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Research paper

Tripartite role of communications in channel relationships: Mitigating exchange hazards, reducing opportunism, and curtailing its ill effects on relationship performance☆

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ABSTRACT

Mitigating channel members' opportunism is critical for supplier firms to maintain superior channel relationships and sustain relationship performance. Research in marketing channels suggests that supplier-channel member communication is vital for reducing information asymmetry and developing relational bonds in channel relationships. Building on that, in this research, we integrate information asymmetry and relationship-based views to articulate how communication, directly and indirectly, influences channel members' opportunism and curtail its ill effects on relationship performance. Based on the matched data from 239 supplier-distributor dyads, we find that communications (instrumental and social) have tripartite effects on channel outcomes, i.e., a) it directly reduces channel members' opportunism, b) weakens (negatively moderate) the positive effects of exchange hazards (antecedents) on opportunism and c) curtail the ill effects of opportunism on relationship performance. Additionally, we find that instrumental and social communications can have nuanced effects on channel members' opportunism. We provide newer insight into the role of communications in managing channel outcomes and present important theoretical and managerial implications.