

Power, Promise, and Satisfaction in B2B Channels : Insights from SEM and Neural Network Analysis

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Abstract

Channel sales thrives largely on influencing strategies and the communication prowess of the salesperson. Despite this being such a prominent knowledge, there is a dearth of studies on impact of influential strategies used by sales people on the satisfaction of channel partners in B2B marketing. The novelty of this study is that the perception of influencing strategies in the buyer seller dyad of consumer durable firms' is examined in the emerging market context. The research framework developed is tested through a hybrid technique of structural equation modelling (SEM) and neural network (NN) analysis. This cross-sectional study had a sample size of 206 consumer durables dealers of Uttar Pradesh, India. Empirical results reveal that coercive influencing strategies work better than the non- coercive influence strategies. Out of the coercive strategies, the promise influence strategy has strongest influence on the satisfaction of dealers. The results of the study have strategic implications for maintaining effective relationships by sales managers in B2B marketing.

Keywords: channel relationships; influential strategies; information exchange; neural networks; personal selling; promise; satisfaction; threat.

Introduction

In business markets, salespersons apply various strategies to persuade customers to purchase products in order to increase sales performance. Influence strategies is one of them which is prominent among interfirm relationships (Gao *et.al.*, 2018). Influence tactics (often referred as 'influence strategies') are essentially communication strategies that help firms to modify exchange partner's behaviour and attitude (Chang and Huang, 2012). They are common phenomenon in any buyer seller interaction. It is basically the content and the structure of the communication used by the sales person or boundary personnel of a "source" firm who intends to change the behaviors of a channel member or a "target" firm (Frazier and Rody, 1991). They are the means and methods commonly used to influence someone's behaviour and decision making and play a significant role in buyer-seller relationship management (Payan and McFarland, 2005). A salesperson is often compelled to make a choice between high pressure and low pressure influence tactics to achieve his sales targets in a territory. The pressure of targets and tight deadlines around which the sales personnel have to function often leads to deterioration in the quality of channel relationship where it becomes a play of only coercive and non-coercive influence strategies. A salesperson however should be aware of the consequences of these influence strategies on the channel partner's satisfaction and accordingly apply them. Value is the most pervasive concepts in the contemporary research on B2B marketing. This however, is the most difficult to communicate since it depends on multiple actors' subjective interpretations (*here, the dealers*) with heterogeneous interests (Prior and Keranen, 2020). The type of influence and the amount of same determines overall channel member attitudes, motivation and the complete performance of the channel system

(Frazier,1983). Inter firm influence strategies in channel relationships needs to be analysed because of two fundamental conditions. Firstly, channel partners are dependent on each other for the exchange of products, ownership and information (Stern and El-Ansary, 1988). Secondly, all the channel members have different goals, outlooks, values and different routines. Thus, it is very unlikely for them to exhibit functional philosophies that are similar. On one hand the interdependency motivates parties to pursue coordinative efforts and on the other hand the relationships get strained due to goal incompatibility and each firm's yearning for autonomy. It is this dangerous point where the communication takes the form of bargaining and of influence.

Influence strategies as an application of channel power has attracted quite a significant amount of interest (Frazier and Summers, 1986; Frazier et.al.,1989; Geyskens *et al.*, 1999; Geyskens and Steenkamp,2000). However, two major gaps have been identified in the extant literature. Firstly, most of these studies on influence strategies have been conducted in developed countries (Plouffe et.al., 2016), which are primarily individualistic. Thus, it is inappropriate to apply the findings of these studies on oriental countries which are more collectivistic in nature (Geyskens and Steenkamp, 2000). Some of the studies conducted in eastern countries include Kale,1986; who investigated industrial products distribution channels in Indian context; Johnson *et.al.*, (1993) did a study on retailers of consumer products in Japan and Shamdasani *et.al.*, (2001) did a study on computer retailers in Singapore. Secondly, most of these studies could not establish much taxonomy and the causal relationship with the key business relationship channel outcome, satisfaction. Satisfaction is a crucial factor that impacts the relationship between a supplier and a dealer (Dwyer, 1980). It influences channel partners' morale and contributes to the overall joint activity (Schul *et.al.*, 1985). Ambler *et.al.*,(1999) also established that the qualitative outcome, satisfaction is linked with the distribution channel's operational performance. The reason for the emphasis on this business relationship

outcome in context of these influence tactics is because communication is the most acknowledged antecedent of channel satisfaction and in channel relationships it generally takes the form of influential strategies.

Thus, in order to address these research gaps particularly in Indian context, the present study has attempted to investigate the impact of influence tactics of the sales personnel on the satisfaction of dealers of consumer durable goods. Different perceptions of the dealers in various classes of influence strategies generate different effects on the satisfaction of the dealers. The results of the study expand business to business (B2B) relationship marketing literature as the link between satisfaction and influence tactics has neither been previously assessed nor these two separate fields, influence tactics and B2B relationship marketing literature, been integrated. The results of this study will be useful to the relationship managers for enhancing channel relationships and making them more productive through the use of right influence tactics and develop better market orientation. Market orientation should not be confined to behavioural dimension but should also include attitudinal dimension and a dimension on resources

The remaining part of the paper is structured as follows. The next section tracks the eminent literature on influencing strategies for the development of research framework and the hypotheses linking influence strategies and satisfaction. This is then followed by the research methodology and data analysis. The last section finally discusses the results, managerial implications and scope for future research.

Literature Review

Most of the studies conducted in the domain of influence strategies have been in the area of channel power i.e. the influence strategies chosen on the basis of the source firm's power.

Other studies (Lai,2007) have tried to analyse the relationship of influence strategies and business operational performance .According to a recent study of Pang et.al., (2023), bilateral incentives and enforcement contributes to commitment of the channel partners and mitigates their opportunism. However, one very basic and essential question that has been missed in this area of research, particularly in reference to an emerging market, is, how these influence strategies are perceived by the dealers and does the application of same influences their satisfaction? This study tries to address this gap, particularly in reference to Indian consumer durables sector which is essentially a seller's market (Kale, 1986).

Emerging Markets

A market is termed as a sellers' market if the demand of goods and services is greater than their supply. Transitional economies like India, generally have large number of self-employed vendors involved in the profitable distribution of goods and services . An emerging market has generally less number of manufacturers and large number of middlemen who are eager for profitable business transactions. This obviously shifts the power more in the hands of manufacturers who tend to believe that they possess a certain power advantage over the channel partners. In an emerging market, manufacturers also believe that the power they possess shall be stable in future too, thus they often use high pressure influence strategies to change the behaviour of the channel partners. Emerging markets do offer huge growth potential but at the same time have potential risks (Jain, 2006). Socio-cultural and economic aspects are significant factors that affect the business environment in emerging markets. Thus to succeed in emerging markets, it is imperative for businesses to assess the needs of the local community, use local expertise and know-hows and offer locally adapted and winning business propositions (Li and Zhou,2010). Market orientation and a customer oriented strategy are the keys to obtain superior profits in emerging markets (Pattnaik and Kumar, 2014). The Indian consumer durables or the

ACE (appliance and consumer electronics) sector is expected to grow at a rate of 9 per cent compounded annual growth rate and will touch Rs 3.15 trillion (US\$ 48.37 billion) by 2022(IBEF,2020). This industry is highly concentrated with the top 5 players controlling over 70 to 75 % of market in India. The dominant players in this sector are LG, Samsung, Voltas, Blue Star, and Hitachi.

Satisfaction

Satisfaction is the positive emotional response after the overall analysis of one organization's channel relationship with that of other (Frazier *et al.*, 1989). The same is significant as a satisfied channel member values his association with the partner. It is the foundation for commitment and trust in inter organizational associations (John and Reve1982, Crosby *et al.*, 1990, Brown and Peterson, 1993, Mohr *et al.*, 1996). Commitment is central to buyer-supplier relationships (Abe, M.*et.al.*, 2021).A mutually satisfactory transaction enables the development of a long-term relationship that makes future purchases pleasing and profitable. Transaction-specific investments, environmental volatility and communication have different level of impact on trust and commitment and affect buyers' relationships and their exchange operations (Saleh and Quazi, 2013) .A complex and a highly competitive environment is accompanied by greater levels of risk, vulnerability and uncertainty (Friend *et.al.*, 2018). Satisfaction leads to greater motivation or morale, cooperation, less termination of alliances, lesser lawsuits, reduced need to seek legislation, higher motivation and incentives to participate in joint activities, increased capabilities in adapting to changes in the environment, improved amalgamation with supply chain management (Brown *et.al.*, 1991) and long term relationship sustainability (Dwyer, 1980).

Influence strategies

Channel researchers have not been able to distinguish between the possession of power and the use of power (Frazier and Summers,1984). Also, they have been inclined to investigate the effect of power or various sources of power instead of the repercussions of using these influence strategies. This study endeavours to fill this void on the outcome of the influence mechanisms. A classification of influence strategies based on the literature of social psychology was developed by Frazier and Summers (1984). These strategies as mentioned in Table 1 are: information exchange, request, recommendation, threat, legalistic and promise strategy. However, it must be noted that different situations can affect target firm's perception differently.

Table I. Influence Strategies

Influence Strategies	Definition
Information exchange	Source firm offers information without any specification of any action required
Request strategies	Source firm requests target firm to act; without any mention of subsequent sanctions
Recommendation	Source firm emphasises that a particular target action is needed for the target firm to get the preferred outcomes.
Threat	Source firm tells the target firm that any failure to comply shall lead to negative sanctions
Legalistic	Source firm suggests that the target firm is required to comply as according to the legal agreement.
Promise	Source firm promises to extend certain rewards on the target firm's compliance

Source: Frazier and Summers, 1986		

One can also classify these strategies based on coercion and a non-coercion style (Frazier and Summers, 1986). Channel literature broadly admits that information exchange, request, recommendation as non-coercive strategies in content and form. Legalistic approach and threats are often considered coercive. Promise strategy’ s classification, however, is less clear as researchers are divided and view it both as coercive and non-coercive (Frazier and Rody, 1991). Also, request, recommendation and information exchange strategies are similar as they don’t state explicitly as to what would happen in the event of dealer’s noncompliance. Also it is reasonable to expect that a manufacturer with generally lower power, tends to use these subtle non coercive strategies and the manufacturers with greater power, tends to use coercive strategies. Plouffe *et.al.*, (2016) came up with two mainstreams of research in the area of influence tactics, the first one from the management and organisational psychology literature (with eleven tactics, Refer Table II) and the second one from the aspect of B2B marketing research of Mc Farland *et.al.*, 2006 (Refer Table III). Thus, all these taxonomies list out the evolution of influence tactics in relationship marketing literature.

Table II. Influence Tactics and their definitions

Influence Tactics	Definitions
<i>Non Coercive</i>	
<i>Tactics</i>	
Consultation	Offering suggestions or advice
Collaboration	Helping a target to fulfil a request
Personal Appeal	Having a sense of obligation due to personal relationship

Rational Persuasion Making use of logical arguments or facts

Soft coercive tactics

Apprising Explaining how being compliant can lead to personal benefits of the target

Ingratiation Leveraging goodwill or flattering

Exchange Providing benefit in exchange of compliance

Coalition Seeking help of others to influence a target

Inspirational Appeal Appealing to the values and ideals of the target

Hard coercive tactics

Legitimation Emphasizing that compliance is in accordance of norms,policies and procedures

Pressure Demanding nature or intimidating

Source: Plouffe *et.al.*, (2016)

Table III. Influence Tactics and their definitions

Influence Tactics	Definitions
Inspirational Appeals	Requests that causes enthusiasm by appealing to a target’s ideals, values and aspirations
Ingratiation	Behaving in a manner that enhances one’s interpersonal attractiveness
Promise	Source gives promise to target of a reward if the target complies with a request

Threat	Source threatens a target with a penalty in future if target does not comply with a request
Information	Source discusses general issues and procedures to change target’s perceptions without
Exchange	making a request
Recommendation	Source suggests that a target can make profits if it follows the source’s suggestions

Source:Mc Farland et.al.,(2006)

Conceptual Framework and the Hypotheses Development

This study adopted the concept of influence tactics proposed by Frazier and Summers (1986) namely, promise, threat, legalistic, information exchange, request and recommendation strategy and study its impact on the satisfaction of consumer goods dealers in the Indian context. These influence strategies are deemed theoretically sound to examine the buyer seller relationships in the relationship marketing field (Liu *et.al.*, 2018)

Relationship between influence tactics and satisfaction

Reciprocal action theory suggests that a party does something in retaliation to the actions of the other party in an exchange relationship (Khalid and Ali, 2017). Both formal and informal control mechanisms improves collaborative performance between channel partners. Relational norms bear a significant positive effect on cooperative performance (Qian,L.,*et.al.*, 2020). Therefore, managers should use relational norms to control the behavior of their business partners A communication is considered as threat when a source firm gives an idea to the target firm that any let down in performance or behaviour in the desired way shall imply punishments

or negative sanctions. A communication style becomes legalistic if the source cites a contractual or informal agreement that demands the target firm of a certain behaviour. Hard coercive strategies when used against channel partners tend to increase conflict (Brown and Frazier, 1978; Brown *et.al.*, 1983) and thus reduces level of satisfaction. Thus when a channel member firm forces key channel members or induces them to perform certain actions, misperception occurs and channel members feel frustrated and anxious to take decisions under pressure (Frazier and Rody, 1991). Channel members can also feel disappointed due to certain costs which they perceive they have incurred due to the threats made by their connecting partners (Anderson and Narus, 1990) and penalties that reduce outcome's value for the channel members (Scheer and Stern, 1992). Thus legalistic styles and threats are myopic in orientation and are less useful in changing behaviour and result in negative outcomes. According to [Wei et.al., \(2022\)](#), contract enforcement accelerates while contract specificity has an insignificant impact on channel conflict. Thus, contracts between channel partners should be carefully enforced because if imposed in a highly strict manner it may intensify conflict between channel partners. As these styles involve application of pressure it has negative effects (Venkatesh *et al.*, 1995). The use of threat reduces the economic as well as noneconomic satisfaction of channel partners as they don't wish to associate themselves with partners who use coercion (Geyskens *et al.*, 1999). In contrast, when suppliers adopt positive reward strategy buyers comply with supplier's requests, as it leads to positive outcomes for both the parties (Hall *et.al.*, 2015). Gill *et.al.*, (2018) suggested that perceived valuation of financial risk positively influences the beliefs on financial performance of small business owners in manufacturing and service sector in India. Mainstream economics proposes that from a rational perspective, one chooses to maximise profit; thus rewards becomes a means to maximise the same. Promise strategy however as discussed earlier, can be considered both coercive or non-coercive. For this study we go by its prominent classification as coercive. Promise strategy

involves rewarding a target firm with benefits by the source firm, if the target firm has complied with desired actions. Buyers hold positive attitude towards suppliers who use promise influence strategies as they too gain benefits from them (Chang and Huang, 2012). This can definitely economically satisfy a channel partner (Wilkinson, 1979; Busch, 1980) however, may not socially satisfy the target. This is because the application of externally determined rules triggers the target to perform. It also lessens the internal motivation and independence of channel members' behaviors (Scheer and Stern, 1992). Often, this conditions the channel system that the performance will be achieved only by the extension of rewards which is not healthy in the long run for the distribution channel. Promises promotes economical satisfaction but lessens non-economical satisfaction (Geyskens *et al.*, 1999).

Today's environment has become extremely dynamic, competitive, complex and uncertain. Such a scenario promotes customers to see accurate and reliable information which helps them in decision making (Guenzi and Georges, 2010). Buyers too, in return, are willing to offer important recommendations to the suppliers (Lee *et al.*, 2017). If the same is applied in the recent context of digital era, the attribute of competence is more impactful in influencing the purchasing selection of an offering in business markets (Crisafulli *et al.*, 2022). Purchasing managers are essentially concerned about decreasing risk and uncertainty due to the high financial involvement in purchasing sophisticated and complex business solutions (Yuan *et al.*, 2021). We find that competence is an effective cue for reducing uncertainty about vendors' offerings. Reliable information and useful recommendations alleviates information asymmetry, reduces transaction risks and costs and enhances exchange partners' competitive advantage in such a social exchange process (Ren *et al.*, 2010). According to a recent study of Low & Lee (2022) on the 3C (Computer, Communication and Consumer Electronics) distributors in northern Taiwan, factors like product life cycle, duration of channel relationship and guanxi, moderate the relationships between coercive influence strategies and the two types of

satisfaction- economic and social . This study is focussing majorly on hard coercive influence strategies as channel literature corroborates the fact that powerful manufacturers apply hard coercive influence communication styles due to the popularity and acceptability of their brands. Thus, it was deemed appropriate to focus only on coercive strategies for this study. With this the following hypotheses are posited for this study: -

H1: The promise influence strategy significantly influences dealers’ satisfaction

H2: The threat influence strategy significantly influences dealers’ satisfaction

H3: The legalistic influence strategy significantly influences dealers’ satisfaction.

With this discussion the research framework (Figure 1) is proposed for this study which is validated through a two-step approach of Structural Equation Modelling and Neural Networks.

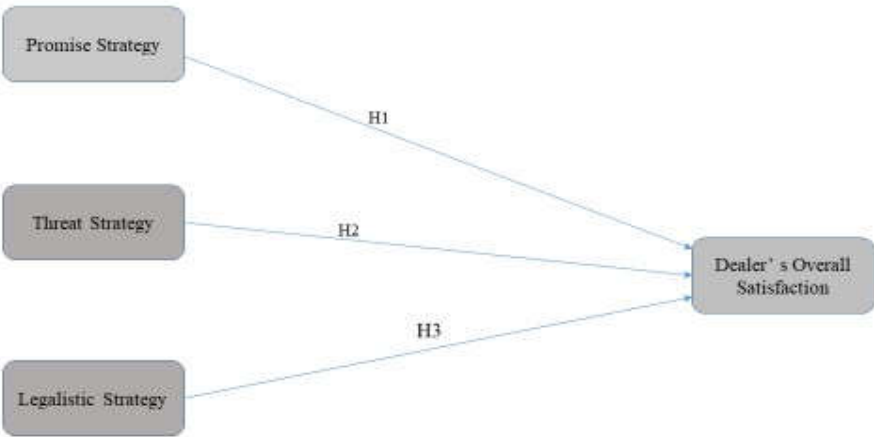


Figure 1. Research Framework (Source: Author’s Own)

Research Methodology

The distribution channel in the Indian consumer durables electronics (white goods) sector in India was the context for this study. This sector was chosen for two major reasons. One, not many studies have been done in this sector in India particularly. Secondly, being a relatively shorter channel (two level structure) and exhibiting a selective distribution pattern (as depicted in Figure 2), the influence of the manufacturer's salesmen on the dealers is much more pronounced.

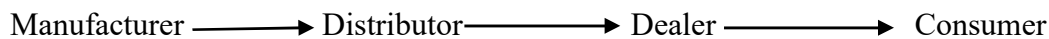


Figure 2. Conventional Distribution channel of a consumer durable firm in India

(Source: Author's Own)

Thus, the results would be much more useful in such a case. Also, these dealers are highly dependent on the brands which they deal in, as these brands draws traffic to their outlets. While doing the preliminary survey through interviews of dealers and few manufacturer's salesperson, it was observed that most of the dealers play safe and house popular and fast selling brands only, as the initial capital investment in this sector is relatively larger and the dealers do not unnecessary increase their business risk with brands which are in lesser demand. Since the data which had to be collected was sensitive and dealers had a busy schedule, the data was collected majorly through personal visits to the dealer showrooms with multiple brands. Very few questionnaires were filled through google link. The survey was done from December 2019 to February 2020 in the state of Uttar Pradesh. A typical meeting for the questionnaire lasted

minimum one hour. Financial and time constraints restrained us to a sample size of 206 white goods dealers representing different manufacturers. Cost and accessibility factors inhibited us to contact dealers from small towns. The authors were careful to approach them in non-peak hours only for data collection. This was also possible due to some known contacts in the consumer durables sector in India.

Sample and Data Collection

A cross-sectional survey using a combination of both offline and online method was conducted. A non-random sampling technique, convenience sampling was used for data collection from the dealers of prominent consumer durables firms. From the initial 247 responses collected, 41 were rejected due to incompleteness. Also, during the tests for normality and outliers, some responses were rejected. The final sample size of valid responses was 206 dealers with a response rate of 83.4 %. The participants were dealers of popular consumer electronic firms in India like Samsung, LG, Voltas, Lloyd, IFB etc. More than 50 % of the dealers carried the brand Samsung followed by LG which was 14 %. Table IV summarises the sample profile.

Table IV. Demographic Details of the Consumer Durables Dealer

Dealers showroom existence	
1-5 years	50%
6-10 years	23.33%
11-15 years	16%
16-20 years	6.67%
21-25 years	3.33%
26-30 years	0.67%

Dealership with number of companies	
1-5companies	69.33%
5-10companies	28.00%
10-15companies	2.67%
Turnover (INR)	
Below 25 lakhs	27.40%
25-50 lakhs	13.70%
50-75 lakhs	15.10%
75 -100 lakhs	8.90%
1 cr above	33.56%
2 cr above	0.70%
3 cr above	0.70%

(Source: Author's Own)

Measures and the Survey Instrument

The scale used in the study was adapted from the channel literature and was vetted by experts like salesmen of consumer goods firms and academicians before the data collection. The study consisted of four measures, three exogenous in the form of influence strategies and one endogenous measure, satisfaction. The questionnaire developed for the survey had two sections. The first section captured the demographic details of the dealers. The demographics captured were that of the dealer's duration in the business, the number of brands the dealers represent, the turnover and the location of the dealer's showroom. Table IV depicts the demographic details of the respondents. The second section of the research tool had Likert Scale based statements anchored between Strongly Disagree (1) to Strongly Agree (5) for the constructs. The items of the measures of promise, threat and legalistic influence strategy were adapted from Boyle and Dwyer (1995) and Boyle *et al.*, (1992). Each influence strategy initially

had minimum four items, however for one construct legalistic strategy we had to drop two items to reduce the communality. Overall satisfaction was assessed by analysing how satisfied dealers were with the manufacturers in terms of discounts, financial rewards, marketing support etc. Five items for satisfaction were adapted from Geyskens and Steenkamp (2000). Once the first draft of the questionnaire was finalised a pilot study was carried out with 15 dealers to check for the interpretation and the sequencing of the questionnaire. Later, modifications for the clarity, applicability, logic and comprehensibility of the overall questionnaire design were made and subsequently adjusted for the consumer durable sector in India.

Data Analysis

A two-staged method was carried out in this study to analyse the overall satisfaction of the consumer durables dealers. SEM combined with NN offers a very superior method for the complete understanding of the relationship between variables. SEM enables to test the hypothesis for the causal structures whereas NN helps us in analyzing the factors that impact the endogenous variable in order of their importance

Preliminary Analysis

The preliminary testing through EFA (Exploratory Factor Analysis) led to the segregation of all the four constructs (Table V depicts the rotated component matrix of the constructs). To improve the reliability of the overall scale, five items were dropped across these constructs after checking their communalities and their anti-image correlation matrix. All the remaining items had factor loadings > 0.5 and the variance explained by these factors was 78.55 per cent. Thus this points to a strong loading of every item on its construct. The Kaiser-Meyer-Olkin (KMO) test for ascertaining sample adequacy was also conducted. The value of the KMO statistic was 0.783 much above the suggested threshold value (Tabachnick and Fidell, 2001).

The Barlett’s Test of Sphericity also came significant (0.000) less than 0.05 with χ^2 as 1938.32 and df as 91. Thus an inherent alternative hypothesis of factor analysis is accepted, i.e. the variables are correlated in the population (Joshi and Yadav, 2019). All major constructs had a α (Cronbach alpha) greater than 0.7 (as depicted in Table VI) except for legalistic influence strategy which was 0.617, however the same is acceptable for preliminary research (Nunnally, 1978). Thus internal consistency in the items of the constructs exist.

Table V. Rotated Component Matrix

	Component			
	1	2	3	4
PROM1	.841			
PROM2	.910			
PROM3	.859			
PROM4	.892			
THR1			.861	
THR2			.899	
THR3			.818	
THR4			.775	
LEG3				.870
LEG4				.758
SAT1		.858		

SAT3		.854		
SAT4		.811		
SAT6		.788		

Extraction Method: Principal Component Analysis ;Rotation Method: Varimax with Kaiser

Normalization.

(Source: Author’s Own)

Table VI. Sources and the Reliability of the Constructs

Constructs	Sources	No. of items	Cronbach Alpha(α)
Promise	Boyle and Dwyer(1995); Boyle et.al. (1992)	4	0.917
Threat	Boyle and Dwyer(1995); Boyle et.al. (1992)	4	0.922
Legalistic	Boyle and Dwyer(1995); Boyle et.al. (1992)	2	0.614
Satisfaction	Geyskens and Steenkamp(2000)	4	0.862

The Structural Equation Modelling (SEM) was done through SPSS AMOS. Before testing the structural model, the measurement model was checked using Confirmatory Factor Analysis (CFA).

Confirmatory Factor Analysis

In CFA, the validity and reliability of the constructs was established as the constructs were free to correlate in the measurement model as shown in Figure 3. The plug-ins proposed by Gaskin (2016) were used to come up with the estimates. Here the two validities, Convergent and Discriminant Validity was assessed. Table VII shows the results of CFA. The Composite Reliability(CR) of all the constructs exceeded 0.7 and Average Variance Extracted (AVE) exceeded 0.5 (Fornell *and* Larcker, 1981). CR and AVE are most widely adopted indicators for assessing convergent validity. $CR > AVE$ established convergent validity for the constructs (Hair *et al.*, 2013). Discriminant validity was established by comparing the AVE and Maximum Shared Variance (MSV) values. The $AVE > MSV$ confirming discriminant validity and the absence of high correlation between the constructs. While doing the CFA, modification indices was used to reduce the differences between the proposed and the estimated model. We made the error terms of promise strategy, e3 and that of threat strategy, e6 as free parameters by making them correlate. Though generally, we should not covary error terms that are not part of the same factor (Gaskin, 2016) but according to David A. Kenny (2014) if we can provide a theoretical rationale for the same, covariance of error terms of different constructs may be permitted. Since the influence strategies of promise and threat belong to the same class of coercive strategies the error terms were covaried to get a better fit.

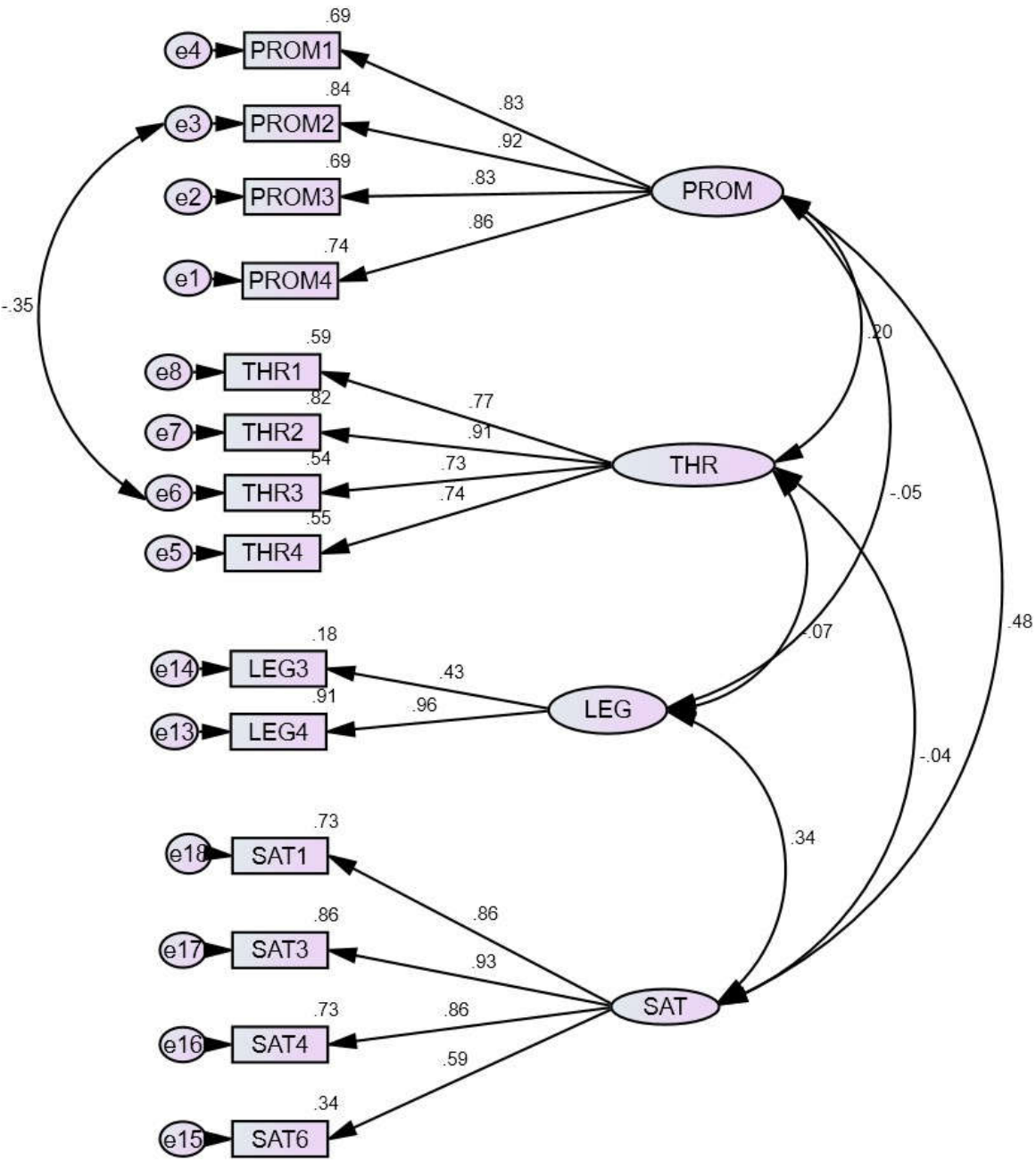


Figure 3. Constructs Measurement Model (Source: Author’s Own)

Table VII. Validity and Reliability of the Constructs

	CR	AVE	MSV	ASV	LEG	PROM	THR	SAT
LEG	0.717	0.546	0.116	0.041	0.739			
PROM	0.920	0.742	0.235	0.093	-0.050	0.861		
THR	0.869	0.625	0.040	0.015	-0.071	0.200	0.791	
SAT	0.887	0.668	0.235	0.117	0.340	0.485	-0.037	0.817

(Source: Author's Own)

Model Fit Estimates

The goodness of model fit is checked through prescribed indicators' threshold values in previous studies. The indicators that are reported generally are CMIN /df or Chi square/df, Normed Fit Index (NFI), Comparative Fit Index (CFI), Goodness of Fit (GFI) and Root Mean Square Error of Approximation (RMSEA). The results are indicated in Table VIII. The CMIN/df values should be between 2 to 5 (Schumacker and Lomax, 2004) and RMSEA between 0 to 1 (Hu and Bentler, 1999), however models with lower df and small sample sizes may have larger values of RMSEA (Kenny,2014). NFI and CFI estimates should be ≥ 0.9 (Hu and Bentler, 1999) but as per Gaskin (2016) values >0.8 is permissible. (χ^2/df) is 5.0 and the values of GFI is 0.82, NFI is 0.82, CFI is 0.85 and RMSEA is 0.13. Therefore, the model is acceptable. Figure 4 displays the structural model. Three hypotheses were proposed and tested; it was found that two, out of three hypotheses were supported by the results of our study. H1($\beta=0.406$, $p<.001$) and H3 ($\beta=0.490$ $p<.001$) were supported at 1 percent significance level, that

is, $p < 0.001$. H2 was not supported at 1 percent level of significance, that is, $p > .001$. Table IX displays p-value for the hypothesised relationships. Thus, the same provides empirical evidence that promise and legalistic strategy are positively related to dealer’s satisfaction.

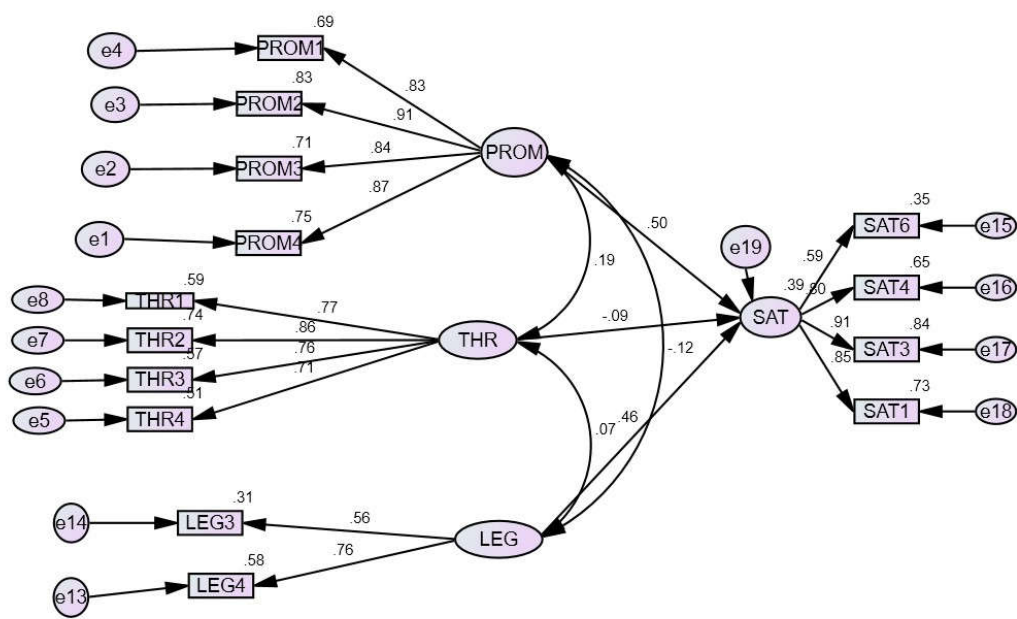


Figure 4. The variables structural model (Source: Author’s Own)

Table VIII. Indices of the Model Fit

CMIN/df	NFI	CFI	GFI	RMSEA
5.00	.82	.85	.82	.13

(Source: Author’s Own)

Table IX. Results of the Structural Model

			Estimate	P	Result
SAT	<---	PROM	0.406	0.000	H1 supported
SAT	<---	THR	-0.068	0.205	H2 not supported
SAT	<---	LEG	0.49	0.000	H3 supported

(Source: Author’s Own)

Neural Network(NN) Results

The independent variables used in SEM are used as covariates or input in the NN model. The NNs score over traditional statistical methods as the contribution of various factors on a single dependent variable can easily be derived through regression (Chong, 2013) The traditional techniques like regression assumes linear relationships to function. However, to capture the complex psychological emotion, satisfaction, artificial intelligence (AI) is a much better approach as it generates accurate nonlinear models (Wong *et.al.*, 2011). The multilayer perceptron (MLP) training algorithm is chosen for this analysis. The precision of the network model is checked by root mean square error (RMSE) values. A hyperbolic tangent is used by the hidden layer as the activation function. The NNs should be arbitrated by changing the count of hidden nodes from one to ten (Wang and Elhag,2007)

Ninty percent of data points in this study, trained the model and ten percent tested the model. 10 cross validations were conducted. Three covariates, PROM (promise), THR (threat),

LEG(legalistic) were used in the network model's input layer. Satisfaction of the dealer was the dependent variable in the model's output layer. Table X depicts the RMSE of the 10 validations. The average value of the RMSE of training model was 0.502 and 0.560 for the testing model. This suggests a reliable model fit for illustrating predictors and the output's relationship. Table IX depicts sensitivity analysis results. PROM (Promise) came out the to be most important variable which affects the satisfaction of the consumer durables dealer followed by THR(threat) and the LEG(legalistic) influence strategy.

Table X. RMSE values for Neural Networks

Network	Testing	Training
ANN 1	0.361	0.441
ANN 2	0.404	0.414
ANN 3	0.784	0.670
ANN 4	0.632	0.401
ANN 5	0.322	0.413
ANN 6	0.454	0.427
ANN 7	0.530	0.459
ANN 8	0.352	0.459
ANN 9	0.870	0.620
ANN 10	0.896	0.724
Average	0.560	0.503

(Source: Author's Own)

Table XI. Sensitivity Analysis Results

	Importance	Normalized Importance
PROM(Promise)	.433	100.0%
THR(Threat)	.355	82.0%
LEG(Legalistic)	.213	49.2%

(Source: Author's Own)

Discussions and Conclusions

This study examined the impact of coercive strategies on the satisfaction of the consumer goods dealers in context of emerging Indian market. The results indicate a positive and significant relationship of promise and legalistic strategy in the channel relationship of dealer and supplier's salesperson. This seems logical in a collectivistic country like India. Promise tactics enhances the dealers's perception of suppliers and adds on to their trust and positive attitude towards the dealers (Chang and Huang, 2012). Legalistic approach though high handed still lends a perception to the exchange partners that the actions and strategies are as per the specifications of the contract which they write to each other. Thus, the same gives them security to do business in the market. The significant results obtained from SEM in this study are cross checked by the NN technique. The NN provides a superior method to check relationships that are nonlinear in nature often a characteristic of human behaviour. The decision-making of a dealer can be linear or nonlinear in nature. SEM checked the causal structure and the nonlinearity in data is captured through the NNs for the proposed framework.

The results reveal that the promise strategy and the legal strategy in the hard coercive category of influence strategies have a causal relationship with the dealer's satisfaction (H_1 and H_3 were accepted) in the Indian market. The Neural Network results further confirm that in this sector the promise influence strategy plays a vital role in the dealer's satisfaction in terms of relative importance. Promise strategy's application increases satisfaction of the dealer due to the economic incentives the dealer gets in lieu of compliance. This finding is also in consonance with the finding of past literature Geyskens *et al.*, (1999). While doing the pilot study as well as the survey of the manufacturer's salesperson, the use of reward power came out very dominantly. The dealers welcome such kind of incentives which includes trades discount, cash discounts, sponsored trips abroad, festive offers etc. The legalistic strategy leads to dealer's satisfaction as the documentation in the form of initial distribution agreements provide security to the dealer that all the channel participants are functioning as per the stated contracts and there is no deflection from the mutually agreed roles and responsibilities. In a seller's market such legalistic approach assumes all the more importance in building a conducive environment for the dealer to function. Also the threat strategy reduces the dealer's satisfaction which is further confirmed by the negative value of the estimate in the structural model and p value $> .001$ confirming the finding consistent with literature that threat and hard coercive strategies reduces the dealers' overall satisfaction (Geyskens *et al.*, 1999; Mayo *et al.*, 1998). Thus punitive disciplinary actions should be the last resort in managing channel relationships.

Theoretical Implications

This study to the best of the author's knowledge is one of the first studies carried out in the consumer durable distribution channel of the Indian market which is highly concentrated. In all the segments of products, the top 5 players have more than 75 per cent of the market share (IBEF, 2020). This study expands and adds to the B2B relationship marketing literature. It bridges two separate domains, influence tactics and satisfaction in a B2B relationship. By

examining the different influence tactics, this study has added to the effects of these tactics on the B2B relationships. Also, prior studies on influence strategy has majorly focussed on western societies and considered it to be phenomenon of only developed economies (Gao *et.al.*, 2018). This study however offers empirical evidence of the impact of the influence tactics on the dealer satisfaction in an emerging economy, India.

Managerial Implications

This study offers several implications to the businesses too. B2B sales managers looking at increasing revenue should learn about new markets and adapt their value proposition accordingly. Managers are advised to equate the benefits given to the customers with the total cost of ownership. Also, the aim should be to deliver a rich buyer seller interaction that diminishes customer objections and resolves doubts in timely manner. This should be incorporated in the influence strategies. One of the major implication of this study has been the evaluation of factors within the class of hard coercive influence strategies which are in so much rampant use by the salesperson in the Indian consumer durables sector. Consistent with past studies this study too establishes satisfaction as an important indicator of the health of buyer seller relationship. Thus it is imperative for salesperson in a collectivistic country like India to build satisfying business relationship. Small-scale enterprises that lack economies of scale compete against large multinationals have realised the importance of developing relationships with other firm; they are shedding their traditional notion of independence and are increasingly realising that interdependence and relationships are more profitable. Influence tactics are means of developing these relationships. Out of all the influence tactics it is the promise strategy that stands out, thus salesperson would be better placed to make wise use of this strategy in the Indian market. Promise tactics help attracts trust and satisfaction in customers (Chang and Huang, 2012) and threat tactics have negative outcomes thereby leading to customer distrust (Plouffe *et.al.*, 2016). Strong sense of communication and trust are essential for successful

cooperation and effective business relationships. This happens when suppliers offer benefits and resources superior than other partners. Also firms should share similar corporate values, information on expectations, markets, and performance and avoid taking advantage of their channel partner (Morgan and Hunt, 1994). Thus the salesperson can imbibe these learnings in their approach while dealing in B2B relationships. They should look at these dealers as communities or network of valued members instead as network of external entities.

Limitations and Scope of Future Research

This research suffers from few limitations which can be an area of future channel studies. Firstly, this study is cross sectional in nature; whereas business relationships tend to develop over time and therefore deserves a longitudinal perspective. (Anderson and Weitz, 1992). Secondly, the small sample size concentrated in the state of Uttar Pradesh in India, which also limits generalizability. There is a possibility that the results of the study can improve with a greater sample size that is spread across wider geographies. Thirdly, this study has captured only hard coercive strategies, the impact of non-coercive strategies can also be employed in future studies. Finally, this study is done in the consumer durables, electronics sector only.

Future studies may corroborate this study's results by doing analysis of other sectors also. This study has opened up avenues of empirical research for improving channel satisfaction in context of the influencing strategies which the sales personnel use on a daily basis to achieve numbers with the dealers in their territories.

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