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Buying center-selling center interaction as a driver for power dynamics in buyer-supplier relationships

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Abstract

The concept of power is an enduring topic in various domains of business-to-business literature. However, the extant research is scattered, and synthesizing approaches are largely missing. This study builds on the concepts of buying and selling center and integrates their inherent focus on individual actors with the conceptualizations of business relationships. The purpose is to increase understanding on buying center-selling center interaction as a driver for power dynamics in buyer-supplier relationships. By analyzing two international business relationships manifesting significant power dynamics, the study contributes by building towards synthesis between individual agents and business relationship concepts, and providing a nuanced and multi-layered approach to power dynamics in business relationships. We present an empirically enriched framework that articulates the key insights learnt from the study. The study provides tools for managers to visualize the threats and opportunities in terms of relationship power when managing key individuals in buyer-seller relationships.

Keywords: buying center, selling center, buyer-supplier interaction, buyer-supplier relationship, power asymmetry, power dynamics

1. Introduction

The buying center (BC) is one of the foundational concepts established in business-to-business literature to explain buyer and seller behavior (Hutt et al., 1985; Robinson et al., 1967; Webster & Wind, 1972). Since the early research on BC and its counterpart, the selling center (SC) (Hutt et al., 1985), a gradual shift can be observed in business-to-business marketing literature towards a more holistic perspective focusing on inter-organizational interaction (Campbell, 1985), business relationships (Dwyer et al., 1987), networks (Håkansson & Snehota, 1995) and most recently business ecosystems (Chandler & Wieland, 2010; Johnston et al., 2022; Johnston & Chandler, 2012). Today, it is ever more widely acknowledged that the behavior of individuals in BCs is structured by inter-organizational relationships, and various related external stakeholders (Ford & Håkansson, 2006; Johnston et al., 2022). A great deal of research on business relationships places an emphasis on relationship power, which is understood as a complex and dynamic phenomenon manifesting itself in business partners' actions and interactions (Hopkinson & Blois, 2014; Siemieniako et al., 2022). Power is treated as an inherent characteristic of inter-organizational relationships and networks, but a growing body of research suggests that power asymmetry should be carefully managed, and proposes respective power-related tactics (Lacoste & Johnsen, 2015; Makkonen et al., 2021; Pérez & Cambra-Cambra, 2015).

Despite developments in BC research, little is known about the involvement of BC members in dysfunctional features of inter-firm relationships such as opportunism, disputes, and power asymmetry (Anderson & Jap, 2005; Mitreğa & Zolkiewski, 2012). While there are several studies on intra-organizational BC conflicts, such as those between purchasing and sales (Johnston et al., 2022), there are no studies on how individuals affiliated with BC and SC utilize the power asymmetries that define their business relationship. This knowledge should be enhanced, as BC-SC interactions are not only driven by rational economic decisions and

mutual commitment, but also by supply chain dependencies, hierarchies, and firms that hold hegemonic positions (Johnsen et al., 2020). For managing long-lasting business interactions, it is necessary to understand how people employed in BC and SC perceive power asymmetries, and how they handle these asymmetries (Kohtamäki & Rajala, 2016).

This study, inspired by the inter-organizational and systems approach to BC (Johnston et al., 2022), focuses on inter-firm power as a function of the actions and interactions of BC and SC members. Respectively, we develop three research questions: (1) How do the actions of BC/SC members influence power dynamics within the relationship? (2) How do BC/SC members exercise power in buyer-supplier relationships? and (3) How do power asymmetries influence the use of power by BC/SC members in buyer-supplier relationships? To answer these research questions, we adopt a multiple-case study methodology to investigate power dynamics in BC-SC interactions in two buyer-supplier relationships in the medical equipment industry over a ten-year period.

The study makes three significant contributions: (1) it bridges BC/SC and business relationship research by combining inter-personal and inter-organizational perspectives on power in buyer-supplier relationships; (2) it exemplifies the role of actor perceptions in moderating the link between BC/SC power use and its outcomes in business relationships; and (3) it provides a conceptual framework for a nuanced analysis of power in business relationships, in which the notions of BC and SC connect with the context, the actors' activities, and their perceived outcomes. Additionally, while our study focuses on the BC individuals operating within the focal buyer-supplier dyad, by examining the role of external users (e.g., surgeons) in power asymmetry dynamics, we demonstrate how the ecosystem perspective (Johnston et al., 2022) is applicable to a further understanding of organizational purchasing.

The study is organized as follows. The next section is three-fold as it discusses BC-SC interactions in buyer-supplier relationship dynamics, defines the key concepts of power in

business relationships, and articulates a research framework for synthesizing BC-SC members' actions and relationship-level power outcomes. The third section contains the methodological considerations of the empirical study. The fourth section presents the findings of the longitudinal case studies. The fifth section discusses the study's contributions to research on the role of individual actors in structural and behavioral power in business relationships, as well as describing the practical implications and limitations of the study.

2. Theoretical background

2.1. The roles of buying and selling center members

Research on the buying center (BC) (Robinson et al., 1967) and selling center (SC) (Hutt et al., 1985) places the major focus on key individuals and the versatile roles in which they act. By definition, BC refers to those individuals responsible for the buying decision process (Robinson et al., 1967; Dadzie et al., 1999), whereas SC refers to those organizational members who are involved in exchange relationships with industrial customers (Hutt et al., 1985). The work by Webster & Wind (1972) sorted BC members into the roles of users, buyers, influencers, deciders, gatekeepers and initiators, and thus built a classification that ever since has been the foundation for BC role perspectives (see also Bonoma, 1982; Johnston & Lewin, 1996). *Initiators* articulate a need or a potential solution that initiates the process. *Buyers* do the actual buying, whereas *influencers* affect the process directly or indirectly by providing information and evaluative criteria. *Deciders* choose among the alternatives, and *gatekeepers* filter information that comes in to the buying center. Eventually, the acquired product will be put in use by *Users*. Similarly, Hutt et al. (1985) proposed five selling roles according to which SC members may be *responsible* for the selling, *approve* or *implement* the selling, or *consult* and *inform* others. The person responsible for the selling analyzes the requirements and makes a proposal to the customer, whereas the person in the approval role accepts or vetoes the selling

decision, which the person in the implementation role then puts into action. The consultant and information provider roles are to produce information for the purposes of the selling process. In addition to these roles, the literature has recognized the role of boundary spanner (Spekman, 1979; Tushman & Scanlan 1981; Jemison, 1984), which may refer to a member of either the BC or SC who actively participates not only in selling or buying, but also in the related inter-organizational interaction. For example, Krapfel (1982) built on the boundary spanning role in his advocacy model, which develops the idea that some individuals within the buying organization may become *advocates* of the seller. This idea of advocate is close to the idea inherent in key account management (Sandesh et al., 2023), according to which the key account manager works foremost to understand and meet customer needs.

Instead of sticky and rigid labels, our study considers a role to be constituted on the basis of other people's demands and expectations in the situation in question (see Johnston et al., 2022; Calder, 1977; Lichtenthal, 1988). In this sense, the roles are situational and dynamic representations of distinct substructures, positions, and statuses in the social setting (Bates & Harvey, 1975). Accordingly, the distribution of complementary role behaviors demonstrated by members forms a structure for BC-SC mutual interaction in the relationship. Furthermore, similarly to Johnston et al., (2022), we recognize the potentially interorganizational nature of BC/SC, whose members may come from different organizations external to the focal buyer/seller company. Similarly, the buyer company may not be the final user of the product purchased, but may operate as a middleman selling the product on to another organization in the ecosystem. To locate the BC and SC in their wider contexts, the next section explicates buyer-seller mutual interaction.

2.2. Buying and selling center mutual interaction for relationship outcomes

Rather early on, research on BC placed particular focus on buyer-supplier interaction as an element shaping the buying process (Campbell, 1985). Furthermore, research into interaction developed further towards increasingly holistic approaches focusing on business relationships (Dwyer et al., 1987), networks (Håkansson & Snehota, 1995), and most recently business ecosystems (Chandler & Wieland, 2010; Johnston et al., 2022; Johnston & Chandler, 2012). These inter-organizational and systems approaches locate the actions of buying and selling in the context of wider buyer-supplier relationships and networks (Palmer et al., 2005; Håkansson, 1982; Möller & Wilson, 1995; Siemieniako & Gębarowski, 2016). However, such an increase in the level of analysis loses the focus on individuals and makes it difficult to identify individual actors or agency as drivers of the buying and selling actions and the relationship per se. Some previous studies on business relationships have aimed at synthesizing individual and collective accounts on relationship dynamics. For example, Makkonen & Olkkonen (2017) build on the concept of “habitus” (cf. Bourdieu, 1977; 1990) for the parallel scrutiny of key individuals and the context of the relationship. Fichman & Goodman (1996) use different conceptualizations for each parallel level of analysis featuring individuals, dyadic relationships, and the network, whereas Fichman (1997) adopts a similar categorization of levels, but uses the concept of trust to bridge the levels and move towards a unified, multi-level account. In addition to these studies and conceptualizations, key account management comprises a voluminous stream of literature that inherently focuses on how to organize the selling team to support the buying processes of the most important customers (see Boulding et al., 2005; Sandesh et al., 2023).

Despite explicit calls to apply the original BC conceptualizations so as to incorporate individual agency into the inter-organizational and systems approaches, such studies are largely non-existent (see Tanner, 1999; Chandler & Johnston, 2012; Rapp et al., 2020). For this reason, this study puts the focus on the actions and interactions of BC and SC members in order to conceptualize them as an engine that produces relationship-level outcomes. In particular, the

focus is placed on relationship outcomes with regard to the structural and behavioral power that are considered in the next section.

2.3. Structural and behavioral power in buyer-supplier relationships

For a long time (Etgar, 1976), the literature has defined power as a function of dependency between parties (see also Meehan & Wright, 2011). In terms of business-to-business markets, power played a central role in early research on power in distribution channels (Gaski, 1984; Shervani et al., 2007) and purchasing (Kraljic, 1983; Caniëls & Gelderman, 2007), while more recently it has addressed issues of power in business relationships (see Meehan & Wright, 2011, 2012; Cowan et al., 2015; Gölgeci et al., 2018; Huang et al., 2017; Siemieniako et al., 2022; Zadykiewicz et al., 2020). These considerations expand the early focus on inter-individual relationships within groups and organizations (Dahl, 1957; Emerson, 1962) to the inter-organizational context comprising various temporal and contextual dimensions that shape business relationships. This multiplicity produces various viewpoints on power, some rigid and operating on one dimension, for example focusing on individuals (Wilson, 2000) or organizations (e.g., Sanderson, 2004) as the sources of power, while others are more inclusive and aim to synthesize individual, organizational and relationship levels into overarching accounts of power (see Meehan & Wright, 2012). This study defines power as a combination of the inseparable concepts of structural and behavioral power. Structural power comprises the actors' potential to use power, that is behavioral power. In other words, structural power is the capacity for power, which may or may not manifest itself in actual behavioral power (Oukes et al., 2019). Structural power is partly about the objective properties of a powerful party, i.e., a power source, as well as the subjective perceptions thereof held by both the power source and the power object (see Imai, 1989).

Power dynamics refer to changes in structural and behavioral power (Oukes et al., 2019) comprising both subjective (perception-based) and objective aspects (changes in measurable

resource asymmetries). Power dynamics can be intentionally leveraged through actors' attempts to build countervailing power and influence power asymmetry in a relationship (see Cox et al., 2004; Kubacki et al., 2020; Siemieniako & Mitreğa, 2018; Siemieniako et al., 2022). The notion of alternative sources of resources is an important aspect of the dependency of the actors in the focal relationship, and shows that the issue of power is also partly a function of value co-creation opportunities both within the focal relationship and in the ecosystem (see Makkonen et al., 2016). This internal and external connection with power in business relationships implies that power dynamics may be caused not only by intentional countervailing activities, but also by various actions and events that alter value co-creation opportunities within the focal relationship and in the ecosystem (Johnston et al., 2022). For example, the increase/decrease of opportunities outside the focal relationship alters the power asymmetry in the relationship. In this regard, power dynamics are an emergent process comprising various types of dynamics that both the buyer and supplier may transmit to the relationship either purposefully or unintentionally. The next section synthesizes a multi-level framework that focuses on BC and SC conceptualizations for capturing power in buyer-supplier relationships.

2.4. A buying center-selling center interaction framework for capturing power dynamics in buyer-supplier relationships

The framework in Figure 1 builds on the theoretical discussion and the concepts presented above. Respectively, the framework defines power dynamics in business relationships with regard to the value co-creation actions of BC/SC members in the focal relationship (Makkonen et al. 2016) and behavioral and structural power in the relationship (Oukes et al., 2019). The framework considers the behavioral and structural power dimensions as perceived features of the relationship (see Imai, 1989; Makkonen et al., 2021). This means that on a relationship

level, the power dimensions manifest the perceptions of both BC and SC members regarding their own and their counterpart's behavioral and structural power on individual and organizational levels, as well as the power dynamics that they transmit from the ecosystem to the relationship (see Johnston et al., 2022 for ecosystems dynamics). The value co-creation opportunities within the focal relationship and in the ecosystem (see Makkonen et al., 2016) define the importance of the relationship for the actors and their reciprocal dependency (see Meehan & Wright, 2011), which is then associated with structural power. The actors may or may not put structural power to use i.e., actually use the power. Together, these three analytical elements – the value co-creation actions of BC/SC members, structural power and behavioral power – comprise the key analytical dimensions.

PLEASE INSERT FIGURE 1 ABOUT HERE

The framework depicts power episodes as floating above the three analytical dimensions. Power episodes are the means to synthesize sequences of value co-creation actions by BC/SC members, the use of power, and the perceptions of structural power into narratives of power dynamics in business relationships (Makkonen et al., 2012; Makkonen et al., 2021). Respectively, the framework provides a sense-making device and guides us in the empirical study in the organization of our findings in the form of different types of power episodes that are relationship level narratives which demonstrate the three analytical dimensions. The next section reports on the method employed in the empirical study.

3. Research context and method

3.1. Research design and case selection

The study adopts a longitudinal, qualitative, multi-case research strategy to obtain an in-depth understanding of how individual actions in the case study relationships generate power

dynamics in business relationships over a period of time (Yin, 2009; Piekkari et al., 2010). In terms of the longitudinal setup, our approach is similar to Paiola et al. (2022), who argue that longitudinal multiple case studies facilitate further understanding of both the processual nature and the time-related dynamics of the phenomenon under study (Siggelkow, 2007). As a multiple case study, the research setup provided an opportunity for comparison between the cases, thus facilitating theory development (Eisenhardt, 1989; Eisenhardt & Graebner, 2007), and has been used by a number of studies on power dynamics in business relationships (e.g., Lacoste & Johnsen, 2015; Makkonen et al., 2021; Pérez & Cambra-Fierro, 2015; Siemieniako & Mitreğa, 2018; Siemieniako et al., 2022).

Altogether, our case selection process produced two cases (Case A and Case B) to focus on (Yin, 2017). Both cases included the same selling center (SC) of a large manufacturer of medical-technical products based in European Union, and its relationships with two distributing SMEs represented by Buying Center A (BCa) (Case A) and Buying Center B (BCb) (Case B) were the focus in the two cases. Although the studied interactions were on the individual level, as well as on the intra- and inter-organizational levels connected to the same supplier, there was no direct or indirect influence between them and thus they were not considered as a network but as separate cases (see Barac et al., 2017).

The cases were selected based on three criteria. First, we looked for cases that would allow us to move beyond a narrow understanding of BC and SC to encompass buying and selling centers that include people from different business divisions and from different levels of decision-making, as well as important stakeholders from outside the organization, in particular surgeons, who acted in the role of medical specialists in both cases. Because of the complexity of the SC's offer and the long-term strategic relationships with BCa and BCb, we define the BC and SC as broadly referring to all members of both organizations, as well as actors outside the organization (Robinson et al., 1967; Hutt et al., 1985) involved in a central role in the BC-

SC interaction (e.g., medical professionals, hospital administration, certification organizations). This definition includes individuals from different organization departments involved not only in buying and selling activities, but also in strategic and tactical management of the relationship (Palmer et al., 2005). Due to the product complexity and knowledge requirements, the SC offers the BCs a wide array of support, for example, by organizing training, workshops, assistance in surgical operations, and designing customized products.

The second criterion for case selection was related to the partners' high level of mutual dependence on each other. The SC's policy is to work with an exclusive distributor in each country, which applies to both cases. In general, the key aim of medical-technical product distribution is to achieve recognition and acceptance among surgeons, who are the end users. This is why, from the perspective of the SC, the main task of BCa and BCb members is to develop relationships with surgeons, for which the SC's support is important in the form of knowledge transfer and providing services. The third criterion was to select cases in which there were important dynamics in the BC-SC relationship, such as a sudden increase in performance (Case B), and termination of the collaboration (Case A). This information was obtained through case pre-selection interviews.

3.2. Data collection and analysis

We followed the logic of exploratory theory development in the case research strategy (see Halinen & Törnroos, 2005; George & Bennett, 2004), according to which the conceptual framework offered concrete themes for the interviews, but allowed inductive insights to emerge from the data, which follows the logic of abductive reasoning (Dubois & Gadde, 2002). The primary data collection was based on interviews and active on-site participatory observations, as well as direct meetings between one of the authors and BC and SC members. We studied both sides of the dyad, as proposed by Wilson (1996) and Brennan & Turnbull (1999), and as

has been the case in studies focusing on the power in buyer-supplier relationships (e.g., Siemieniako & Mitreęa, 2018; Lacoste & Johnson, 2015). The duration of the data collection was more than 6 years over the period 2016-2022. Altogether, the interview dataset comprised 25 interviews conducted at different points in time during the longitudinal data gathering stage (see Table 1). To acquire a system perspective on the power dynamics, we interviewed not only BC and SC employees, but also surgeons who are end users of the products traded between SC and BC (Pedeliento et al., 2018; Johnston et al., 2022), some of whom are tightly associated actors to the SC and BCs, providing medical technical expertise regarding products and services.

PLEASE INSERT TABLE 1 ABOUT HERE

The interviews were recorded using a digital voice recorder and then transcribed, coded, and analyzed. The average duration of the interviews was 40 minutes. The interviews were supplemented with secondary data and active ongoing observation due to the personal involvement of one of the researchers via consultancy projects related to managing the relationships. The research activities were continued after the consultancy projects were completed. The goals of the consultancy projects were to improve sales department management processes and implement the project management approach in New Product Development. The scope of the consultancy projects focused on areas such as sales management analysis and improvements, marketing communication strategies and tactics, and R&D project management improvements. This means that the consultancy process assisted in collection of data for the study. However, the consultancy and research interests were kept separate, and were explicitly discussed with the parties so as to monitor and avoid any possible

conflict of interest. To make such observations more systematic, the researcher made empirical and theoretical notes over the entire period of involvement in the relationships.

In general, we aimed to indirectly identify power in the business relationships, i.e., we did not ask our informants explicitly about power due to the complexity of the topic, but instead we divided power into elements, whose manifestations the informants were interviewed about. In addition, we asked how the relationship with the buying/selling company had developed, what the main challenges were, and how these had been managed. We asked the following questions related to structural power and its dynamics: What factors caused your position in the relationship with your partner to improve or worsen? How did your position change in your relationship with the partner under analysis? Was it due to your actions, the actions of the other party, or perhaps other factors? Regarding the use of power and related dynamics, we used the following questions: What were the most important challenges in your relationship with the other party? Did the other party force their demands on you? In what situations? Were any threats used by you or your partner? In what situations? How were these decisions made? Who initiated these decisions and why? Were there periods of more intense pressure on your partner to achieve your goals?

Once we identified specific power events on the organizational level, we asked key individuals further questions so as to connect these events with BC and SC members' actions and perceptions. We also asked about perceptions regarding the partner's actions and reactions to them, at the individual and organizational levels. Furthermore, we also focused on actors' agendas for understanding the uses of power, and also the extent to which power dynamics in the relationship could be treated as intentional. As for actors' structural power positions and instances of using power (Oukes et al., 2019), these were interpreted by the researchers either based on interviewees' narratives or on the researchers' observations. For instance, during a regular annual business meeting, the researcher observed BCb requesting quicker realization

of orders, or BCb would not be recommending SC's products to new customers. The researcher then observed that SC representatives carefully considered this demand as it constituted a very serious threat to their performance in the BCb domestic market.

As we have focused on evolving power in business dyads (Halinen et al., 1999), our analysis mostly displays intra- and inter-organizational power dynamics at the relationship level (Makkonen et al., 2012). We followed narrative analysis (Floersch et al., 2010) in reporting the findings in the form of power episodes (six power episodes were reported in the cases). Such analysis allowed the findings to be reported in an integrated manner that captured nuanced details of individual actions and their relationship level outcomes. These were combined together into a story structure in which the plot takes the reader from the beginning to the end in a stream of consecutive actions on the individual level, and events on the organizational level. This approach meant concentrating on BC/SC actions as well as events in the business dyads, understood in a similar way to Makkonen et al. (2012), i.e., time and place limited parts of network processes based on the viewpoints of key actors in the cooperating companies. As we had access to these actions and events over a longer period of time, we were able to observe the evolution of power dimensions i.e., power dynamics.

In order to increase the validity of the research findings, the two researchers analyzed the interview transcripts separately and produced data-driven and theory-driven codes, as well as theoretical notes (Krippendorff, 2004; Ritchie & Lewis, 2003). The coding was conducted with the help of NVivo 12 software. A theory-driven thematic analysis (Braun & Clarke, 2006) was conducted by disaggregating the data segments. This followed the conceptual framework codes of structural and behavioral power and power dynamics, as manifested in BC/SC actions and events in the context (Miles & Huberman, 1994; Makkonen et al. 2012). One set of codes was used for BC and SC's own actions and perceived events, other codes related to the perceptions of the BC and SC to actions taken by the other party in the relationship. To ensure interpretive

rigor, the process of codifying the separate data segments involved the authors sharing the database, and then discussing and revising the codes until full consensus was reached (Gummesson, 2000; Rice & Ezzy, 1999). Our analysis included events taking place within the organizations and the relationship, but also in the ecosystem, as long as their influence was reported in the data as being associated with power dynamics in the focal relationship. For example, we acknowledge that in case B, the power dynamics between BCb and the SC was accelerated by changes to government regulations in the country where the BC operates i.e., the export market. A reliability check was carried out with an internal replication test (Krippendorff, 2004). The two coders exchanged a sample of two interviews and provided alternative, independent coding. After two rounds of calibrating the coding strategies between the researchers, no substantial differences between the codes were found, thereby indicating the reliability of the analysis (Kaplan & Goldsen, 1965).

The coding yielded sets of first-order motivations and actions categories at the individual level, which were connected to second-order event categories at the organizational level. The contextual grouping and interconnection of first-order motivations and actions and second-order events, enabled the names of power episodes to emerge describing the causes and consequences of the development of different types of behavioral power, structural power, and power dynamics over time. (Figure 2 summarizes the final coding structure). Such power episodes represent researcher narratives i.e., thematically progressing through all of the actions and events (Polkinghorne, 1995; Elliott, 2005). The power episodes were built on evidence from multiple sources and were discussed with and confirmed by the interviewees. Thus, the stories identified as power episodes represent what happened, and who did what when (Langley, 1999), but also in terms of how the actors were affected by actions and events and how this created power dynamics in the relationships. As the culmination of our analysis, we

present an empirically enriched framework (see Gebhardt et al., 2006) in Figure 3 that gathers together and visualizes the key information learned from the research process.

4. Findings

4.1. Description of the cases

As can be seen in Table 2, the designated selling center (SC) and buying centers (BCa and BCb) are involved in the medical-technical industry. The proportion of purchases from the SC relative to the total value of purchases in 2020 varies between the two purchasing centers, being modest for BCa (3%) and substantial for BCb (55%). The magnitude of the transactions corresponds to the proportions of SC's total sales that BCa and BCb represented in 2020, that is 2% and 27% respectively. This shows the high importance of the relationship in Case B, i.e. for both BCb and the SC on the one hand, and quite a low importance of the relationship in Case A, i.e. for both BCa and the SC on the other hand. There are also differences in the location of the two buying centers. BCa is located similarly to the SC in Central and Eastern Europe in a European Union country (Case A), while BCb is located in Central Asia, which brings cultural differences into the relationship with SC (Case B). As the total number of employees shows, the SC has 15 members and is part of a large enterprise, while both BCs are part of small distribution enterprises. The SC comprises fifteen, BCa four and BCb eight internal staff members who are company employees. Furthermore, decision-making is also influenced by external network actors such as surgeons working in BC's local markets and having a role as consultants to the BC regarding products purchased from the SC. The SC also cooperates with some surgeons (i.e. SC-related surgeons), who fulfill the important role of influencer in providing knowledge to surgeons working with the BCs. For example, these SC-related surgeons are influencers who, as a part of SC new product launches, perform real or simulated surgical operations assisted by surgeons associated with the BCs. In this regard, the SC-related

and BC-related surgeons interact in terms of knowledge sharing on new surgical techniques and related products and services as a part of the buying process. Such new product activities take place both in hospitals linked to the SC, as well as in hospitals located in BCs' local market.

Apart from the share of sales/purchases (see Table 2), the importance of the analyzed relationships is illustrated in Table 3, which presents the range of inter-firm collaborative activities and the level of involvement and actions of individual SC and BC members. Respectively, Table 4 presents the positions and roles of SC and BC members from the particular perspective of power dynamics as grouped into power episodes (3 episodes; A1-A3, in Case A, and 3 episodes; B1-B3, in Case B). For example, in Case A top managers had approval roles in the SC except for Episode A3, where they acted largely in the role of implementer. In Case B, a top manager had a greater diversification of roles in the SC, engaging in consulting, information acquisition and selling task implementation, primarily in terms of performing new selling tasks. In terms of routine selling tasks, these roles were occupied by sales administrators or lower level management representatives in the SC. Interestingly, business network actors such as surgeons were also directly involved in managerial decision-making, and the level of this involvement was high in Case B for both BCb and the SC, and moderate in Case A for BCa and the SC. Surgeons working in BC's domestic markets performed two tasks: end users (default task) and consultants (as experts on the use of SC products in medical procedures). As consultants, surgeons quite often played the role of gatekeepers and influencers simultaneously, while as users, surgeons played the role of influencers within BCs' decision-making processes. Surgeons who were associated with the SC were involved in the transfer of knowledge from the SC to medical specialists in the BC, when there were high information transfer requirements on the SC side. Another role of

surgeons associated with the SC was in the facilitation of new selling tasks, as their operational expertise was used in the sales process.

PLEASE INSERT TABLE 2 ABOUT HERE

PLEASE INSERT TABLE 3 ABOUT HERE

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In the presentation of the findings, we applied a research framework (see Figure 1) to analyze the value co-creation actions of the BC/SC members, and their use of power, both in inter- and intra-organizational settings. We linked these actions on the interpersonal level to power-related events on the organizational level and beyond, i.e. in the business ecosystem, which eventually accumulated into the identification of 6 meaningful power episodes. Figure 2 presents the data structure of our analysis, i.e. the first and second order categories emerging from the qualitative data, and grouped into 6 power episodes.

PLEASE INSERT FIGURE 2 ABOUT HERE

4.2. Case A

Episode A1: Here we start and there we go.

As a relationship engine, Episode A1 emphasizes the personal initiative and motivation of a BCa sales representative (SR). The purchasing process began when the sales representative (SR) met the sales administrator (SA) representing the focal supplier at a trade show booth. The SR and SA easily found topics of mutual interest and initiated formal buying and selling processes at their companies. Acquisition of new customers was a typical responsibility of the SA, whereas the SR was interested in introducing a new type of product to end users so as to

empower their own personal position at the buyer company. Due to this personal interest, the SR had multiple roles in the buying process in terms of being simultaneously an initiator, purchaser, and gatekeeper, as well as an upcoming user who adopts the product and related supporting services into the company's product portfolio to be sold on to end users. The SA proposed to the other SC members a standard course of action, with the execution of a one-year contract that would maximize their safety and give the SC the option to terminate the cooperation after one year if the buyer did not achieve the assumed sales volume. One of the interviewees from the SC board who approved the central decisions made in the SC in the selling process, explained: *"As we didn't know the buyer company before, we wanted to have the possibility to include penalties in the contract; ultimately we wanted to build a strategic relationship with this distributor and for them to be the key or sole supplier of our product category if we saw that the distributor was also striving for this"* (CEO 1, SC). Members of the BCa, including senior managers, concurred with the SR's recommendation to accept the contract because they believed the SR had exhaustively considered the contracted SC's viability.

According to the SA, the communication with the SR was more and more informal and effective as the process proceeded, *"The SR was really helpful to us, as he also kept our side rather than only what their bosses wanted. I had no problem quickly agreeing with him on activities to support sales in their market"* (SA, SC). The SA and SR co-created solutions for BCa market development, including planning and implementing promotional activities and providing training for surgeons representing the BCa market. The SR's increased expertise in SC products and related operating procedures also caused him to take on the role of gatekeeper in further purchasing processes in the relationship, and thus the relationship was continued. Interestingly, the SA was very involved in intra-organizational communication in BCa. The SA consulted the solution with the manager and director of BCa's sales department, whereas

the SR only convinced the BCa managers without further engaging them in the buying process. However, the SR acted not only as a purchaser and a user, but also as a gatekeeper, while BCa's top managers maintained a fairly passive role of decider in approving the initiatives of the SR. The SA reported to SC managers positively about the perspectives of development of further collaboration with BCa.

During negotiation of the next long-term contract, the BCa managers did not accept the further inclusion of potential penalties and sanctions. Instead, they expected the risks to be equally shared between the parties, as in a partnership agreement. According to representatives of BCa, this was to improve the bargaining position against the SC for the future. Before the SC top managers could accept the BCa managers' requirements in signing a more balanced contract, the R&D director of their company played the key role of internal consultant to help in considering the potential loss of technological knowledge and related expert power in the relationship. In the light of this assessment, the SC top managers accepted the more balanced contract, which resulted in the shift of power towards a more symmetrical structure.

Episode A2: You, me, and the third party.

Episode A2 describes a situation in which SC engages and invests in the relationship but meets a reluctant BCa, and therefore ends up finding a solution by using power. The SA and manager of the sales department for Western countries (MW) representing the SC were requested by the director of sales to develop a relationship with consultant surgeons associated with BCa. This decision was taken because the SC identified these surgeons as extremely important for developing a relationship with BCa as they seemed to occupy the gatekeeper role in BCa. The role of surgeons was even more important, as the SC was considering further market expansion by introducing new types of products for surgical operations, where the surgeons' opinion was crucial. The SR at BCa received approval from the company managers to arrange access for

the SA and MW to collaborate with BCa-associated surgeons. The MW characterized this collaboration and the supplier motives: *“We saw the potential in this market as a developed country with a high income level, and we wanted to be very flexible and provide service support to surgeons to create cornerstones for introducing new types of products”* (MW, SC). The SA and MW engaged in close collaboration with the surgeons to better understand end user needs and respective potential product modifications. This understanding created a basis for product development that would open up opportunities for a new selling task in the SC-BCa relationship. Through the process of collaborating with the surgeons, as well as ongoing, parallel consultation with the R&D department, the SA and MW had an idea for certain minor modifications to the set of surgical instruments, and thus were able to propose a plan of how to proceed to a new selling task. CEO 1 accepted the plan after consultation with the R&D director.

Once the plan of the new selling task was approved, the SA and MW presented the idea to BCa, in which the reactions were polarized. In BCa, the SRs largely appreciated the efforts of the SC members in improving their personal relationships with surgeons in the local market of the buyer company, and assumed this to facilitate the business between the buying company and the end users. In contrast, the top managers at BCa considered the various initiatives of the seller company in developing its own market directly with end customers as creating barriers to exiting the relationship with SC. Top managers at BCa were afraid that surgeons would become more strongly tied to SC products, ultimately making it difficult to establish a relationship with an alternative distributor. Thus, the decision-makers at BCa considered these actions of the SC as diminishing the value creation opportunities for BCa outside the focal relationship.

BCa's refusal to allow SC to expand its product offer in the local market caused frustration among SC members. Simultaneously, it was observed that both the SA at the SC and the SR at

BCa were of one mind and pressed the BCa managers to develop SC products in the BCa market. The SR thus acted in a boundary spanner role in being an influencer in BCa decision-making to increase the benefits for BCa, but at the same time as a seller advocate in increasing the benefits for the SC. The BCa decision-makers aimed to resolve the situation by slightly expanding the current product portfolio: *"they [BCa] literally took just a few of our products that they didn't have yet... For us, this behavior showed that they didn't want to engage"* (CEO2, SC). In terms of power, two mutually neutralizing developments took place in parallel. The growing presence of the selling company on the end user market increased the structural power of the SC, whereas the buyer company's increasing technical knowledge of SC products appeared to decrease it. This was clearly recognized, as the director of the R&D department reported that their technical expertise was not needed for BCa as much as before. BCa had already gained sufficient knowledge of the products it distributed to date and the operational techniques involved. Simultaneously, BCa managers limited the expansion of the SC product portfolio in order to maintain space for their parallel relationship with another manufacturer, i.e. a competitor to the SC. When comparing the value co-creation opportunities associated with these relationships, the BCa managers perceived the focal relationship positively as it was, but considered the attempts to expand it as more cannibalizing and devastating than positive in terms of the impact on the other parallel relationship (i.e. value outside the focal relationship).

The SC top management did not accept that BCa did not expand its offer with respect to other SC products, as this slowed down further development of the end user market for their products, although they appreciated the committed behavior of the SR from BCa. The SA from the SC began to realize that BCa had started to develop and prioritize the relationship with a competing manufacturer. As a result, SC team members more explicitly requested BCa to expand the product portfolio and increase their sales and promotional activities for SC products. This demand was supported by a threat that otherwise the SC would not renew the

contract. The MW from the SC and the SA believed that the use of power would clarify the situation and finally increase value creation within the relationship with BCa, however, the SC managers felt that it was more likely to hasten BCa's decision to focus on the other supplier.

SC's power use was problematic for BCa in terms of its intention to maintain parallel relationships. From the BCa's point of view, the parallel, competing relationships were building a means to neutralize the structural power of the SC, as well as that of the other supplier with whom BCa cooperated. Having SC products on offer also showed the market that BCa had a diverse offer, which the BCa managers believed had a positive impact on its image among medical specialists. According to a BCa manager interviewee: *"Having more options is better for us than one; (...) we wanted to continue cooperation with them [SC] but we did not want to invest in the relationship with them"*.

Episode A3: Together we share until the end.

The third episode presented in case A is different to episodes A1 and A2 because it was triggered by an event located outside the focal relationship. In contrast, Episodes A1 and A2 were initiated by intra-organizational motivated actions. In Episode A3, another distributor with a competitive offer to BCa (company X) recruited two SRs from BCa who were responsible for cooperation with the SC.

SC members took a negative view of the loss of two key staff members in BCa who were responsible for working with the SC and who had frequently advocated for the SC within BCa. For SC members this change indicated that the motivation of these two SRs and their goals to develop the mutual relationship and expand the product portfolio was not aligned with the plans of decision-makers in BCa. For members of management in the SC this reinforced their idea of downsizing the relationship, and confirmed BCa's intention to replace the mutual

relationship by a relationship with the competing distributor, as CEO 2 at the SC concluded “(...) *this is another indication that they [BCa] did not want to engage with us*”. (CEO 2, SC).

The MW from the SC continued an informal relationship with the SRs recently acquired from BCa, and reported to the SC board on possibilities for establishing a business relationship with company X, which had recruited the BCa employees. The SC board felt that this event was a turning point in the relationship and an opportunity to create value outside the focal relationship by using existing personal relationships to build a new partnership with company X to represent its products on local end user markets. Given the BCa’s signals of reluctance to develop the focal relationship and the opportunity to build a new relationship with company X, the managers in the SC decided to make it very clear to BCa that it would terminate the relationship if BCa did not invest in expanding its product portfolio of SC products.

For the BCa, losing the SRs constituted a significant loss in market knowledge and relational equity with key actors on the operational level with regard to SC products. Simultaneously, the new situation helped BCa in clarifying their strategy in the relationships with the SC and with the competing distributor. From the BCa managers’ point of view, they had already invested in product knowledge about another supplier, and the two employees were no longer crucial because the market did not identify them with the products of the supplier competing with the SC. The BCa managers also realized that the SC was not dependent on them giving the possibility for switching from BCa to another competing distributor X without losing the market. As a result, the focal relationship was effectively terminated based on the initiative of the SC at the end of 2020; thereafter the SC established a relationship with the new distributor X.

4.3. Case B

Episode B1: Give it to me, no matter about the others!

Episode B1 is triggered by an environmental factor, i.e. the national government created new regulations on the local market of BCb that increased the potential for power use of BCb towards the SC after the first few years of cooperation between the SC and BCb. Thus, Episode B1 is of a similar nature to Episode A3 as both were initiated by an event outside the focal relationship.

For the first four years (2007-2011), the relationship between the SC and BCb developed organically. The SC expanded its knowledge on the requirements of local surgeons, and BCb developed its expertise regarding a wide range of SC products and operational techniques. During this initial period, SC team members noticed that the director of the buyer (BCb) was rather authoritarian in his style of management. It seemed that in addition to the decision-maker, the director was active in initiating and influencing the whole buying processes. As one of the SC interviewees stated “*[name of BCb Director] was respected by his employees, not that they feared him, but they spoke to him with great respect. (...) the surgeons also spoke to him with great respect. I think this is related to the culture of this country*” (CEO 2, SC). The researchers’ interpretation is that such a management style was something ordinary in this export market, with a relatively high level of power distance as one dimension of this national culture. Therefore, the other members of BCb (see Tables 3 and 4) were rather cautious about presenting ideas or stating opinions, and instead largely followed those of the director.

In 2011, new regulations in the buyer company’s local market significantly improved its position with regard to its competitors and customers i.e., hospitals and medical professionals. BCb's better position relative to other distributors among hospitals and surgeons meant more sales opportunities for BCb. BCb members also recognized that these new regulations influenced on improvement of their structural power in the relationship with the SC. During the intra-organizational meetings at BCb, the director announced that if the SC decision-makers do not agree to increase their supply volumes, they may consider changing distributor.

Respectively, all BCb members were granted permission to put pressure on SC members to meet the increased volumes of orders.

Being aware of the new regulations in the export market, all management staff of the SC saw an opportunity to increase the value of sales by fulfilling the increased orders from BCb. At the same time, SC managers realized the improved power position of BCb in terms of the increased probability of losing BCb to another distributor: “They [BCb] put pressure on us to be on time with order delivery, which we could not ignore because it could create the risk of losing this distributor” (Director of Sales Department, SC). However, fulfilling the demands of BCb was a great operational challenge and there was friction among SC members regarding the prioritization of distributors in various markets to whom deliveries would be delayed, e.g., friction between different SAs responsible for cooperation with other buying centers in other export markets. In order to deal with the situation, the SAs at the SC attempted in a relatively gentle way to explain to the SRs at BCb that meeting their purchasing requirements could adversely affect order delays for other customers in other export markets.

The BCb management did not accept the SC’s explanations and reluctance to prioritize their business. Thus, the director at BCb decided to intensify pressure on SC members, especially on the managers responsible, for the fulfillment of increased order volumes in a timely manner by periodically stopping recommendations of SC’s products in their local market to potential end user surgeons. The director and SRs discouraged key surgeons related to BCb from contacting SC members. The BCb director explained the motives for such action: “On the short-term horizon, blocking access to medical specialists negatively impacted business development, while on a slightly longer-term horizon, we wanted the SC to increase the priority of timely order delivery and the development of new and customized products adapted to the requirements of our market” (Director, BCb).

The top management of the SC made the decision to comply with the BCb's demands for timely delivery of increased supplies, and the production department at the SC was tasked with quickly addressing the limited capacity to minimize delays in fulfilling orders to other distributors. According to an interviewee, the SC took the direction that would “(...) *give them [BCb] what they wanted first*” (Director of Sales Department, SC), in terms of order delivery, as well as “*service support because their intensive market penetration meant there were more customer problems to be solved*” (Director of Sales Department, SC). Altogether, the pressure that BCb exercised on the SC materialized in a huge increase of 200% in SC's sales volume to BCb. Respectively, BCb accounted for 27% of SC's global sales and 45% of its exports (among 50 foreign distributors), which constituted a strategic change in SC's export market portfolio.

Episode B2: Dare to collaborate, dare to trust!

Episode B2 describes a situation in which the SC engages in collaboration with BCb on new product development as an attempt to countervail BCb's increased power in the relationship (after Episode B1). According to the interviewees from both sides, the communication patterns between the SC and BCb members at this stage developed organically to become more informal than in the early years of the relationship. In 2018, the ME and SAs reported to the management of SC that their technical support for BCb SRs was not needed, and collaborative initiatives were at a very limited level. The top managers from the SC had concerns that there were not enough dedicated investments on both sides, which could have resulted in BCb easily switching suppliers. The sales executives suggested that R&D directors co-develop new and modified products along with surgeons in the BCb market as a way to tie BCb into long-term collaboration. The SC proposed new collaborative product development initiatives to the BCb, which was intended to increase BCb's dependency on SC's expertise.

The reaction of the main decision-makers, the BCb director and the vice-director, to the SC's proposition was positive because they saw an opportunity to penetrate their market with new types of products co-developed with the SC. They were also striving to increase the satisfaction of the medical professionals by adapting current products to their specific requirements. This could only happen through acquiring new knowledge from the SC. The director of BCb noticed that such efforts would increase their reliance on the SC and alter the balance of power in favor of the SC. However, the BCb director stated: "*When problems arose we could count on their quick and competent response, there is trust between us, I know we can count on them, why would we change suppliers?*" (Director, BCb). According to the researcher's interpretation, this collaborative new product development comprised an act of countervailing power by the SC. However, both partners perceived collaborative actions as positively influencing value creation within the relationship. The vice-director and SRs from BCb stopped their blocking actions and facilitated access for R&D employees and SC team members to some local medical specialists they cooperated with so as to perform tasks related new product development. The SC managers, with CEO 1 taking on an approving role, appreciated the commitment of BCb team members and associated surgeons, and felt more secure about continuing the development of the relationship with BCb, seeing them as more dependent on the SC than before. This also resulted in the SC becoming more demanding vis-à-vis BCb, e.g., during the process of collaborative NPD.

Episode B3: The better for me, the better for you by inspiring the third party

The SC members felt that the value opportunities they provided to BCb and the associated surgeons - the end-users – clearly increased due to the collaborative NPD process. Therefore, the SC members began to demand more from BCb purchasers and decision-makers in their routine daily interactions so as to initiate BCb's activities that were beneficial to the SC. For

example, the SAs from the SC pressed the BCb SRs more strongly than before to invest in replacing old models and used surgical instrument sets from product category 2 at local hospitals supplied by the BCb with new models. When the SRs reported these requests, director of BCb refused due to the relatively high cost of such a replacement operation. The R&D directors at the SC, as well as the surgeon consultants associated to the SC, visited both types of surgeons associated to BCb, consultant surgeons and end users, regarding the modification of the specific product category 2. At the same time, they presented a new model of the surgical instrumentation set, demonstrating the benefits of its use over the previous version of the set. The researchers' interpretation was that the aforementioned SC members, in implementing the new selling task, used local surgeons – the end users - to pressure the BCb decision-maker to order the new model of the surgical instrument set from the SC to replace the old ones. If BCb would not follow the SC's proposal, it could negatively affect the local surgeons' satisfaction in their relationship with BCb. This was a hidden message from the SC to BCb, which an SC interviewee interpreted as '*subtle indirect blackmail*' (SA, SC).

When the local surgeons, mostly regular users, put pressure on the SRs and the BCb decision-makers to replace the old instrument set with the new version from the SC, the BCb members were rather in agreement, due to the need to maintain good relations with the surgeons. The intra-organizational discussions initiated by the SRs, playing the role of influencers in this matter, were persuasive to the BCb director as the main decision-maker. However, the SRs suggested that the BCb director put pressure on the SC's top managers for cost-sharing in meeting the surgeons' demands. According to the researchers' interpretation, this was due to the fact that past purchases of the surgical instruments were fully funded by BCb, as they could recoup their costs by brokering the sale of this instrumentation to hospitals.

Finally, the BCb decision-makers agreed to what the surgeon end users wanted, even though they had been resistant to the direct requests by the SC in the past. Remarkably, both

sides anticipated that this change would improve the value of their relationship. However, the predominant reason why BCb had such a good opinion of this change was because they did not see the SC action as a direct use of power of the SC. The BCb team members felt that they could not say no to the surgeons as the end users, even though they suspected the SC had intentionally provoked these requests. In the end, the SRs from BCb ordered the new instrument set models from the SC to replace the old ones in use by the local surgeons.

5. Discussion and Conclusions

5.1. Empirically-enriched power framework in buyer-supplier relationships

Figure 3 combines the theoretical framework and the findings from the empirical study to propose an empirically-enriched framework of power in buyer-supplier relationships. The horizontal direction of the framework displays the power dimensions, i.e., behavioral power, structural power and power dynamics, which penetrate and unify the vertical dimensions of the SC, BC and the buyer-supplier relationship (see Makkonen & Olkkonen, 2017; Oukes et al., 2019). The framework considers the power dimensions as perceived features of the relationship. This conclusion derives from the empirical study that clearly demonstrates the perceptions of both BC and SC members regarding their own and their counterpart's behavioral and structural power, as well as the power dynamics that they transmit to the relationship. The transmission here refers, for example, to events in the business context that have an effect on the structural power of the parties, as was demonstrated in Episode B2. This perspective is consistent with research by Lacoste & Johnsen (2015), but extends their research by providing an analytical framework that captures relationship power dynamics, including the importance of actors' perceptions of structural power and actual power use.

The use of the spinning gears aims to encapsulate and demonstrate the multifaceted nature of power reflected in the empirical study, which is here captured through the connection of all

nine elements on both the horizontal and vertical axes. Similarly to the alternating focus on a) a single individual actor as a relationship hero (Episode A1), b) mutual development efforts (Episode B3), and c) explicit use of power to push one's goals in the relationship (Episodes A2 and B2), or the value co-creation opportunities in the ecosystem (A3 and B1) as drivers of power dynamics in the relationship, these gears and their interconnection aim to visualize and collect together the elements of a power mechanism (the spinning wheel around the model). This links power in the buyer-supplier relationship with the value co-creation opportunities within the focal relationship (the upper part of the model), and in the ecosystem (the lower part of the model). These opportunities define the importance of the relationship for the actors and thus form a basis for perceived structural and behavioral power.

PLEASE INSERT FIGURE 3 ABOUT HERE

The holistic approach in the framework provides a graphic means to understand BC/SC actions and reactions as microfoundations of behavioral and structural power and power dynamics that span within and between actor boundaries in the relationship. As a bridging concept, the framework focuses on BC/SC actions and perceptions, which was found to be a sound perspective in understanding and visualizing power dynamics in the case studies. From a BC/SC viewpoint, an actor considers their own use of power with reference to the other actor's use of power, as well as to structural power, which sets the limits and the sources for power use. Internally, an actor may consider whether their own structural power has the potential to allow for more extensive use of power, and how this relates to the use of power by the other actor (e.g. Episode A2 and B2). Similarly, an actor may consider how the structural power of the other actor provides opportunities for the other actor to use their power or build countervailing power (e.g., Episode B3). In long-run perceived power use and perceived

structural power emerge in the relationship through the events as a result of individual perceptions by SC and BC members.

Both behavioral and structural power are subject to either SC or BC “transmitted” power dynamics. The framework uses the term “transmitted” to communicate the intentional and unintentional actions and episodes that cause power dynamics, as learnt from the case studies (e.g., Episodes A3 and B1). Furthermore, “transmitted” is used for the BC/SC to underline whether the power dynamics enter the relationship through the buyer or the supplier. Throughout the research framework, we draw on the actions of BC/SC members at the individual level, as well as events at the organizational and business environment level that accumulate into events at the organizational level that cause power dynamics in the relationship (Makkonen et al., 2012). Thus, we conceptualize events that are perceived, interpreted and acted upon i.e., that materialize in the relationship as a structure-to-action mechanism (see Buvik & Reve, 2002; Oukes et al., 2019). Secondly, the perceived manifestations of BC/SC activities that produce, reproduce and renew prevailing shared attitudes, norms and beliefs within the BC/SC comprise the action-to-structure mechanism. The elements of BC/SC transmitted power dynamics in the holistic framework make it easier to connect the focal relationship to a larger group of business relationships and networks. The influence of events on power dynamics is subsequent to BC/SC perceptions: actors are not likely to perceive all the relevant events that could increase/decrease value co-creation opportunities within the relationship and in the ecosystem. Similarly, the actors may have dissonant views on the events, as well as on their own and/or the other actor’s use of power or the level of structural power.

The holistic framework depicts power as a power mechanism (the spinning wheel around the framework in Figure 3), in which all the power elements (the nine elements of the dimensions depicted as gears) are connected to value co-creation opportunities within the focal relationship and in the ecosystem. For example, Episode A3 presents the reasons for

relationship dissolution at the initiative of the SC, motivated by improved value co-creation opportunities in the ecosystem (i.e. outside focal relationship). In turn, the arrows within the gears demonstrate how the spinning of the gears in sync may reinforce the positive power mechanism in generating value co-creation opportunities, and simultaneously shape the structural power of both actors and their mutual dependency. This was largely visible in Episodes A2 and B3. Furthermore, the spinning gears imply that any of the gears may cannibalize or reinforce/compensate value co-creation opportunities within the focal relationship or in the ecosystem, as was illustrated by Episodes A1, B1 and B2.

5.2. Theoretical contribution

The study has three major contributions: (1) it bridges buying center / selling center (Dadzie et al., 1999; Johnston & Bonoma, 1981; Hutt et al., 1985; Moon & Gupta, 1997) and business relationship research (Turnbull et al., 1996; Halinen et al., 1999; Makkonen & Olkkonen, 2017), 2) it exemplifies the role of actor perceptions in moderating the link between BC/SC power use and its outcomes in business relationships; and (3) it provides a nuanced analytical framework of buying center / selling center interactions in the context of power dynamics in business relationships. The focus on BC/SC, and in particular their individual actors, has been limited in previous research on the business relationship process (see Makkonen & Olkkonen, 2017; Gonçalves et al., 2019), except for very recent studies (Johnston et al., 2022). This article demonstrates the usefulness of the buying center and selling center concepts and their focus on individuals in making business relationship dynamics understandable. On the conceptual level, we have developed a theoretical framework that places the notions of BC and SC in the center of the interplay between the context, the actors' activities and their perceived outcomes. In this regard, our study complements recent research in connecting buying center research with multi-actor conceptualizations in ecosystems and value co-creation (Johnston et al., 2022). The

framework encompasses previous business relationship research along with the ideas of structure-process interplay (e.g., Buvik & Reve, 2002; Oukes et al., 2019). This resulted in conceptualizing two sets of mechanisms with regard to the functioning of the BC. First, we conceptualize events that are perceived, interpreted and acted upon in the structure-to-action mechanism. Second, we conceptualize the perceived manifestations of BC/SC activities that produce, reproduce and renew prevailing shared attitudes, norms and beliefs within BC/SC with regard to business relationship elements (from the action mechanism to the structure mechanism). However, BC/SC dynamics in this regard seem to be a rich source of disturbance to the linearity in these mechanisms: events in the business context, as well as BC/SC actions, may lead to actors' misperceptions and misinterpretations. They may also remain totally unperceived, and thus the mechanism and its outcomes are always to some extent arbitrary on the side of relationship actors (see Makkonen et al., 2012). Therefore, our perception-based framework of relationship power corresponds with and extends the phenomenological approach to buyer-seller relationship, where relationship outcomes emerge as experiential evaluation of buyer-seller interactions embedded in larger ecosystem (Holbrook, 2006; Vargo et al., 2008; Grönroos et al., 2013; Möller et al., 2020; Jin & Shao, 2022).

Secondly, the article contributes to recently accelerating research on power in B2B relationships (e.g., Clauss & Bouncken, 2019; Harness et al., 2018; Johnsen et al., 2020) by providing a nuanced account of power dynamics in business relationships, including the role of individuals, the objective vs. subjective nature of power, as well as structural vs. behavioral power. The focus on the buying center and selling center and their members perceptions and actions facilitates connecting the individual and organizational perspectives (Tähtinen & Blois, 2011; Gonçalves et al., 2019) in defining power asymmetry and its dynamics. We show actions of power use or attempting to do so, and by analyzing motivations and attitudes at the individual level we show at a deeper level of detail the perceptions of power of one's own and other actors,

both within the BC and SC as well as other actors. This nuanced approach made it possible to show the role of perceptions at the individual level on intra-organizational arrangements within the BC and SC regarding power use. In our study, the use of power was primarily associated with coercive power, similarly as in other research (e.g. Han et al., 2022; Mitreğa, 2023). Consequently, our research has shown a relationship between coercive and non-coercive power in BC/SC interactions, such that an increase in the latter has a balancing effect on the former. Similar results were shown in a recent study by Mitreğa et al. (2023) on dynamic networking capabilities in the internationalization of firms (e.g. Mitreğa et al., 2021; Ciszewska-Mlinarič et al., 2023), and the role of the use of coercive power in export and relational performance.

Moderated by actors' perceptions, power use and relationship outcomes correspond to perceived and realized power notions as proposed by Oukes et al. (2019). Realized power can be considered from the perspective of relationship outcomes. Our study contributes to this stream of research by revealing that the perception of the use of power by BC and SC actors is a mechanism for variation in the cyclical logic of successive power episodes, which overlaps with the linear logic of the business relationship (see Figure 1). The mechanism presented contributes to research on transformative processes in business relationships (e.g. Möller et al., 2020; Ojansivu et al., 2022). The cyclical nature of the series of power episodes in the long-term relationship between BC and SC also corresponds to a systems thinking perspective on transformational processes (Möller et al., 2020).

Thirdly, the empirically enriched framework (Figure 3) enables a simultaneous analysis of structural and behavioral power, and thus continues and extends recent research on the concepts of structural and behavioral power (Oukes et al., 2019; Siemieniako et al., 2022). The multi-layered analytical structure, as well as the depiction of power dimensions as continuums between the actors and their mutual relationship, answers the call more systemic approach to

power in business relationships (Johnsen et al., 2020; Siemieniako et al., 2022; Kubacki et al., 2023).

The focal case studies provided evidence of power shifts that were triggered by power use and relationship development, as well as those that were contingent on changes within the larger supply chain relationship structure and macro-environmental dynamics. The study emphasizes the multidimensional and multidirectional perspective on power and power asymmetry (see Makkonen et al., 2021), as well as the role of actor perceptions (e.g., Arslanagic-Kalajdzic & Zabkar, 2017; Czakon & Kawa, 2018; Johnsen et al., 2020; Xuan et al., 2020) in moderating the link between power use and its outcomes in business relationships. This suggests that it is not the actual intensity of actions and events associated with power that dictate power asymmetry and power dynamics, but rather the perceptions thereof. Specifically, while the framework depicted in the study is rooted in the concept of BC and SC, it is capable of accommodating the interplay between perceptions and actions. Additionally, it broadly incorporates buying center and selling center actions, as well as their capacity to alter value co-creation opportunities within the focal business relationship and in the ecosystem. Although the study shows the largely structural nature of power, both in general but also including the buying center context (Pedersen, 2023), it also underlines that the actors may intentionally work on improving their power positions (Lacoste & Johnsen, 2015; Pérez & Cambra-Fierro, 2015; Siemieniako & Kaliszewski, 2022). Specifically, actions undertaken in order to strengthen one's own competencies in key areas of the distribution channel increase the likelihood of a better bargaining position in existing business relationships and throughout an expanding relationship portfolio. Here, our study corresponds with previous research on power as a device in managing business relationships (Benton & Maloni, 2005; Mishra & Banerjee, 2019).

5.3. Managerial implications

The research should motivate managers involved in long-term relationships to carefully analyze their own and their partners' positions regarding the dimensions of structural and behavioral power and power dynamics. It should also encourage them to evaluate how power asymmetry affects the value that is divided between business partners. Managers should analyze which levels of power asymmetry are best for a relationship, and how a variety of factors can influence power position shifts. This is a complex task because it most often means maneuvering between asymmetries within different power dimensions. Nonetheless, this process is crucial as it mitigates the hazards associated with close cooperation and an awkward division of the relationship pie.

This research shows that perceived power asymmetry, as well as instances of power use, may create serious barriers to interpersonal cooperation within inter-organizational settings, and for achieving relationship aims. This implication seems to be relevant for both the stronger and weaker side of the dyad. Therefore, the research calls for the implementation of a strategic approach towards using power and mitigating power asymmetry in business relationships. This should involve anticipating the consequences for the relationship, as well as the performance consequences of such actions in the long term. Individual actors who perform various functions in the BC/SC, and especially managers, should take into consideration that using a power advantage e.g., by requesting a partner to make a substantial investment in the relationship, may sometimes significantly improve the partner's position with regard to its value for the company and other potential companies. This may be associated with the mutual dependency of the companies in the relationship as well as new competencies built under pressure, which may in time change the perspectives inside the focal relationship and in the ecosystem. In such situations, managers should carefully analyze the history of a given relationship in order to retrospectively identify interaction patterns and anticipate further developments. Additionally,

managers should very much take into consideration not only a partner's behavior within a relationship, but also the partner's changing power position in the context of the whole distribution channel. Our case studies demonstrate that this is always a matter of interpretation in the wider context of the ecosystem in which the partners are embedded. Sometimes, the stronger network position of a supply chain partner can be treated as the main factor that increases the other partner's power.

A company that is being dominated should try to develop competencies and deliver more relationship value to their more powerful partner. Such developments may likely provide the company with a better non-coercive position in their relationship with the stronger partner, which over time usually results in more effective bargaining and more balanced power between the partners. Our longitudinal research proves that partners should be very careful about exploiting short-term fluctuations in relationship power. In such situations, the other side may engage countervailing power, resulting in a worsening of the position of the focal company in the relationship, both in economic terms e.g., a smaller share of the wallet, as well as in non-economic terms, for example, a worse relationship atmosphere. Thus, our research suggests that the use of power, especially coercion, should always be carefully prepared by anticipating its consequences and by being prepared for possible side effects in the long run.

5.4. Limitations and suggestions for future research

The focus of our qualitative study on BC/SC individuals' perceptions and actions in the multi-level context of business relationships qualifies our approach as inherently interpretative research. Combined with the complex character of power, such research entails certain limitations. Despite careful planning of the qualitative study, the perceptual character of power asymmetry means that other scholars with a different understanding, i.e., using different power-

related theories and concepts (French & Raven, 1959; Mishra & Banerjee, 2019; Johnsen, et al., 2020), could interpret our findings differently. Being aware of these limitations, we have tried to control data analysis reliability (Krippendorff, 2004), and we have used various sources of information in addition to interviews to build our reasoning. Among these are participatory observation and analysis of a vast array of secondary material in corporate documents.

Due to the epistemological complexity of understanding business network changes acknowledged in the literature (Halinen et al., 1999, Makkonen et al., 2012), our study is limited as it primarily emphasizes BC/SC actions within buyer-seller dyads. Events and macro-level processes were acknowledged in so far as they cast an influence on the relationships and on BC/SC perceptions and actions. Moreover, the longitudinal nature of our study somewhat restricted analysis of the individual roles. Specific analysis of all the roles over an extensive timeframe would have generated far too nuanced micro-narratives of individuals given the purpose of the study. Therefore, we decided to focus on the user role and largely employed the other roles as illustrations to reflect the intersection of the individual and collective levels of analysis according our research purpose. As a result, our research results are not extensive in portraying a picture of all dynamics in business network contexts (see more in: Abrahamsen et al., 2016; Kaartemo et al., 2020; Möller & Halinen, 2017), nor all individual actions, but rather they focus on those that are meaningful in terms of the studied relationships and provide a case description that facilitates theorization. Thus, our theorizations on events and actor perceptions would benefit from further development in subsequent studies, incorporating more meso and macro perspectives as well as a focus on individuals and their roles. Such an approach could draw methodologically on previous research into sense-making in business networks (Henneberg et al., 2010), analyzing how individuals perceive structural and behavioral power and respective power dynamics in multi-actor setups of networks and ecosystems. Similarly, further longitudinal research on power use in relationships is needed in order to understand

which conditions cause a powerful party not to exploit their power dominance, for example hegemony (Johnsen et al., 2020), vis-à-vis a dominated counterpart.

Our research findings cannot be uncritically generalized to other empirical contexts. Rather, the study results should be primarily considered in the light of theory development. In this regard, the study puts forward power dynamics conceptualizations that can be used to provide a structure for future research. In particular, the holistic nature of the perspective advocated in the study provides support for further qualitative studies. However, the ideas and conceptualizations presented also hold potential for quantitative studies, although they require more accurate definition, as well as development into measurable constructs suitable for statistical analysis.

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Figures

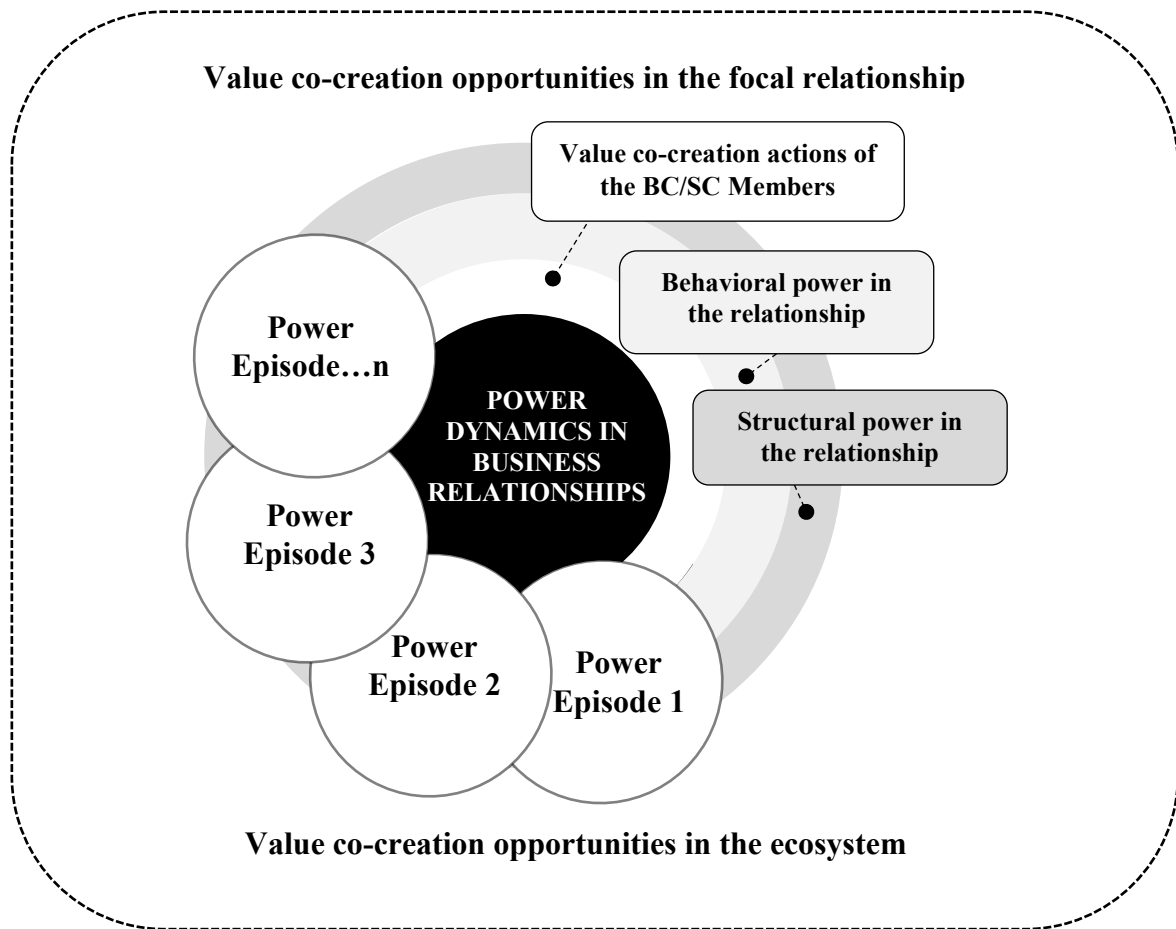


Figure 1. Theoretical framework of power dynamics in business relationships with regard to BC/SC actors' actions



Figure 2. Data structure of analysis of Cases A and B

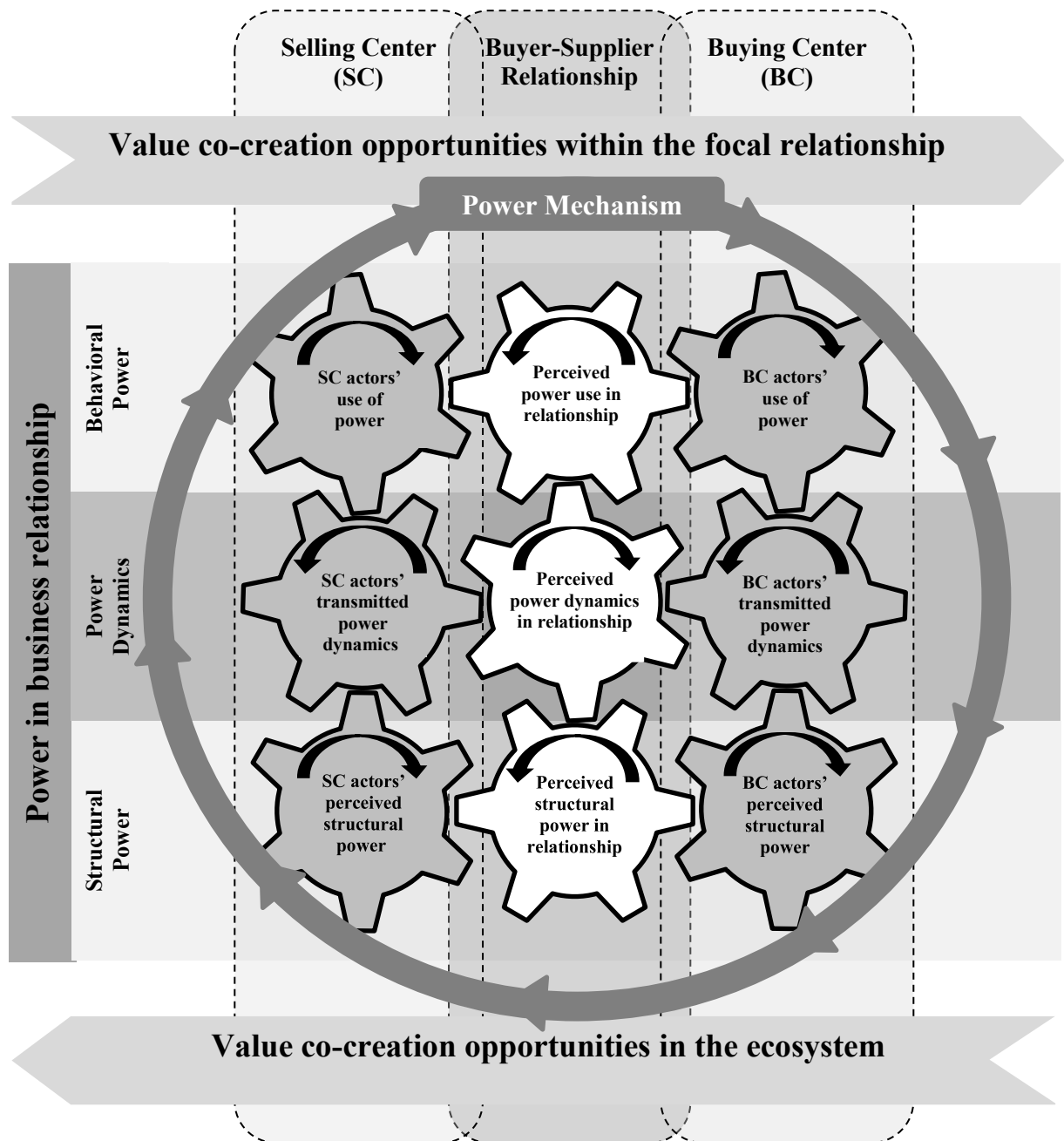


Figure 3. Empirically-enriched framework of power in buyer-supplier relationship

Tables

Table 1. Data collection in the two longitudinal case studies

Case study code	Relationship period under investigation	Data collection on the Selling Center side (2016 – 2022)	Data collection on the Buying Center side (2016 – 2021)
Case A	(2013-2021)	SC: ¹ 1. President of Supervisory Board (2017-2021) 2. CEO 1 (2016) 3. CEO 2 (2021, 2022) 4. Board Member (2016 -2018) 5. Director of Sales Department (2016, 2017) 6. Director of R&D Department (2016, 2017) 7. Manager of Sales Department for Western Countries (2016, 2017) 8. Sales Administrator (SA) (2016, 2017) 9. Surgeon 1 (2016) 10. Surgeon 2 (2017) Other forms of data gathering: direct observation during business meetings at SC's location and at trade fair locations; direct observations at SC's internal meetings; secondary data from emails, meeting memos, annual plans of joint SC and BC sales and marketing actions.	BCa 1. Sales Representative (SR) (2016-2021) 2. Board Member (2021) Other forms of data gathering: direct observation during business meetings at SC's location and at trade fair locations; secondary data from emails, meeting memos, annual plans of joint SC and BC sales and marketing actions.
Case B	(2007-2021)	SC: ¹ 1. President of Supervisory Board (2017-2021) 2. CEO 1 (2016) 3. CEO 2 (2021, 2022) 4. Board Member (2016 -2018) 5. Director of Sales Department (2016, 2017) 6. Director of R&D Department (2016, 2017) 7. Manager of Sales Department for Western Countries (2016, 2017) 8. Sales Administrator (SA) (2016, 2017) 9. Surgeon 1 (2016) 10. Surgeon 2 (2017) Other forms of data gathering: direct observation during business meetings at SC's location and at trade fair locations; direct observations at SC's internal meetings; secondary data from emails, meeting memos, annual plans of joint SC and BC sales and marketing actions.	BCb 1. CEO and owner (2016-2021) Other forms of data collection: as above

¹ Real company names concealed

Table 2. Principal data on selected entities

Selling Center (SC) and Buying Center (BCs) codes	Included in cases	Number of company employees	Number of intra-organizational SC/BC members involved	Location	Industry	Share of sales/purchases in Case A and Case B in 2020 [%]	Duration of BCA and BCB relationship with SC (years)	Data collection (years)
SC	Case A Case B	450	15	CEE country in EU	Medical-technical products manufacturer	- Sales for BCa: 2% of total sales value - Sales for BCb: 30% of total sales value	n/a	6
BCa	Case A (SC and BCa)	24	4	CEE country in EU	Medical-technical products distributor	- Purchases from SC: 3% of total purchases value	9	6
BCb	Case B (SC and BCb)	35	8	Central Asian country	Medical-technical products distributor	- Purchases from SC: 65% of total purchases value	15	6

Table 3. Structure, actors roles and their involvement in SC, BCa and BCb

Supplying Center (SC) and Buying Center (BCs) codes	Structure of actors involved regarding Case A (SC and BCa) and Case B (SC and BCb)	Range of main collaborative operational activities in Case A and Case B	Level of actors involvement in intra-organizational decision-making
SC	<u>Case A:</u> - Manager of Sales Department for Western Countries (MW) - 2 Sales Administrators (SA) responsible directly for BCa - 1 other Sales Administrator (SA) to support <u>Case B:</u> - Manager of Sales Department for Eastern Countries (ME) - 2 Sales Administrators responsible directly for BCb - 1 more Sales Administrator to support <u>Case A and Case B:</u> - Director of Sales Department - Director of R&D - Vice-director of R&D responsible for product category 2 - Director of Production - CEO 1 as co-owner - CEO 2 - President of Supervisory Board as co-owner (PSB) - Network members: surgeons associated with SC with the role of knowledge transfer to medical specialists in BCs' countries	<u>Case A:</u> - processing and dispatch of orders - training of BCa members at SC locations conducted by surgeons associated with SC - presentations given by MW and SA to BCa-related surgeons at BCa locations - supporting BCa communication and promotion activities on BCa market - supporting BCa in financing purchases <u>Case B:</u> - similarly as above in Case A - training of BCb members at BCb locations conducted by surgeons associated with SC - modifications to existing products and new product development (both in category 1) based on collaboration of R&D Director with BCb-related surgeons - support from Vice-director of R&D and SC-related surgeon for introduction of a new type of products (category 2) for the BCb market	<u>Case A:</u> - MW - moderate - SA responsible for BCa - high - SA for support - low - Director of Sales Department - moderate - Director of R&D - low- CEO 1, CEO 2 - low - Surgeons associated with SC - low <u>Case B:</u> - ME - high - SA responsible for BCa - high - SA for support - low - Director of Sales Department - high - Director of R&D - high - Director of Production - high - CEO 1, CEO 2, PSB - high - Surgeons associated with SC - moderate

BCa	- 2 purchasers acting as sales representatives (SR) responsible for SC's product category 1 - 2 Managers - Network members: surgeons as consultants or end-users in BCa location	- product registration with SC support - implementation of promotional activities co-created with SC - prepayment and collection of orders from SC - coordination related to MW and SA presentations and SC-related surgeon training provided to BCa-related surgeons - support of MW and SA in communication with BCa-related surgeons	- SR responsible for SC's product category 1 - high - Managers - low - Surgeons as consultants or end-users of product category 1 - moderate
BCb	- 5 sales representatives (SR1) responsible for SC's product category 1 - 1 sales representatives (SR2) responsible for SC's product category 2 - Vice-director - Director (serving also as chairman of management board and owner) - Network members: surgeons as consultants or end-users in BCb location	- similarly as above in BCa - sharing information with SC from medical specialists about complaints and needs to adjust products and services, and issue co-solving with SC - verification of the introduction of modified and new products to the BCb market in cooperation with SC	- SR1 responsible for SC's product category 1 - high - SR2 responsible for SC's product category 2 - high - Vice -director - high - Director - high - Surgeons as consultants or end-users of product category 1 - moderate - Surgeons as consultants or end-users of product category 2 - high

Table 4. Positions and roles of actors involved in BCs and SC within power dynamics episodes

Episode codes	Episode names	Positions and roles of BCs actors	Positions and roles of SC actors
Case A: BCa and SC			
A1	Here we start and there we go.	SRs – initiator, purchaser, user, gate-keeper Managers – decider Surgeons – end user, influencer	SAs – responsible, implementation MW – responsible, inform Director of Sales Department – approve CEO 1 – approve, Director of R&D – consult
A2	You, me, and the third party.	SRs – purchaser, user, influencer Managers – decider Surgeons consultants – gatekeeper Surgeons – potential end user, end user, influencer	SAs – responsible, implementation, inform MW – responsible, implementation, inform Director of Sales Department – approve CEO 1 – approve Director of R&D – consult
A3	Together we share until the end	SRs – purchaser, user Managers – decider	SAs – responsible MW – responsible, inform Director of Sales Department – approve, implementation CEO 1, CEO 2 – approve, implementation
Case B: BCb and SC			
B1	Give it to me, no matter about the others!	SRs – purchaser, user, gatekeeper Director – initiator, influencer, decider Vice-director – decider, gatekeeper Surgeons – potential end user, end user, influencer	SAs – responsible, implementation, inform ME – responsible, implementation, inform Director of Sales Department – approve, implementation Director of R&D – consult Vice-director of R&D – consult Director of Production – consult
B2	Dare to collaborate, dare to trust!	SRs – purchaser, user Director – decider, influencer Vice-director – decider, gatekeeper	SAs – implementation ME – responsible, inform, implementation

		Surgeons consultants – gatekeeper Surgeons – end user, influencer	Director of Sales Department – responsible, inform, implementation CEO 1 – approve Director of R&D – consult, inform, implementation Vice-director of R&D – consult, inform, implementation Surgeons consultants – consult, inform, implementation
B3	The better for me, the better for you by inspiring the third party.	SRs – purchaser, user, influencer Director – decider Surgeons consultants – gatekeeper Surgeons end users – influencer	SAs – implementation, ME – responsible, inform, implementation Director of Sales Department – approve Director of R&D – consult Vice-director of R&D – consult Surgeons consultants – consult, inform, implementation