



Relative Deprivation and Resilience in Supply Networks

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ABSTRACT

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Dealers may experience and perceive varying levels of beneficiary exchange relations in a manufacturer's network. Low-benefit perceiving dealers may experience relative deprivation as compared to their significant others such as better-off dealers of that manufacturer, better-off dealers of a competitor or better-off itself in previous periods, and demonstrate positive or negative reactions to that deprivation. Although manufacturer-dealer exchange (MDX) relations have been studied previously, research on relative deprivation in those relations is nonexistent. Thus, to fill this gap, this study analyzes dealers' relative deprivation in MDX relations with perceived benefits as antecedents and reactions to deprivation as consequences. A multiple-design case approach has been conducted on two manufacturers and their dealers from the Turkish drapery industry. By analyzing dealers in MDX relations from the automotive industry, validation analyzes have been performed. This study has highlighted the importance of dealers' relative deprivation as an issue to be handled in MDX relations. In addition, resilience of dealers appears to be an essential attribute leading to positive reactions to deprivation.

1. Introduction

Developing and sustaining beneficiary exchange relations with manufacturers is vital to achieve an enduring business success for dealers. Beneficiary exchange relations in the network of relationships is associated with positive outcomes, such as escapes from opportunistic behaviors (Zhang et al., 2008) and improvement of performance in terms of product quality, operational support, service quality, delivery performance and responsiveness (Benton & Maloni, 2005; Essig & Amann, 2009). Thus, dealers seek ways to increase the benefits they get from their relations with manufacturers. In beneficiary exchange relations, a manufacturer primarily enhance its channel role performance in product quality, operational support, service quality, delivery performance, financial returns

generated for dealers and contributions to dealers' sales and market shares (Yılmaz, Sezen & Tümer Kabadayı, 2004; Cannon & Perreault, 1999). Yet, it is also known that same levels of beneficiary exchange relations may not be achieved for all dealers in a manufacturer's network (Goffin et al., 2006; Petroni & Panciroli, 2002). The manufacturer may have a limited chance of improving the benefits provided to its dealers due to resource constraints or some other uncontrollable factors (Yılmaz et al., 2004). Therefore, dealers may experience and perceive varying levels of beneficiary exchange relations in a manufacturer's network. Dealers, in general, identify themselves with their manufacturers and invest a lot in their relations with them. Thus, dealers may think that they deserve better exchanges. As a result, dealers may experience relative deprivation as compared to their significant others such as better-off dealers of that

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manufacturer, better-off dealers of a competitor or better-off itself in previous periods.

Crosby (1976, pp. 56) defines relative deprivation as “a tension state that exists in someone who perceives a discrepancy between the way things are and the way things ought to be”. Drawing from the relative deprivation literature (Runciman, 1966; Crosby, 1979), dealer relative deprivation may be experienced when a dealer, who lack a higher-benefit relationship with the manufacturer 1) want that high-benefit relationship; 2) compare itself with better-off dealers of that manufacturer (or with better-off dealers of a competitor or with better-off itself in previous periods); 3) feel it deserves that high-benefit relationship; 4) think it is feasible to attain that high-benefit relationship and 5) believe that it has no responsibility for current failure to achieve that high-benefit relation. As a result of relative deprivation, negative attitudes and work behaviors may occur (Crosby, 1976; Martin, 1981). Examples of negative reactions can be listed as withdrawal or counterproductive work behaviors like sharing confidential information with competitors. The same studies also reveal that positive responses to relative deprivation are also possible (Crosby, 1976; Martin, 1981). Among the positive reactions, self-improvement efforts could be working harder, demonstrating constructive reactions such as voicing concerns and renegotiating; trying to learn the areas that should be improved for an increase in status.

This research aims to investigate, analyze and report on the conditions of those relatively deprived dealers and offer bases to identify the conditions under which those dealers become deprived. Specifically, we focus on what causes dealer deprivation in cases of low-benefit MDX (manufacturer-dealer exchange) relationships. Then, we explore how dealer relative deprivation leads to positive reactions such as improving their quality of service provision and how it leads to negative reactions such as giving less attention to the quality of their service provisions, sharing manufacturer’s confidential data with competitor manufacturers, planning to work for competitor manufacturers.

Utilization of relative deprivation construct that has both cognitive and emotional dimensions to reflect a deprived dealer’s standing (cognitive and emotional) in a manufacturer-dealer relation serves better than cognitive constructs such as fairness or equity. In addition, fairness and equity depend on objective evaluations while relative deprivation is a subjective construct. By analyzing relative deprivation, it can be possible to highlight dealers’ perspectives in exchange relations with manufacturers. One other distinction of relative deprivation theory is that it involves disadvantaged comparison and an emphasis on “deservingness” (Smith et al., 2012). Although supplier-buyer relations

management in general and manufacturer-dealer relations management in particular aim to improve relation qualities, this study highlights the subjectivity of the perceptions of dealers as compared to their significant others. Since there will be dealers with high and low benefit perceptions and they will compare their conditions with others, manufacturers should be aware of these comparisons and be able to manage.

In the following section, the theoretical background is presented. Then, research methodology is provided. Next to that section, a detailed description of the interactional practices of the studied manufacturers and their dealers are given. Then, analysis and findings of the case study are provided with a set of propositions. In the last part, contributions and limitations of this study are presented with future research directions.

2. Theoretical Background

2.1. *Manufacturer-Dealer Exchange Relationship (MDX)*

According to the Social Exchange Theory (SET), manufacturer-dealer relations involve exchanges between manufacturer and dealer to obtain rewards and to avoid punishments (Bandura, 1986; Griffith et al., 2006). Those exchanges may be in physical (product quality, operational support, service quality, delivery performance, financial returns generated for the dealer) or non-physical terms (loyalty, trust, respect). There is calculated reciprocity in those exchanges (Griffith et al., 2006).

Manufacturers may develop higher benefit exchange relations (high benefit MDX) with some of their dealers and lower benefit relations (low benefit MDX) with the rest of their dealers (Yilmaz et al., 2004). In high benefit MDX; dealers are given more operational support, opportunities to attend manufacturer led training and development programs, manufacturers and dealers are loyal to one another and share mutual feelings of liking and respect. However; in low benefit MDX, the relationship satisfies only the minimum requirements such as satisfying purchase orders or obeying contracts only.

Generally, most of the dealers want to develop high benefit MDX with manufacturers. According to social exchange theory, dealers that do not receive their expected rewards from manufacturer firms may react aggressively (Griffith et al., 2006). Reward proposition of social exchange theory argues that rewards gain value when deprived. Dealers having low benefit exchanges may feel deprived when they compare themselves with other dealers (larger dealers or competitor dealers or other product group dealers or itself in previous periods) and when they consider their efforts to satisfy

manufacturer firms according to relative deprivation theory (Crosby, 1976).

Current literature and industry applications emphasize developing higher benefit relations and its positive outcomes. Although same levels of exchange benefits may not be achieved for all dealers in a manufacturer's network (Goffin et al., 2006; Petroni & Panciroli, 2002), little attention is given to the concerns of the dealers with lower benefit relations. While some of those dealers feeling deprived react positively, some others react negatively. Thus, whether a manufacturer's policies of benefit distribution are associated with its deprived dealer's attitudinal and behavioral responses deserve attention, too.

2.2. Relative Deprivation

Crosby's (1976, pp. 56) definition of relative deprivation as "a tension state that exists in someone who perceives a discrepancy between the way things are and the way things ought to be" involves a perception emphasis due to the construct's subjective nature rather than objective conditions (Crosby, 76; Martin, 1981; Smith et al., 2012). An important distinction of relative deprivation theory as compared to equity (Adams, 1963) and justice theories (Kumar, Scheer & Steenkamp, 1963) is that it involves disadvantaged comparison and an emphasis on "deservingness" (Smith et al., 2012).

Relative deprivation has cognitive and affective dimensions (Tougas et al., 2004; Sablonniere et al., 2012) and this also differentiates it from equity or fairness. Cognitive dimension reflects a comparison of one's own position with a significant other's position while affective dimension represent the resulting feeling of discontent in appreciation, evaluation, promotion and pressure dimensions (Tougas et al., 2004). That significant other may be competitors but also may be one's previous state back in time (temporal deprivation). Runciman (1966) identifies two types of comparisons leading to relative deprivation as interpersonal comparisons with in-group members (IRD) and inter-group comparisons (GRD). Smith and her colleagues (2012) indicate another comparison as comparisons with out-group members.

Relative deprivation is found to be related to negative consequences such as stress, negative attitudes and counterproductive work behaviors in general (Crosby, 1976; Feldman, Leana & Bolino, 2002; Feldman & Turnley, 2004; Toh & Denisi, 2003). According to Social Exchange Theory, norms of negative reciprocity may be utilized to explain negative reactions (Narasimhan et al., 2009). On the other hand, in some cases positive reactions such as self-improvement and constructive behavior could be demonstrated (Martin, 1981).

Bolino and Turnley (2009) analyze relative deprivation in leader-member exchange (LMX) relations. They utilize feelings dimension of relative deprivation in their model and propose that low LMX people feel relatively deprived and react to that deprivation negatively or positively.

2.3. Resilience

Resilient organizations are able to turn to their original forms or desired forms in response to crises and stress conditions (Christopher & Peck, 2004). They can survive by standing against problematic situations and sustain their existence by utilizing identified opportunities.

Resilience definition involves a general evaluation of present and future prospects without restricting change motivation to single customers although high reliance on a few customers is an inherent problem of SMEs like the dealers in this studied context (Chan, 2011). Bhamra and Dani (2011, pp. 5373) state that "compared with large organizations, SMEs have a special set of operating conditions: they are far more sensitive to – financial fluctuations; legislation and employment law; supply network relationships, technology changes, changing customer requirements and demands and even collapsing national financial systems." Increasing turbulence in SMEs' surrounding business environment necessitates development of their resilience.

As noted by Van Gills (2005), SMEs have limited financial and human resources. They have limited skills and abilities to handle crises and give necessary change responses. Although they have quick response ability advantage, few SMEs fully realize this potential (Vargo & Seville, 2011). Burnard and Bhamra (2011) underline threat identification and response as an organization's proactive approach to turbulence. SMEs react to the adaptation and change initiatives usually originated from their customers rather than pursue proactive transformation (Hudson-Smith & Smith, 2007; Ates & Bititci, 2011; Garengo & Bernardi, 2007) due to their managerial and organizational inadequacies (Burnard & Bhamra, 2011).

3. Research Questions and Analytical Framework

This research aims at understanding the "what" and "how" aspects of relative deprivation as it is experienced in manufacturer-dealer exchange relations (MDX). From the literature review on the topic, a research avenue was identified since existing studies on MDX focus on how high benefit MDX brings desired outcomes. However, it is a fact that there are some dealers who cannot enjoy high benefits or perceive that, as compared to others, they get less benefit even though the truth may not be as it is perceived. In other words, there exist some dealers who compare themselves with other dealers of the same manufacturer or the dealers of competitors or themselves

in better-off periods and as a result experience relative deprivation. To our knowledge, the research investigating relative deprivation in MDX relations is non-existent.

The research questions were thus formulated as follows. First of all, we aim to enlarge our understanding of the background of dealers' relative deprivation. Thus, the first question is: "What causes dealer deprivation in cases of low-benefit MDX (manufacturer-dealer exchange)

relationships?" Then, we try to understand the consequences of relative deprivation. Therefore, the second question is: "What are the possible reactions of a deprived dealer?" Lastly, we aim to understand how some deprived dealers perform positively while the others show counterproductive work behaviors. Thus, the third question is formulated as follows: "How does dealer relative deprivation lead to positive and negative reactions?" We constructed an analytical framework to address our research questions as shown in Figure 1.

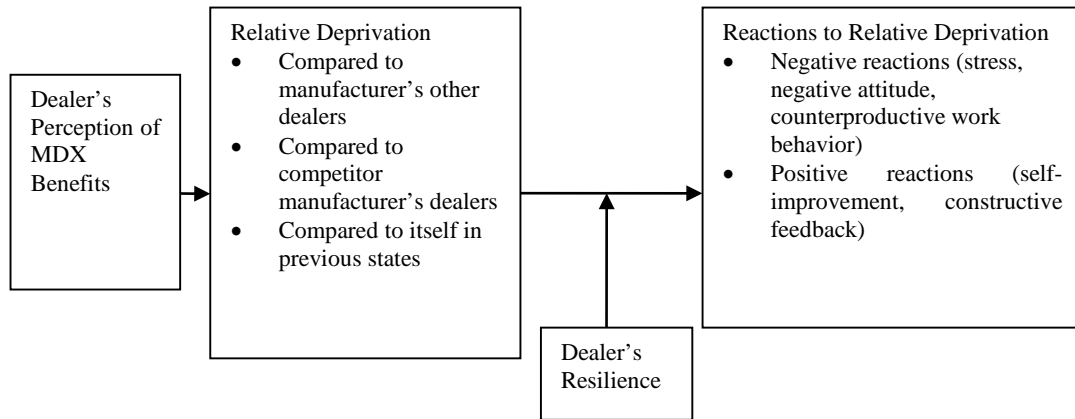


Figure 1: Analytical Framework for Relative Deprivation in Manufacturer-Dealer Exchange (MDX) Relations

The framework incorporates perceived manufacturer-dealer exchange (MDX) relations benefits, relative deprivation, dealer's resilience and reactions to relative deprivation. Firstly, perceived MDX benefits are depicted as influencing relative deprivation. Secondly, relative deprivation is introduced as involving both cognitive and affective components (Tougas et al., 2004; de la Sablonniere, Tougas & Lortie-Lussier, 2009). Lastly dealer's reactions to deprivation as a consequence (Bolino & Turnley, 2009) is embodied in this framework with dealer's resilience as a moderator.

The framework will serve two purposes: on one hand, to represent relative deprivation dynamics in MDX relations; on the other hand, to be used as a tool to guide our research in the sense that each dimension of the framework was operationalized to be able to collect, organize and analyze the study data as presented in Table 1.

4. Methodology

The aim of this study is to explore what causes and moderates relative deprivation in MDX relations and how deprived dealers react to their deprivation. The appropriate approach for this kind of study appears to be the case study approach, which enables researchers to

explore topics that are not yet well understood (Yin, 1990). In case studies, it is important to select cases that reveal the underlying constructs and their relations (Eisenhardt, 1989; Eisenhardt & Graeber, 2007). Thus, in this research we concentrated on the relatively deprived dealers and their relations with their manufacturers. For validity and generalization concerns, multiple-case designs are preferred (Yin, 2003; Eisenhardt & Graebner, 2007). Therefore, in this study we included multiple dealers of multiple manufacturers.

For this study, we chose two leading companies that target middle-class consumers in drapery sector in Turkey as the manufacturers (M1 and M2) and their dealers. Drapery sector was chosen since this is one of the sectors where dealers have significant contribution in sales and customer satisfaction in the studied cultural context. According to the initial interviews with dealers and corners of the two manufacturers, we concentrated on the dealers that sell exclusively one manufacturer's products, in other words, dealers of M1 (M2) selling only M1's (M2's) products as well as with the dealers that sell also the competitor's products. Based on the analysis of the information gathered, we reveal the dynamics of relative deprivation in manufacturer-dealer exchange (MDX) relations.

Table 1: Analytical Dimensions

Dimension	
<p>Dealer's perceptions of MDX benefits (Yilmaz, Sezen & Tumer Kabadayı, 2004; Staus & Becker, 2012)</p>	<p>1. Delivery performance Timely and accurate delivery, expedition, flexibility</p> <p>2. Operational support performance Showroom, inventory management, training programs, marketing and consumer promotions, second-hand promotions, after sales and service support</p> <p>3. Boundary personnel performance Availability of manufacturer's sales reps when required, timely response to requests for assistance</p> <p>4. Financial and sales performance Payment terms, profitability, sales volume and growth</p> <p>5. Future prospects Competitive outlook, reputation, reference power</p> <p>6. Relationship performance Trust, respect, loyalty, cooperation, shared understanding, mutual liking, sharing confidential information</p>
<p>Relative deprivation (Tougas et al., 2004; de la Sablonniere, Tougas & Lortie-Lussier, 2009)</p>	<p>1. Compared to dealer's previous position (cognitive/ affective) Appreciation, performance evaluation, opportunity for promotion, pressure of existence of alternatives</p> <p>2. Compared to other dealers of this manufacturer (cognitive/ affective) Appreciation, performance evaluation, opportunity for promotion, pressure of existence of alternatives</p> <p>3. Compared to dealers of competitor manufacturers (cognitive/ affective) Appreciation, performance evaluation, opportunity for promotion, pressure of existence of alternatives</p>
<p>Resilience (Glassop, 2007; Yilmaz Borekci et al., 2014)</p>	<p>1. Structural reliance (both for restoring and reinventing) Process management, contingency planning, succession planning, technical development, product development/ improvement, quality control procedures, cash flows</p> <p>2. Organizational capability (both for restoring and reinventing) Diverse customers, diverse product range, inventory to meet unexpected demand, financial risk</p> <p>3. Process continuity (both for restoring and reinventing) Suppliers selected for quality and continuity of production, appropriately trained staff, employee development program, funding</p>

4.1. Research Design

We used the analytical framework in Figure 1, and the analytical dimensions presented in Table 1 to analyze both antecedents and consequences of dealer deprivation in MDX relations. For interviews to reveal deprivation dynamics in MDX relations, sales and marketing executives dealing with dealers were selected from the manufacturers' side. From the dealers' side, owners of the dealers were selected. We used semi-structured and open-ended questions in those interviews.

4.2. Sources of Data

We first interviewed with the owners of the selected dealers (dealers of M1 and dealers of M2). Then, we interviewed with the sales and marketing executives of

the manufacturers M1 and M2, who manage dealer relations. The interviews with the dealers were conducted in the dealer sites. On the other hand, the interviews with sales and marketing executives of M1 and M2 were conducted via phone and e-mails. The study involved a total number of eight interviews with responsible people. While the interviews with the dealers were about two-hour length, the ones with the manufacturers were about one-hour length.

The case dealers were all working for more than five years with the case manufacturers. The sizes of the dealers were small. Their owners were highly experienced (15-30 years) in drapery sector. The sales and marketing executives of M1 and M2 who was responsible from the dealers were working for M1 and M2 respectively for more than five years. These profiles

of the dealers and the manufacturers' executives were important in enabling the authors to analyze the dynamics underlying relative deprivation in MDX relations.

In-depth interviews were conducted in three stages. An initial interview with a dealer (D1) that has recently become M2's dealer after terminating their dealership with M1 was conducted to get an insight into the subject. D1 was identified by one of the authors since she was

their customer when they were M1's dealer. According to the interview with D1, the authors selected the dealers of the manufacturers M1 and M2 in three of the fastest developing regions of Istanbul. Then, a second group of interviews were made with those selected dealers of M1 and M2. A third group of interviews were made with manufacturers M1 and M2's sales and marketing executives responsible from those dealers. The semi-structured questions asked in the in-depth interviews with dealers and manufacturers are presented in Table 2.

Table 2: Procedure Followed During Multi-Design Case Study

Semi-Structured Questions (asked to dealers)

- How does the manufacturer perform in terms of deliveries, operational support, boundary personnel, financial and sales, relationship and future prospects?
- To whom do you compare yourself? Other dealers of the manufacturer? Dealers of the competitor manufacturers? Yourself in the previous periods?
- As compared to those dealers;
 - Do you have the impression that you are less appreciated? Are you satisfied with this situation?
 - Do you have the impression that your work was evaluated less well? Are you satisfied with this situation?
 - Do you think that you have less opportunity for promotion? Are you satisfied with this situation?
 - Do you feel that other dealers of this manufacturer will take your place? Are you satisfied with this situation?
- If you think and feel deprived, how do you react?

Critical Incident Technique

- Please give us examples of incidents when your firm compared itself to other dealers in MDX relations and tell us about how this comparison influenced your firm's response to various events.
- Please give us examples of incidents when a dealer you know compared itself with other dealers in MDX relations and tell us about how this comparison influenced that firm's response to various events.

Content analyzes of written documents and reports

Semi-Structured Questions (asked to manufacturers)

- Does your firm's performance differ in terms of deliveries, operational support, boundary personnel, financial and sales, relationship and future prospects from dealer to dealer?
- Are your dealers aware of your firm's differing performance? Do you know how they think and feel as they compared their relation with your firm and the other dealers' relations with your firm? How do they react?

Critical Incident Technique

- Please give us examples of incidents when your dealers compared themselves to other dealers in MDX relations with your firm and tell us about how this comparison influenced their firm's response to various events.

Content analyzes of written documents and reports

In addition to the semi-structured interviews, we also collected survey data from the case dealer. The survey items are presented in Table 3, and these items were intended to measure resilience in terms of structural

reliance, organizational capability and process continuity regarding recent periods of crisis. We utilized the survey results to strengthen our proposition regarding resilience.

Table 3: Resilience Dimensions and Corresponding Items

Resilience Dimensions		Resilience Statements Related to Respective Crisis Periods
Structural (Redundancy)	Reliance	We do not have cash flow problems.
		We implement maintenance programs.
		We plan for contingencies.
		We are capable of engaging in technical development projects.
		We are able to manage our manufacturing/ service and supply chain processes effectively.
		Our ability to develop new products and improve existing products is good.
Organizational Capability (Requisite Variety)		Our quality control procedures are well above the standards.
		We produce a diverse set of products.
		We have multiple numbers of customers.
		We have satisfactory inventory levels to fulfill unpredicted demand
Processual (Resources)	Continuity	We do not have financial risks.
		We have appropriately trained staff.
		We have effective employee development programs.
		We do not have funding problems.
		Our suppliers are selected to ensure the continuity and quality of our production.

Source: Yilmaz Borekci, Iseri Say & Rofcanin, 2014

All interviews for the study were recorded. We tried to link data to the research questions in accordance to the analytical framework of relative deprivation in MDX relations. We utilized ordered categories in matrix format to structure and analyze data (Miles & Hiberman, 1984). By this manner, we wanted to compare cases to determine shared and differed points. Moreover, anecdotal evidences were obtained from the responsible people of the case dealers and manufacturers in order to gain further insights.

5. The Case Dealers, Their Manufacturers, and Their Interactional Practices

Manufacturer M1 is a leading firm in Turkish drapery industry and mainly sells its products in the studied cultural context. In addition, it exports its products to almost all continents. The countries to which M1's exports are made range from the largest economies in Europe to USA, to the largest countries in Far East. It has dealers all over the country. Some of those dealers are in operation for M1 for more than twenty years. M1 has three dealer categories varying in the product ranges. The manufacturer M1 has a policy that allows dealership in the same region. Besides, M1 gives corners.

The other case manufacturer M2 is also one of the leading companies in Turkish drapery and curtain sector. M2 mainly sells its products in the studied cultural context. In addition, it exports its products to

more than 30 countries in the world. It has dealers all over Turkey. Some of the dealers are in operation for M2 for more than twenty years. M2 has two dealer categories varying in the product range. The manufacturer M2 has a policy that protects dealership on a regional basis but gives corners.

The dealer D1 is an ex-dealer of M1 and is a new dealer of M2. D1 is a small dealer with five personnel. Most of the personnel are relatives of the owner. It is located in a newly urbanized area. Since there is a high potential in the region, M1 recently engaged with a larger dealer near to D1's location. D1 was a dealer of M1 for almost ten years. Last year D1 quitted its dealership of M1 and became a dealer of M2.

The dealer D2 had located in its current location when it was a village almost 30 years ago. D2 has served generations of families in the region and mothers advised their daughters to buy the draperies prepared by D2. For fifteen years, D2 has been serving as a dealer of M1. D2 employs ten experienced personnel including the son of the owner.

The dealer D3 is a dealer of M1 for thirteen years. They closed one of their stores in one of the fastest growing areas of Istanbul. Although it sounds weird, most of the residents in that region were not paying their drapery debts due to their mortgage and bank credit problems. This was the reason for their closure. However, other

dealers of M1 make gossips about this closure and they think that some relational problems with M1 led to that closure. In its current location, D3 faces competition from the lower segment dealer of M1, which is located very close to D3. Dealer D3 does not only contend with house drapery selling but is also interested in big hotel and fair drapery projects. D3 employs ten personnel.

The dealer D4 is a dealer of M1 but also sells M2's products. It is a small drapery dealer with four personnel. It serves a developing region. Although D4's store is not very attractive, its website is very attractive and informative. The youth of D4's staff has certainly served for the masterly utilization of the Internet.

The dealer D5 is a dealer of M2 but also sells M1's products. D5 has three stores in Istanbul. Employing 25 experienced personnel; D5 gives importance to making combinations of M2's and M1's drapery products and believes that these combinations differentiate its designs from the competitors'.

The dealer D6 is a dealer of M2. Three years ago, D6 acquired the business and personnel of an unsuccessful dealer of M2 whose dealer arrangement wouldn't be renewed. D6 has been very successful. A recently opened higher segment dealer of M2 whose location is very close to D6 didn't influence its success. On the contrary, that high segment dealer's business has been negatively affected by D6.

6. Analysis and Findings

An analysis of the interactional practices of the manufacturers with their deprived dealers and the consequences clearly reveals a set of insights that must be handled properly. We believe that our findings depict what leads to relative deprivation. In addition, our findings indicate which deprived dealers exhibit positive reactions while the others exhibit negative reactions. Although these lists are not exhaustive, they reflect general conditions of relative deprivation in MDX relationships.

6.1. Summary of the Findings

The experiences of deprived dealers of the case manufacturers are summarized in Table 4. By comparing the experiences of dealers in accordance to our analytical framework, a summative picture was obtained across six cases. The interviews with the sales

and marketing executives of M1 and M2 served to cross-check the dealers' narratives.

6.1.1. MDX Perceptions

Perceptions of the interviewed dealers related to MDX benefits were moderate in terms of delivery performance, operational support, boundary personnel, and future prospects, but low in financial and relationship performance. Almost all interviewed dealers stated that their product purchase prices and dealership prepayments were high. They also indicated that some dealers have better financial arrangements related to purchase prices and dealership prepayments. In addition, some dealers have to face more competition in their regions depending on the manufacturers' treatment of them as dealers.

Interviewed dealers think that they are designers, and they are very well aware of their influence on consumers' buying decisions. Thus, they want the manufacturers' appreciation and to be treated as respected partners. One of the deprived dealers of M1, named as D2, expressed the following quote:

"We feel ourselves as artists since we design and create dresses for windows and houses. However, the manufacturer treats us as ordinary business people. This hurts us."

6.1.2. Relative Deprivation

Since relative deprivation involves comparison with other parties or the self in previous periods, interviews with dealers included questions asking to whom they compare themselves. M1's dealers indicated that they do compare themselves with other dealers of M1 (all segments but especially lower ones) and corners selling M1's and other manufacturers' products.

Ex-M1 dealer selling M2 products, now M2 dealer, named as D1, said that

"We were expecting store openings of other dealers of M1 in our region. We felt very deprived. We quitted our dealership when they allowed an upper category dealer open a store very close to ours."

One of the deprived dealers of M1, named as D2, said that

"M1 has low-segment stores very close to us. They sell both M1's and M2's products. They sell at lower prices

Table 4: Summary of the Findings

	D1 (ex M1 and selling M2, currently M2)	D2 (M1)	D3 (M1)	D4 (M1, selling M2)	D5 (M2, selling M1)	D6 (M2)
Perceived MDX benefits	*High annual prepayments for dealership *Varying annual prepayments *High purchase prices * Varying purchase prices	*High annual prepayments for dealership *Varying annual prepayments * Regions are not protected *High purchase prices * Varying purchase prices *Varying allowances to dealers to sell also competitor's products	*High annual prepayments for dealership, *Varying annual prepayments *Regions are not protected *High purchase prices * Varying purchase prices *Varying allowances to dealers to sell also competitor's products	*High annual prepayments for dealership *Varying annual prepayments * Regions are not protected *High purchase prices * Varying purchase prices	*High annual prepayments for dealership *Varying annual prepayments *High purchase prices * Varying purchase prices	*High annual prepayments for dealership *Varying annual prepayments *High purchase prices * Varying purchase prices
Deprivation symptoms-cognitive	*Less opportunity for promotion	*Less opportunity for promotion *High pressure of replacement by other dealers of M1	*Less opportunity for promotion *High pressure of replacement by other dealers of M1	*Less opportunity for promotion *High pressure of replacement by other dealers of M1	*Less opportunity for promotion	*Less opportunity for promotion
Deprivation symptoms-affective	*Feel bad about this	*Feel bad about this	*Feel bad about this	*Feel bad about this	*Feel bad about this	*Feel bad about this
Dealer resilience	*Low resilience in terms of structural reliance, organizational capability and process continuity	*High resilience in terms of structural reliance, organizational capability and process continuity	*High resilience in terms of structural reliance, organizational capability and process continuity	*Low resilience in terms of structural reliance, organizational capability and process continuity	*High resilience in terms of structural reliance, organizational capability and process continuity	*High resilience in terms of structural reliance, organizational capability and process continuity
Dealer's negative reactions to deprivation	* Do not share extra knowledge	*Stress *Waits till the last straw	*Stress *Waits till the last straw	*Stress *Does not respond to M1's emergent product needs	*Do not share extra knowledge	*Do not share extra knowledge
Dealer's positive reactions to deprivation		*Constructive discussions *Self-improvement	*Constructive discussions *Self-improvement		*Constructive discussions *Self-improvement	*Constructive discussions *Self-improvement

M1's products similar to the ones that we sell. They use M1's name, and customers cannot differentiate us. Customers find more products (both M1's and M2's) and more combinations there. We feel very deprived."

D2 states an adage that paraphrases their feelings about the low-segment stores as "A white dog gives harm to the cotton field." That saying means observers cannot differentiate the cotton from the dog. Besides the dog fetches up and destroys the cotton in the field. The same is true for the low-segment stores using the upper segment brand name.

6.1.3 Reactions to Deprivation

Dealer reactions to deprivation occur both in positive and negative terms. In the cases of positive reactions, dealers give feedbacks, make constructive suggestions and improve themselves. For example, one of the deprived dealers of M1, named as D2, said that

"When the manufacturer M1 announced that they would open corners and low segment stores in our region, we said that we cannot tolerate such a condition. We asked whether they do not find us successful. When they said that it is not the case, we proposed to increase our sales and double our dealership prepayments. Then, they agreed on our proposal and they did not open those corners. If we were not successful and capable, they wouldn't listen to us and would open those stores. Now, if they plan to give a dealership close to our region, they first ask our permission. If we think that opening as not a threat, then we let them open."

In cases of negative reactions, dealers may have negative attitudes such as increased stress and decreased satisfaction, and they may exhibit counterproductive (even destructive) actions such as not responding to the manufacturer's requests, criticizing the manufacturer in several platforms and even terminating their dealerships. For example, D2 narrated another deprived dealer's negative reaction as follows:

"A couple of months ago; we requested from M1 an extra amount of a product, one of the old season products, that was necessary to complete a customer order. Since M1 had not that product in their stocks, they announced in their dealer network the need for that product. Although one of the deprived dealers of M1 had that product in their stores, they did not respond to that

request. Since we learned that they had that product in their stores via our informal network, we solved our problem by by-passing M1 and directly contacting that dealer. Since that deprived dealer wanted to punish M1, they didn't respond to M1's announcement."

Ex-M1 dealer selling M2 products, now M2 dealer, named as D1, said that

"Since M1 didn't find us powerful, and there was a rich dealer candidate, M1 let an upper category store opening very close to our store. They didn't listen to our objections. Then, we terminated our M1 dealership, and now we are an M2 dealer."

D6 narrated their negative reaction to deprivation as follows:

"Since we do not trust M2 and believe that they may transfer our data to their other dealers, we do not want to share our customer portfolio with M2. They do want us to transfer our customer database to their central database, but we do resist."

If the dealer is resilient having a large satisfied customer portfolio, wide range of products, experienced and skillful drapery personnel, several other stores and do not have any financial problems, then that dealer will stand the deprivation and continue their efforts to serve for MDX. For example, D1 was not resilient and explained their negative reaction as follows:

"We couldn't compete with the prospective stores in our region since we have limited resources. That is why we terminated our dealership."

On the other hand, a resilient dealer of M1, D2, stated that:

"We know this region since it was a village. We have a customer base that is composed of generations of families. They do not follow the brand but us. When M1 does some acts that may harm our profitability and relations, we discuss those possibilities and try to actively solve the conflicts. They listen to us. We achieve satisfactory results in our negotiations."

A resilient dealer of M2, D5 said that:

"We have two other stores. We have a broad customer base. We have employees that work for more than 20

years. We have formed our own combinations of M1's and M2's products. Our customers trust us and our art. Thus they value us more than the brands."

M1 said that:

"There are some regions where several of our dealers are placed side by side, and we don't get any complaints. Thus, we believe that if a dealer is strong and trusts itself, then presence of other dealers does not influence that dealer."

6.2 Validity Approach of Our Case Insights

To validate the study findings, we concentrated on a manufacturing firm (M3) from the automotive sector. We tried to examine the insights gathered from previous multiple cases in light of this validity manufacturer and its dealers. With this second step, we aimed to enhance the external validity of our initial findings.

VM is an age-old company and one of the pioneers in its sector. VM has dealers all over Turkey. The company exports to the Middle East and Asia. We interviewed with one of M3's directors and he confirmed the existence of deprivation among VM's dealers as compared to their previous states (VM experienced major setback recently and lost its leadership position) and also as compared to the dealers of their competitors. We interviewed with two of VM's deprived dealers VD1 and VD2 as indicated by VM's director.

VD1 was almost the oldest dealer of VM. They had invested a lot into their MDX with VM (during generations of families), and they had only sold VM's products for years. However, during the recent crisis period of VM, they perceived differentiated treatment by VM3. They thought that some other dealers experienced better MDX than themselves. When they compared themselves with the dealers that were close to VM, they thought that close circle dealers learn and know more about the future plans of VM3 and procure products in time while the rest cannot. Additionally, the informal leadership of VD2 among the dealers of VM irritated VD1. They felt bad about these disadvantages. Recently, VD1 ceased its VM dealership and also sued VM. Currently, VD1 is dealer of the main competitor.

VD2 is one the oldest dealers of VM. They have invested a lot into their MDX with VM (during generations of families), and they have only sold VM's products for years. However, during the recent crisis period of VM, they perceived low-benefits as compared to their states in previous periods. They also thought that main competitor's dealers experienced better MDX than themselves. They felt bad about these disadvantages. In reaction to their deprivation, they gathered dealers of VM and collected money from them to provide necessary funds to support VM financially. VD2 voice their and the other dealers concerns and try to do whatever they can to help VM to survive. The experiences of deprived dealers of the validity case manufacturer are summarized in Table 5.

Table 5: Summary of the Findings

	VD1	VD2
Perceived MDX benefits	*Varying delivery times and quantities *Varying disclosure of future plans	*Varying delivery times and quantities *Varying disclosure of future plans
Deprivation symptoms- cognitive	*Less opportunity for promotion	*Less opportunity for promotion
Deprivation symptoms- affective	Felt bad about this	Feel bad about this
Dealer resilience	Low resilience in terms of structural reliance, organizational capability and process continuity	High resilience in terms of structural reliance, organizational capability and process continuity
Dealer's negative reactions to deprivation	* Search for alternative dealership opportunities	*Stress *Waits till the last straw
Dealer's positive reactions to deprivation		*Constructive discussions *Self-improvement

6.3. Propositions for Future Research

The experience of deprived SME dealers of the case manufacturers has affirmed our beliefs about deprivation in manufacturer-dealer exchange (MDX) relations. Normally, most of the dealers want to develop high benefit MDX with manufacturer firms. Dealers having low benefit exchanges in terms of higher purchase prices, higher amounts of dealership prepayments, less preserved regional rights and relational issues such as respect and cooperation feel deprived when they compare themselves with significant others (larger dealers, different segment dealers, the dealers that sell also the competitor's products or themselves in the previous better off periods) and when they consider their efforts to satisfy the manufacturer firm according to relative deprivation theory. Thus, it is expected that dealer perceptions of MDX benefits are likely to be negatively related to feelings of dealer deprivation.

Proposition 1: *Dealer's perceptions of MDX benefits negatively influence dealer deprivation.*

As a result of relative deprivation, negative attitudes and work behaviors may occur. Negative reactions can be listed as withdrawal, counterproductive work behaviors like sharing confidential information with competitors, etc. Most dealers wait till the last straw. Some of those dealers terminate their dealerships and become dealers of the competitors. Yet, some others start to feel less committed to MDX. They don't respond to the manufacturer's requests. Positive responses to relative deprivation are also possible. Dealers who believe in their efforts to develop to become a dealer with higher benefit exchange relationships with the manufacturer react to dealer deprivation positively. Among the positive reactions self-improvement efforts could be working harder, displaying increased levels of trust and loyalty. Likewise, constructive reactions can be voicing their concerns and trying to learn the areas they should improve. By proposing higher prepayments or increase in their sales, some deprived dealers renegotiate and achieve higher status in the end.

Proposition 2: *Dealer's deprivation leads to positive and negative dealer reactions.*

Resilient organizations develop situation-specific responses and engage in transformative activities in threatening conditions. Resilient dealers that have large satisfied customer portfolios, a wide range of products, experienced and skillful drapery personnel, several other stores and no financial problems stand their deprivation and continue their efforts to serve for better MDX. Those dealers having resilience believe in their potential to improve and to achieve better MDX relationships. Those dealers react to dealer deprivation positively by

engaging in self-improvement and constructive reactions.

Proposition 3: *Dealer's resilience moderates the relationship between dealer deprivation and dealer reactions to it. Dealers will be more likely to engage in self-improvement and constructive reactions when they have high resilience.*

7. Conclusion

This paper sets out to examine dealers' relative deprivation experiences in manufacturer-dealer exchange (MDX) relations with antecedents and consequences. Although equity theory is utilized in the analysis of manufacturer-dealer exchange relations (MDX) in previous research, application of relative deprivation in MDX is not available to our knowledge. Thus, this paper has added to the body of knowledge on MDX from a deprivation perspective. Since it is not possible to achieve perceptions of high benefit distribution through all dealers of a manufacturer, it is expected that some of them will experience deprivation and act with either positive or negative responses. The conceptual contribution of this paper has been a relative deprivation in manufacturer-dealer exchange (MDX) relations framework with which to evaluate dealers' perceptions, relative deprivation experiences, resilience and negative/ positive reactions. Moreover, relative deprivation theory is utilized in this research with both cognitive and affective components (Tougas et al., 2004; Sablonniere et al., 2012) to be able to establish more accurate linkage between relative deprivation and attitudinal and behavioral reactions to it. This study, therefore, raises important issues for furthering the conceptual and empirical developments of the relative deprivation perspective on manufacturer-dealer exchange relations.

The study findings depict what leads to relative deprivation. In addition, our findings reveal which deprived dealers exhibit positive reactions while the others exhibit negative reactions. Moreover, the study demonstrates that dealer's positive reactions to deprivation are influenced by dealer resilience. Resilient organizations develop situation-specific responses and engages in transformative activities in threatening conditions (Legnick-Hall, 2011), thus give positive reactions to deprivation. This finding is important since it highlights resilient dealers as active MDX developers.

8. Managerial Implications

This study has highlighted the importance of relative deprivation as an issue to be handled in manufacturer-dealer exchange (MDX) relations. Using an in-depth case study on multiple dealers of two competing manufacturers, a framework of analysis and a set of propositions for future research have been presented. It

is expected that the results of this study will benefit both manufacturers and dealers. This offers scope for manufacturers to use the framework set out in this paper to guide the focus and effort exerted on manufacturer-dealer exchange relations considering the deprived dealers and their reactions.

Although achieving more beneficiary and higher quality relations is the aim of the manufacturers and the reality may be that case, the perceptions of the dealers may be the reverse. Since they may perceive unfair treatments and think and feel that they don't get what they deserve as compared to the significant others (other dealers in this case), they may think and feel deprived. Their reactions to that deprivation may be negative such as limiting their efforts to develop their relation with the manufacturer, revealing confidential information and in the worst case terminating their dealership and becoming the competitors' dealers. On the other hand, positive reactions could be demonstrated such as improving themselves, giving constructive feedback and renegotiating. The dealers may position themselves as active MDX developers by increasing their resiliencies and thus achieving positive reactions in case of their possible relative deprivation in MDX relations.

Through the relative deprivation in manufacturer-dealer exchange relations framework managers of manufacturers may make better, more informed decisions about which dealer relationships should be the focus of manufacturer-dealer exchange relation developments in particular. In this way, manufacturers should be better able to respond to the deprivation points of the dealers as compared to other dealers in their network and better achieve sustainability in their position by being aware of their reactions. This has implications for the manufacturers and their dealer networks. Managers of manufacturers should give importance to selecting resilient dealers and improving the resilience of their existing dealer networks to ensure positive reactions in case of relative deprivation in less beneficiary perceived relations. Moreover, the subjective nature of relative deprivation implies that a strong effort should be exerted on communication management and clarifying misinformation.

Dealers' managers should improve their firms' resilience levels to be able to give positive reactions to their possible deprivations. By this manner, dealers may become active MDX relationship developers rather than demonstrating negative reactions and possibly losing their chance of improvement with a possible MDX status update as a consequence.

9. Limitations and Future Research Directions

This case study demonstrates that dealers in drapery sector experience relative deprivation. Since the dealer names are confidential, we couldn't validate the actual

dealer cases by cross-checking the manufacturers. Rather, we asked the manufacturers about cases where there are deprived dealers and their reactions. We also asked about general deprivation issues. In further studies, in appropriate conditions cross-checking across cases may be possible.

In addition, the propositions presented in the respective section may guide future research efforts. A survey analysis could be conducted. It could be done concentrating on one manufacturer and its dealer network or a wide sample of manufacturer-dealer dyads.

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