

Performance Implications of a Retail Purchasing Network: The Role of Social Capital

Matthew T. Seevers^{a,*}, Steven J. Skinner^{b,1}, Robert Dahlstrom^{b,2}

^a Creighton University, College of Business Administration, 2500 California Plaza, Omaha, NE 68178, United States

^b University of Kentucky, Carol Martin Gatton College of Business and Economics,
School of Management 425N, Lexington, KY 40506, United States

Abstract

This study employs social capital theory to examine how a retail buyer's network of industry peers influences retail performance. We propose that performance is enhanced by three network resources – *access*, *referral*, and *influence* – that result from two structural facets of a retail buyer's network: *contact diversity* and *contact position*. We test the model by collecting sociometric data that measures interpersonal ties among 84 retail buyers operating in the same geographic territory in the U.S. golf industry. The results offer evidence that network resources lead to higher levels of performance, even when accounting for differences in human capital and organizational resources. The paper concludes with a discussion of managerial and theoretical implications.

© 2010 New York University. Published by Elsevier Inc. All rights reserved.

Keywords: Social network analysis; Social capital; Retail purchasing; Performance

The activities that people undertake to enhance firm productivity are conducted within organizational networks (Ganesan et al. 2009). This network perspective suggests that relationships operate through a dynamic process in which discrete transactions are dependent on existing relationships that span firms (Håkansson 1982; Koza and Dant 2007). Scholars have argued for the importance of examining the broader set of relationships among suppliers, vendors, and buyers (Achrol, Reve, and Stern 1983; Wuyts et al. 2004). The subsequent empirical efforts adopt network-based approaches to examine retailer ties to channel partners (e.g., Bradford, Stringfellow, and Weitz 2004; Davis and Mentzer 2008; Mittal, Huppertz, and Khare 2008).

In this study, we build on social capital theory to examine how a retail buyer's network of industry peers influences retail performance. We treat social capital as the structural properties of and resources mobilized through an individual's relationships in a network (Nahapiet and Ghoshal 1998). Our study makes three contributions. First, social capital theory is employed to offer a

parsimonious framework that captures multiple strategic influences of extra-organizational ties held by retail agents. Here we focus on social capital derived from external ties that enable individuals to access and mobilize resources beyond the firm (Adler and Kwon 2002). Second, we examine retail purchasing agent effectiveness by adopting an egocentric network perspective, which considers social ties and resources at an individual-level of analysis. Prior channels research of outcomes associated with network ties has emphasized the performance of industrial sellers based on group-level ties (Gu, Hung, and Tse 2008; Palmatier 2008). The current study offers a novel approach not only in its analysis of retail performance, but also in its use of sociometric methods to identify and verify interpersonal ties held by individual retail purchasing agents. Third, we investigate informal ties linking individual peer retail agents. Beyond permitting analysis of relationship-based resources at the same level in a supply chain, the investigation sheds light on emergent ties that form spontaneously among channel participants (Antia and Frazier 2001; Hutt and Reingen 1987).

The article is organized as follows: We begin with an overview of social capital theory and present a model of social capital effects on retail buyer performance. The model is tested using a sample of retail buyers from the U.S. golf industry. Finally, we discuss the limitations and the managerial and theoretical implications of the study.

* Corresponding author. Tel.: +1 402 280 2093; fax: +1 402 280 5565.

E-mail addresses: matt.seevers@creighton.edu (M.T. Seevers), mkt210@uky.edu (S.J. Skinner), bob.dahlstrom@uky.edu (R. Dahlstrom).

¹ Tel.: +1 859 257 1543; fax: +859 257 8031.

² Tel.: +1 859 257 6717; fax: +859 257 3577.

Theoretical framework and hypotheses

The analysis of social capital stems from sociological efforts to examine influences of relationships on social action. Unlike other forms of capital, social capital is not the property of a single actor; instead, it is embedded within relationships, and may be gained or lost as ties are developed or broken (Coleman 1988). Social capital has been examined as the resources available from one's ties, as well as the ties and structure of a network that yield access to resources (Foley and Edwards 1999). Network scholars also distinguish between internal and external social ties (Borgatti, Jones, and Everett 1998). Internal ties research focuses on relationships among a complete network of actors (e.g., work team), whereas analyses of external ties examine efforts to reach beyond a local clique.

The varied use of the social capital concept prompts the need for explicit discussion of its form and dimensionality. Consistent with Nahapiet and Ghoshal (1998), we examine social capital as the structural properties of and resources mobilized through an individual's relationships in a network. This perspective facilitates independent analyses of an actor's position in the network as well as the resources associated with the position. In addition, we focus on the external ties established by retailers in their interactions with suppliers and other retailers. External ties enable firms to acquire resources outside the organization (Gu, Hung, and Tse 2008), and examination of these external relationships provides insight into the success of individuals relative to their rivals (Adler and Kwon 2002).

Three perspectives recognize that social capital influences an individual's ability to achieve desirable performance and other outcomes (Seibert, Kraimer, and Liden 2001). Granovetter's (1973) "strength of ties" and Burt's (1992) "structural holes" theories focus on the structure of the network. These perspectives maintain that social capital accrues to individuals who reach a variety of contacts within their interpersonal networks. Strong ties evince higher levels of closeness, emotion, and reciprocity than weak ties (Rindfleisch and Moorman 2001), but strong ties are more likely to possess redundant information and constrain resource diversity. By contrast, weak ties characterize relationships between cliques and offer access to more novel information (Granovetter 1973). Similarly, structural holes exist where an individual lacks ties to others and becomes dependent on one or few contacts to gain access to information (Burt 1992). Structural holes arise, for instance, when a retail buyer relies on a limited number of salespeople for learning about market opportunities. Individuals with greater diversity within their networks, however, are more likely to span structural holes in the networks and improve their access to information.

A third perspective on social capital shifts the focus from the structure of an individual's relationships to the resources held by and available to one's contacts (Lin 2001). Lin, Ensel, and Vaughn (1981) suggest that the structure of the network is secondary to the accessible resources embedded in the network. Social ties are important since they provide access to resources

that enable one to achieve objectives. Lin, Vaughn, and Ensel (1981) offer evidence that the resources possessed by an individual influence the ability to reach contacts of higher status, and the status of the contacts influences the outcomes obtained from a relationship.

These theoretical perspectives offer complementary insights into the value of relational ties. Tie strength (Granovetter 1973) and structural holes research (Burt 1992) are concerned with how network configuration is associated with reaching diverse contacts, whereas social resource theory (Lin 2001) considers the accessible resources in the network. We suggest that a social capital framework that considers the influences of structural properties and relational resources on organization outcomes enables a more complete picture of how these perspectives are linked (Seibert, Kraimer, and Liden 2001). We implicate contact diversity and contact position as structural facets of social capital, and contact diversity as a determinant of contact position. The network contacts are in turn expected to influence one's acquisition of three social capital resources (access, referral, and influence). Finally, these network resources are posited to relate positively to a retail buyer's performance. Fig. 1 provides an illustration of our proposed model.

Network configuration and network contacts

Contact diversity. In carrying out day-to-day activities, retail buyers seek many sources of information to aid their decision-making (Kline and Wagner 1994). Interpersonal sources include internal colleagues as well as external contacts, such as salespeople and industry peers (Hirschman and Mazursky 1982). Contact diversity describes the degree to which an individual's network includes external contacts that offer variety in terms of their information, knowledge, or experience (Harrison and Klein 2007). Assuming that different firms are themselves heterogeneous bundles of resources, contact diversity grows as connections to individuals outside of one's own firm increase.

Diversity should influence one's ability to reach prominent contacts, which are ties to individuals that hold high-ranking positions based on prestige, authority, or economic standing (Lin 2001). As the level of diversity within one's network increases, access to knowledge and information also increases (Hutt and Walker 2006). Establishing ties to diverse others requires substantial effort (Lin 2001); hence, goal-directed individuals are inclined to pursue ties with individuals that can provide opportunities via access to knowledge and resources (Lin, Ensel, and Vaughn 1981). Since prominent industry contacts provide this access, we propose the following:

H1. The level of contact diversity in a retail buyer's interpersonal network is positively related to reaching prominent industry contacts.

Network contacts and network resources

Contact position. Retail buyers with more prominent contacts should reap greater social capital benefits than counterparts with less prominent contacts. A core premise of the social capital lit-

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات