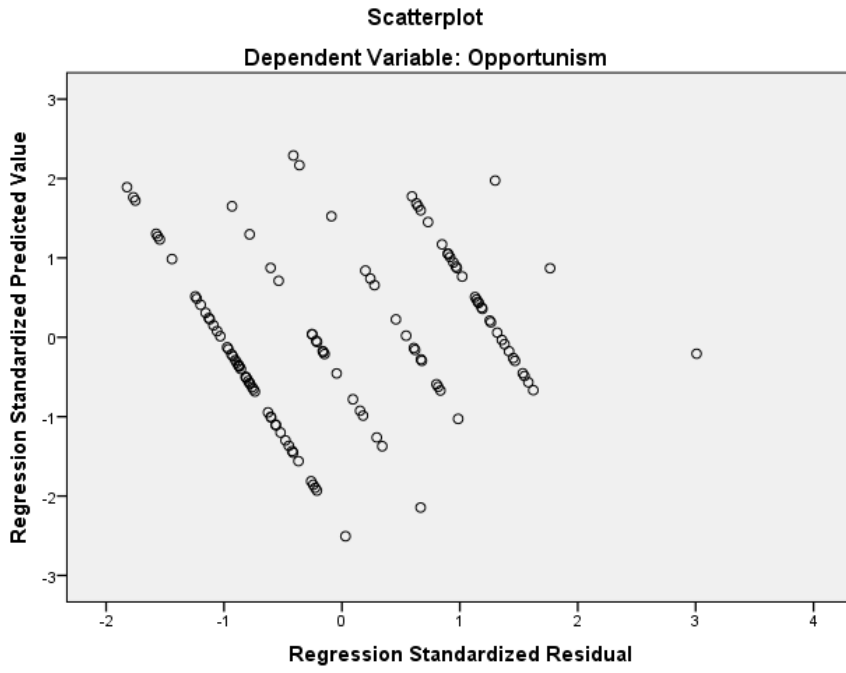


Figure 13. Scatter Plot of the Analysis for Hypothesis 4