SME Manufacturers' Cooperation and Dependence on Major Dealers' Expert Power in Distribution Channels

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Abstract

The importance of major dealers' expertise in distribution channels and effects on exchange relations is widely acknowledged by many SMEs in Africa and yet there seem to be a paucity of research on this matter. To address this dearth, the current study attempts to examine the relationship between major dealers' expert power and SME manufacturers' channel cooperation and the mediating influence of their trust, relationship commitment and satisfaction. The conceptualized model and five hypotheses are empirically validated using a sample of 452 manufacturing SMEs in Zimbabwe. The findings indicate that major dealers' expert power may influence SME manufacturers' trust, relationship commitment, relationship satisfaction and channel cooperation in a significant way. Managerial implications of the research findings are provided.

Key words: expert power, trust, relationship commitment, relationship satisfaction, cooperation, SMEs

1
Introduction

Most small and medium enterprises (SMEs) in Southern Africa among others lack expertise to conduct their business successfully (Chinomona, Lin, Wang & Cheng, 2010; Pretorius, 2008). This fact is well documented in the extant literature on SMEs in Africa and beyond (e.g. Fafchamps, 2000; Biggs & Srivastava, 2002; Biggs & Shah, 2006; Huang, Soutar, & Brown, 2002; Raymond, Brisoux, & Azami, 2001). For instance, most SMEs in developing countries lack expert skills and resources to conduct market research (Carson & Gilmore, 2000), advertise or promote their products to a broad spectrum of people/ markets (Huang & Brown, 1999) and training their sales personnel to market their products with efficacy (Conant & White, 1999). Above and beyond, they lack experience and reputation to effectively distribute their products to the end users (Berthon, Ewing & Napoli, 2008; Gilmore, Carson, O'Donnell &

Cummins, 1999). Due to these deficiencies, some entrepreneurial SMEs have tended to strategically network themselves and depend on major dealers who wield the much needed expertise (Golden & Dollinger, 1993; Hanna & Walsh, 2002; Miller, Besser & Malshe, 2007). Cooperative strategic alliances have been formed as a result and are on the increase according to the extant literatures (Ahuja, 2000; Dyer & Singh, 1998; Kale, Singh, & Perlmutter, 2000). Nevertheless, little is known yet about the extent to which the major dealers' expertise influences small business external relations in channels of distribution (Schruender & Mudambi, 1995; Mudambi, Schruender & Mongar, 2004)). Therefore, understanding how the major dealers' expert power are related to SMEs channel cooperation and relationship marketing is undoubtedly a matter of great significance (c.f. Sahadev, 2005).

A cross examination of the extant literatures indicate that research on the impact of individual non-mediated channel powers such

as expert power in marketing channel relations is scant especially in Africa (Chinomona, Lin, Wang & Cheng, 2010). The existing previous studies that attempted to investigate this issue are mostly from Europe, USA or Asia. Among these few exceptional ones that investigated individual non-mediated power effects on marketing channel relations are those by Sahadev (2005) and Ketilson (1991). In particular, Sahadev (2005) explored the direct effects of expert power on inter channel cooperation, collaborative communication, inter channel trust, use of problem solving approach to resolve conflicts and use of behavior based coordination strategy in the Indian electronic industry. Ketilson (1991) examined the use of legitimate power in cooperative retailing systems in Canada. In both cases, the context was large size enterprises and the focus of study was the direct effects of the power on some channel outcome variables. Furthermore, the manufacturer wielded the channel power. To assume that findings from these prior studies are applicable in the SME context in developing countries such as Zimbabwe where the major dealers instead wield channel power, is naïve and not judicious. Therefore, there is a dearth of studies that investigate the indirect influence of an individual non-mediated channel power such as expert power on important channel outcome variables like cooperation in the context of SMEs in developing countries, particularly in Africa (Morrissey & Pittaway, 2006; Chinomona, Lin, Wang & Cheng, 2010; Schruender & Mudambi, 1995). Major dealer's expertise is crucial to most SMEs which lack skills and experience to market their products to the end users in Africa and yet surprisingly enough, no research to date, at least to the best knowledge of the authors has been done on the matter.

As a contribution, the present study attempt to fill this void by investigating the indirect influence of major dealers' expert power on manufacturing SMEs channel cooperation and the mediating effects of their trust, relationship commitment and satisfaction in this relationship. In this regard, the current study is set to provide pioneering empirical evidence on how the important phenomenon of major dealers' expert power influence manufacturing SMEs'

trust, relationship commitment, relationship satisfaction and consequently channel cooperation, hitherto not studied extensively in developing countries of Southern Africa. Furthermore, a Resource Dependency Theory is employed to explain the nature of the relationship between SME manufacturers and their major dealers in Zimbabwe's distribution channels. This endeavor is considered to provide a strong theoretical grounding to the current research. In addition, this investigation is considered to confirm or disconfirm previous empirical findings from the Western world while at the same time complementing academic knowledge to the existing body of literature on small business external relationship management in Southern Africa - Zimbabwe in particular. Above and beyond, the current study has practical implications to manufacturing SMEs' major dealers and there-fore practical recommendations are provided.

The rest of the article is organized as follows. A theoretical literature review, conceptual framework and hypotheses are provided. These are followed by the discussion of methodology, data analysis and conclusions are outlined thereafter. Finally managerial implications, limitations and future research directions are given.

2
Theoretical literature review

2.1 Resource dependence theory

Resource Dependence Theory marked a watershed in organizational research by offering a unified theory of power at inter-organizational level of analysis (Casciaro & Piskorski, 2005). This theory has been applied by several authors to analyze the implications of a firm's resource power on others in manufacturer-dealer dyad marketing channels relations (Cook & Emerson, 1984). Resource Dependence Theory (Pfeffer & Salancik, 2003) provides a major orienting perspective for understanding the dependence of SME manufacturers on their powerful major dealers in the context of the current study. The major dealers have 'resource-based power' in the form of knowledge and capabilities to the extent that this knowledge or capability is of

value to the SME manufacturers. Therefore, a major dealer's knowledge-based resources (expert power) become the basis upon which the SME manufacturers seek to depend on the major dealers (Mudambi & Navarro, 2004). Despite the evident appeal of the resource dependence perspective, however, "there is a limited amount of empirical work explicitly extending and testing resource dependence theory and its central tenets" (Pfeffer & Salancik, 2003; Yamin & Sikovics, 2010) in marketing channels relations, particularly in the context where the dealer wields expert power and the SME manufacturer depends on it. Consequently, Resource Dependence Theory has acquired the status of a powerful general metaphor in management and entrepreneurship disciplines, but it has been marginalized as an engine for theoretical advancement and a basis for testable empirical research in B2B dealer-manufacturer dyad. In this study, Resource Dependence Theory has been chosen because it propounds that firms that lack essential resources to achieve their desired organizational outcomes will seek to establish relationships with others to obtain the needed resources and that it includes dealer/distributor/customer–manufacturer/supplier relationships as a form of linkage that organizations have to their environments (Singh, Power & Chuong, 2010; Pfeffer & Salancik, 2005).

Up until early 2009, the economy of Zimbabwe was in a downward spiral for close to a decade and most large sized manufacturing firms either closed down or downsized operations. The SME sector has absorbed skilled manpower from these large firms as they lauched their own small businesses (Smith-Hunter & Mboko, 2009). Nevertheless, as has been confirmed by previous empirical evidence, a cursory observation of the SME sector in Zimbabwe seem to indicate that in order to survive in an economically unstable environment characerised by hyper-inflation, the SME manufacturers could have been depending on their major dealers' expertise to make up for their own shortcomings related to effective and efficient distribution of their products to the end users. Consequently, the SME manufacturers could be expected to trust, commit and cooperate

with their dealers in a beneficial manner (Etemad, Wright & Dana, 2001). This trust, commitment and satisfaction hence cooperation could be premised on the rationale that because the major delears have invested in building a reputable image of knowledge, skills, networking and experience over a long period of time, these are likely to be reliable and honest in order to maintain their good reputation and therefore are unlikely to default.

2.2 Major dealer expert power

The mainstream marketing channels literature offer wide and varied discussions that explore the concept and influence of power in distribution channel relationships (Lee, 2001; Brown, Lusch & Nicholson, (1995); Anderson & Weitz, 1992; Kumar, Scheer & Steenkamp, (1995); Zhuang, Xi & Tsang, 2010). In the existing literature, expert power is treated as a non-mediated or non-coercive power (Keith, Jackson & Crosby, 1990; Sahadev, 2005; Johnson, Sakano, Cote & Onzo, 1993; Zhao, Huo, Flynn & Yeung, 2008). It is argued that the use of non-mediated powers has positive significant effects on trust, commitment, satisfaction, cooperation (see among others, Benton & Maloni, 2005; RodríGuez, Agudo1 & Gutie´Rrez, 2006; Mohr & Spekman, 1994; Maloni & Bentoni, 2000; Johnson, Sakano, Cote & Onzo, 1993). In the presence of such relational outcomes, firms are reported to have better performance relationship (Power & Reagan, 2007) and profitable relationship accordingly in the long term (Brown, Lusch & Smith, 1991). Unfortunately, as aforementioned, there is limited research exploring the subject of major dealer expert power effects from the perspective of the SMEs (Chinomona, Lin, Wang & Cheng, 2010). This is perhaps surprising considering that SMEs' lack of expertise to market and sell their products is often cited as one of the main obstacles to their growth (Chinomona, Lin, Wang & Cheng, 2010; Pretorius, 2008) and moreover necessitating their dependence on the major dealers for resources and expert skills in channels of distribution. In addition to RDT, drawing also from the marketing channels literature the current study defines expert power as the perception by manufacturing SMEs that the major dealers possess

knowledge, skills or expertise that they believe will be beneficial to them (Zhao, Huo, Flynn & Yeung, 2008).

2.3 Manufacturing SMEs trust

Trust in the current study is defined as willingness by the SME manufacturer to rely on a major dealer in whom he/she has confidence (Sahadev, 2005; Moorman, Deshpande, & Zaltman, 1992). In the relational exchange and marketing literature, trust is regarded as a key ingredient for the development of long-term business and has been recognized as a highly significant tool for enhancing inter-firm relationships (Berry, 1995; Ruyter, Moorman & Lemmink, 2001). Trust is developed by the continuous exchange of information between partners, which helps to reduce anxiety and uncertainty. In this way, trust can help influence the future working relations and reduce the likelihood that the other party will act opportunistically (Brandach & Eccles, 1989; Ganesan, 1994; Morgan & Hunt, 1994). Furthermore, trust reduces transaction costs since there is not such a need to set up control mechanisms within the relationship (Jap & Ganesan, 2000). As a consequence of this, these lower costs makes it more likely that the relationship will continue in the future and that, therefore, channel cooperation will become greater (Bruggen, Kacker & Nieuwlaat, 2005). In the current study context, it is anticipated that the more the SME manufacturer trusts the major dealer's expert competence, the higher its perceived value of the relationship.

2.4 Manufacturing SMEs Relationship Commitment

Relationship commitment in this study is defined as the SME manufacturer's willingness to maintain an important enduring relationship with the major dealer (Garbarino & Johnson, 1999; Henning-Thurau, Gwinner & Gremler, 2002). From its root in social exchange theory (Emerson, 1981), relationship commitment is one of the key concepts in relationship marketing research (Dwyer, Schurr, & Oh, 1987; Hennig-Thurau, Gwinner, & Gremler, 2002). It has been conceptualized as a belief (Morgan & Hunt, 1994), a desire (Moorman, Deshpande & Zaltman, 1993), or an intention

(Anderson & Weitz, 1992; Geyskens, Steenkamp, Scheer & Kumar, 1996) to continue with a relationship to which the party attaches value. In the current study context, relationship commitment resulting from benefits derived from the major dealer expertise in the channels of distribution is captured to predict the SME manufacturer's long term cooperative relationship.

2.5 Manufacturing SMEs Relationship Satisfaction

The current study defines relationship satisfaction as a positive affective state resulting from an appraisal of all aspects by the SME manufacturer of a major dealer's working relationship with it (Anderson & Narus, 1990; Dwyer & Oh, 1987; Ganesan, 1994). According to Schurr & Ozanne (1985) relationship satisfaction represents channel members' assessment of four distinct facets: satisfaction with channel administration, service support, rewards, and channel policies. A mismatch between the prior expectations and the rewards received or channel outcomes can affect morale (Mohr & Spekman, 1994) and the intention to take part in cooperative relationships (Andaleeb, 1992). According to Gassenheimer & Ramsey (1994) evaluation of relationship satisfaction in marketing channels should include the appraisal of both the economic results in terms of efficacy, and the appraisal of the social interaction with the partner. In the current study, economic satisfaction refers to a positive affective response from SME manufacturer that result from the economic rewards (such as sales volume, profit, and discount) of a partnership with the major dealer (Geyskens & Steenkamp, 2000; Geyskens, Steenkamp & Kumar, 1999). Social satisfaction refers to a positive affective response of the SME manufacturer to the socio-psychological dimension of the relationships that enable it to feel fulfilled, gratified and at ease, through its interaction with the major dealer (Mohr, Fisher, & Nevin, 1996).

## 2.6 Manufacturing SMEs Channel Cooperation

Cooperation is defined in this study as coordinated actions taken by SME manufac-

turers and their major dealers in interdependent relationships to achieve mutual goals (Powers & Reagan, 2007). Distribution channels are composed of interdependent institutions that must cooperate to perform distribution tasks while simultaneously pursuing independent and collective goals (Mehta, Polsa, Mazur, Fan & Dubinsky, 2006). Indeed, distribution channels cannot function without sustained cooperation in which each party knows what to expect from its counterpart (Mehta, Larsen, Rosenbloom, Mazur & Polsa, 2001; Sahadev, 2005). Therefore, cooperation requires input from both sides and both sides working to achieve the best solution with coordinated efforts producing outcomes better than one firm will achieve alone (Anderson & Narus, 1990). Drawing from the conceptualizations of channel cooperation in the extant relationship marketing literature, the current study submit that cooperation in the current study context requires interrelated behavior by the SME manufacturers and their major dealers; that such behavior is voluntary; and that the cooperation is motivated by the desire to achieve both individual and joint objectives.

3
Conceptual framework and hypothesis

Figure 1 presents the conceptual model of the study. Drawing primarily from the Resource Dependency Theory (RDT) while simultaneously focusing on marketing channels and small business literature, a conceptual model is developed. The model consists of five basic constructs, namely expert power, trust, relationship commitment, relationship satisfaction and cooperation explored in the previous section. The proposed conceptual linkages of these constructs are as follows: major dealer expert power (the key resource) provides the starting point of the model and directly affects SME manufacturer's trust and relationship commitment which all in turn influence its relationship satisfaction. Finally, SME manufacturer's relationship satisfaction may impact on its long term channel cooperation with the major dealer. The hypothesis developed hereafter explains the associations among the constructs in more detail.

Figure 1
Conceptual framework
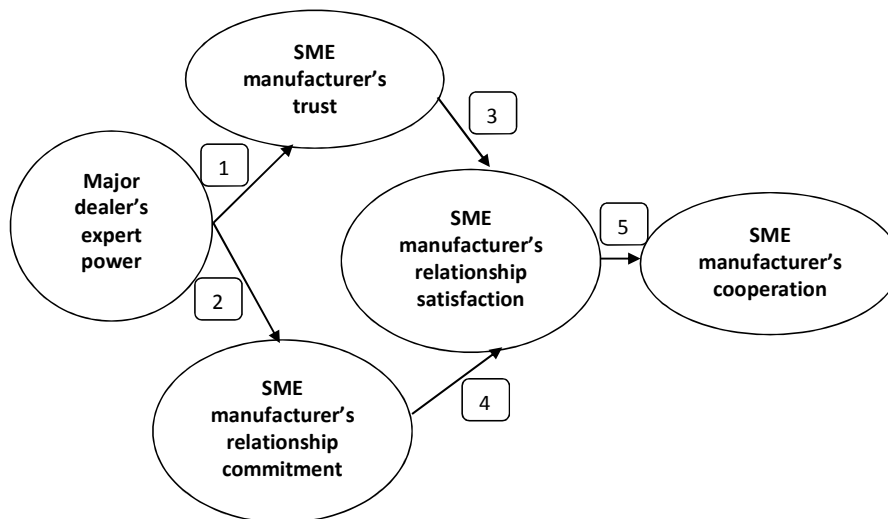
3.1 Major dealer's expert power and SME manufacturer's trust

According to RDT, when a firm has expert knowledge, other firms perceive it to have unique competences required to accomplish specific tasks and therefore owns a resource advantage. This resource, despite it being intangible, is likely to accrue benefits from other firms that they deal with. The higher the perceived competences of a firm the more it is likely to be trusted by other channel partners (Ke & Wei, 2008; Levin & Cross, 2004; Ganesan, 1994; Das & Teng, 2001; Sahadev, 2005). Accordingly, a positive perception of a major dealer's competences boost the SME manufacturer's confidence in the dealer's reliability and credibility hence its trust (Seppa¨Nen, Blomqvist & Sundqvist, 2007; Doney & Cannon, 1997). Prior empirical evidence from newly or developed countries and in the context of large firms has actually found a positive relationship between expert power and trust (e.g. Crosby, Evans, & Cowles 1990; Sahadev, 2005) and therefore, it can be postulated that:

H1. Higher levels of perceived major dealers' expert power are positively associated with higher levels of SME manufacturer's trust in the dyad.

3.2 Major dealer's expert power and SME manufacturer's relationship commitment

A firm's special knowledge is considered essential to its ability to perform (Levin & Cross, 2004) and produce economic benefits (Brown, Lusch & Smith, 1991). Given that according to RDT firms in exchange relations depend on those with the required resources primarily to derive economic benefits, when the benefits are high, commitment to that relationship will be high also (Rodrí´Guez, Agudo1 & Gutie´Rrez, 2006; Mohr & Spekman, 1994). Accordingly, the higher the perceived major dealer's expertise the more it is capacitated to produce more economic benefits and consequently the higher the SME manufacturer's commitment to the relationship will be. A positive linkage between expert power and relationship commitment has been supported empirically in marketing channels literature in the context of developed countries large firms (e.g. Skinner, Gassenheimer, & Kelley, 1992; Sahadev, 2005; Mehta, Polsa, Mazur, Fan & Dubinsky, 2006; Hunt, Mentzer & Danes, 1987) and thus, it can be posited that:

H2. Higher levels of perceived major dealers' expert power are positively associated with higher levels of SME manufacturers' relationship commitment in the dyad.

3.3 SME manufacturer's trust and relationship satisfaction

When a channel member trusts its partner, it will feel secure due to an implicit belief that the partner has sincere intentions (Geyskens & Steenkamp, 2000; Hunt, Arnett & Madhavaram, 2006; Geyskens, Steenkamp & Kumar, 1999) and it will act to promote positive outcomes or avoid negative outcomes (Geyskens, Steenkamp & Kumar, 1998). Consequently, a higher level of satisfaction with the channel relationship will be experienced (Andaleeb, 1996). Accordingly, it is considered that high levels of SME manufacturer's trust in the major dealer's competences and reliability will likely increase economic benefits it expects. Drawing from RDT for instance, the major dealer's ability to produce economic benefits will be expected to lead to high levels of SME manufacturer's relationship satisfaction. Previous empirical studies in the context of developed countries large firms have found a positive linkage between trust and relationship satisfaction (e.g. Andaleeb, 1996; Anderson & Narus, 1990; Geyskens, Steenkamp & Kumar, 1998) and therefore it can be proposed that:

H3. Higher levels of SME manufacturers' trust are positively associated with higher levels of their relationship satisfaction in the dyad.

3.4 SME manufacturer's relationship commitment and relationship satisfaction

Several studies have conceptualized relation-ship commitment as an antecedent of non-economic satisfaction with the relationship

(e.g. Artz, 1999; Jap & Ganesan, 2000; Siguaw, Simpson & Baker, 1998) and economic satisfaction (Jap & Ganesan, 2000). The reasoning is that committed parties would have higher possibilities to reach individual and collective goals and consequently economic benefits are realized. Furthermore, according to RDT, when a depended firm expects economic benefits from a resourced partner, it is likely to be satisfied with staying in that relationship. Accordingly, the SME manufacturer's high levels of relationship commitment lead to high levels of joint effort to obtain mutual benefits (Jap & Ganesan, 2000) and consequently high levels of relationship satisfaction. A positive linkage between relationship commitment and relationship satisfaction has been supported empirically in marketing channels literature in the context of developed countries large firms (e.g. Artz, 1999; Jap & Ganesan, 2000; Siguaw, Simpson & Baker, 1998) and thus, it can be posited that:

H4. *Higher levels of SME manufacturers' relationship commitment are positively associated with higher levels of their relationship satisfaction in the dyad.*

3.5 SME manufacturer's relationship satisfaction and cooperation

According to Mehta, Polsa, Mazur, Fan & Dubinsky (2006), satisfied channel partners tend to build stronger working relationships which could increase the attainment of common goals through long term cooperation. The increased long term cooperation can be in the form of alignment of policies, strategies, tactics and procedures (Dapiran & Hogarth-Scott, 2003); information sharing (Huber & Daft, 1987; Devlin and Bleackley, 1988); qualitative communication (Mohr & Spekman, 1996) and problem solving (Anderson & Narus, 1990; Anderson, Lodish & Weitz, 1987). Accordingly, the SME manufacturer's high levels of relationship satisfaction lead to its high levels of joint effort and long term cooperation consequently. Prior empirical studies in the context of developed countries large firms have found a positive linkage between relationship commitment and cooperation (e.g. Mehta, Polsa, Mazur, Fan & Dubinsky, 2006; Morgan & Hunt, 1994;

Dapiran & Hogarth-Scott, 2003) and thus, it can be postulated that:

H5. *Higher levels of SME manufacturers' relationship satisfaction are positively associated with higher levels of their channel cooperation in the dyad.*

4
Methodology

4.1 Sample and data collection

Research data were collected from the SME manufacturing sector in Harare and Chitungwiza, two of the largest cities in Zimbabwe. The research sampling frame was the Small to Medium Enterprise Association of Zimbabwe. The database of the SME manufacturers was obtained from the Ministry of Small to Medium Enterprise Development in Zimbabwe (MSMED). Of the 1500 SMEs in Harare and Chitungwiza on the MSMED database list, 750 SME manufacturers were randomly selected for the purpose of this research. Students from the University of Zimbabwe were recruited to distribute and collect the questionnaires after appointments with target SME manufacturers were made by telephone. The questionnaires were completed by the manufacturing SME officials who were either the firm owners or those who occupied management positions related to sales or marketing. This was done to ensure the competence of the respondents in evaluating the firms' relationships with their dealers. A total of 452 usable questionnaires were retrieved for the final data analysis, representing a response rate of 60.3 percent.

4.2 Sample description

To assess non-respondent bias we used the technique suggested by Armstrong and Overton (1977) and analyzed the first quartile of responses (113) against the last quartile of responses (113). Comparing the demographic responses indicated no differences in the sample at the 0.05 level of significance, including company size, respondent experience, company annual income and type of industry. The authors also examined the means of the five variables used in the current study, expert power, trust, relationship commitment,

relationship satisfaction and cooperation and found no statistically significant differences between the summed scales of those variables. This suggests a minimal level of non-respondent bias.

Table 1 presents the profile of the participants. The profile indicates that more than three fifths of the participating SME manufacturers employ 20 or fewer workers, while one fifth have a workforce between 21-50 employees and a minority of them has more than 50. Thirty percent of the participants

have 6-10 years experience, twenty-five percent have 3-5 years, and twenty-two percent have 11–20 years. The majority of the participants earn revenues between US$30 thousand and US$300 thousand, and the remainder has revenues less than US$30 thousand or more than US$300 thousand per annum. The analysis also indicates that consumable and non-consumable goods manufacturers occupy almost equal proportions of the research sample, although the former has a slightly higher share.

Table 1

Sample demographic characteristics

Number of employees	Freq	%	Annual sales revenue performance	Freq	%
≦5	95	21.0	≦ US$30,000	65	14.3
6-10	73	16.1	US$30,001-US$90,000	102	22.6
11-20	115	25.5	US$90,001-US$190,000	100	22.1
21-50	95	21.0	US$190,001-US$300,000	109	24.2
≧51	74	16.4	≧ US$300,001	76	16.8
Total	452	100	Total	452	100
Participants work experience	**Freq**	**%**	**Industries**	**Freq**	**%**
≦ 2 years	51	11.2	Consumables manufacturing	242	53.5
3-5 years	114	25.3	Non-consumables manufacturing	210	46.5
6-10 years	132	29.3	Total	452	100
11-20 years	100	22.1			
≧21 years	55	12.1			
Total	452	100			

4.3 Measurement instrument

Research scales were operationalized mainly on the basis of previous works. Minor adaptations were made in order to fit the current research context and purpose. Some five-item scales used to measure expert power were adapted from the previous works of Brown, Lusch, and Nicholson (1995) & Gaski (1988). "Trust" used a six-item scale measure adopted from Kabadayi & Ryu (2007), while a five-item scale to measure "relationship commitment" was adopted from Morgan & Hunt (1994) and Abudul-Muhmin (2005). "Relationship satisfaction" was measured by a six-item scale which was adapted from the works of Cannon & Perreault (1999); Abudul-Muhmin (2005) and Benton & Maloni (2005). Finally, "cooperation" was measured using a

five-item scale adopted from Cannon & Perreault (1999) and Maloni & Benton (2000). All the measurement items were measured on a 5-point Likert-type scales that was anchored by 1= strongly disagree to 5= strongly agree to express the degree of agreement. Individual scale items are listed in Appendix

4.4 Measure validation

In accordance with the two-step procedure suggested by Anderson & Gerbing (1988), prior to testing the hypotheses, confirmatory factor analysis (CFA) was performed to examine reliability, convergent and discriminant validity of the multi-item construct measures using AMOS 5. Overall acceptable model fit are indicated by Goodness-of-Fit Index (GFI) ≧ 0.80; Adjusted Goodness-of-

Fit Index (AGFI) $\geq$ 0.80; Root Mean Square Error of Approximation (RMSEA) values $\leq$ 0.08; Incremental Index of Fit (IFI), Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI) values $\geq$ 0.90; and Chi-square degrees of freedom ratio (CMIN/DF) value <3. Recommended statistics for the final overall-model assessment show acceptable fit of the measurement model to the data: chi-square value over degrees = 751.679 (314), CMIN/DF= 2.394; GFI = 0.889; AGFI = 0.866; IFI = 0.914; TLI = 0.904; CFI = 0. 914; RMSEA = 0. 056. Loadings of individual items on their respective constructs are shown in Table 2, while the scale construct correlations are presented in Table 3.

Table 2
Accuracy Analysis Statistics

Research Construct		Mean Value*	Cronbach's Test		C.R. Value	AVE Value	Factor Loading***
			Item-total	α value			
Expert Pwer (EP)	EP1	3.596	3.41	0.625	0.824	0.828	0.5	0.702
	EP2		3.57	0.666				0.734
	EP3		3.58	0.683				0.762
	EP4		3.73	0.599				0.687
	EP5		3.69	0.523				0.611
Trust (TR)	TR1	3.501	3.36	0.584	0.777	0.778	0.4	0.602
	TR2		3.34	0.555				0.596
	TR3		3.42	0.561				0.637
	TR4		3.56	0.529				0.636
	TR5		3.63	0.507				0.641
	TR6		3.69	0.414				0.532
Relationship Commitment (RC)	RC1	3.786	3.76	0.534	0.811	0.813	0.5	0.636
	RC2		3.71	0.588				0.631
	RC3		3.69	0.631				0.715
	RC4		3.79	0.654				0.745
	RC5		3.99	0.584				0.677
Relationship Satisfaction (RS)	RS1	3.728	3.72	0.516	0.835	0.836	0.5	0.578
	RS2		3.97	0.607				0.647
	RS3		3.59	0.615				0.681
	RS4		3.57	0.648				0.724
	RS5		3.78	0.637				0.721
	RS6		3.74	0.627				0.713
Cooperation (CO)	CO1	3.647	3.72	0.418	0.763	0.768	0.4	0.567
	CO2		3.62	0.514				0.588
	CO3		3.66	0.597				0.661
	CO4		3.54	0.603				0.694
	CO5		3.69	0.527				0.641

Note: C.R.: Composite Reliability; AVE: Average Variance Reliability;

 * Scores: 1 – Strongly Disagree; 3 – Neutral; 5 – Strongly Agree

 *significance level: *** p<0.01 for all the factor loadings

 Measurement CFA model fits:

 $\chi^2/(df)$ = 751.679 (314), p < 0.01; GFI = 0.889; AGFI = 0.866; IFI = 0.914; TLI = 0.904; CFI = 0. 914; RMSEA = 0. 056.

Table 3
Descriptive statistics and correlations between constructs

Construct	Descriptive statistics		Construct correlation				
	Mean	SD	EP	TR	RC	RS	CO
Expert Power (EP)	3.60	0.895	1.000				
Trust (TR)	3.50	0.807	0.607	1.000			
Relationship commitment (RC)	3.79	0.811	0.622	0.550	1.000		
Relationship satisfaction (RS)	3.73	0.806	0.709	0.620	0.736	1.00	
Cooperation (CO)	3.66	0.781	0.635	0.625	0.658	0.715	1.000

Note: * Scores: 1 – Strongly Disagree; 3 – Neutral; 5 – Strongly Agree

Table 4
Chi-Squire differences (constrained-unconstrained) in all two-factor CFA tests ($\triangle \chi^2(1)$)

Research constructs	EP	TR	RC	RS	CO
Expert power (EP)	--				
Trust (TR)	70.947	--			
Relationship commitment (RC)	77.409	78.726	--		
Relationship satisfaction (RS)	74.706	58.109	61.379	--	
Cooperation (CO)	61.204	53.862	55.219	56.475	--

Note: [a] significance level < 0.05; [b] significance level < 0.01; [c] significance level < 0.001;
All of them are significant at p < 0.01

The individual item loadings are all above the recommended 0.5 (Anderson & Gerbing, 1988), indicating acceptable individual item reliabilities as more than 50 per cent of each item's variance is shared with its respective construct.

Composite reliabilities (CR) and average variance extracted (AVE) for each construct were also computed using the formula proposed by Fornell & Lacker (1981). The results are shown in Table 2, and descriptive statistics and correlations among the study constructs are presented in Table 3. The composite reliabilities (CR) are all above the recommended value of 0.7 suggested by Hulland (1999) thus indicating acceptable internal consistency and reliability of the respective measures. All average variance extracted (AVE) values were above 0.4 and most approached or were above 0.5, thus marginally accepted according to the literature (Fraering & Minor, 2006). These results provided evidence for marginal to acceptable levels of research scale reliability. Discriminant validity was established by checking if the AVE value was greater than the

highest shared variance (S.V.) value or 0.4 value (Fornell and Larcker 1981) and chi-square difference in all two-factor (i.e., any paired latent constructs) CFA tests (which restricted the factor inter-correlations to unity) (Anderson and Gerbing 1988). As such, all pairs of the constructs and the two-factor CFA tests results revealed an adequate level of discriminant validity. All the related results are shown in Tables 3 and 4.

5
Data analyses and results

We used structural equation modeling (SEM) to estimate the relationship among the constructs based on conceptual model in Figure 1. A two-step model building approach was used, with the measurement models tested prior to testing the structural model (Anderson & Gerbing, 1988; Joreskog & Sorbom, 1993). The maximum likelihood estimation (MLE) method was used because it has desirable asymptotic properties (e.g., minimum variance and unbiasedness) and is scale-free. The results are reported in Table 4. The model is

acceptable in terms of overall goodness of fit. Acceptable model fit are indicated by CMIN/DF value < 3; both GFI and AGFI values $\geq$ 0.80; RMSEA values $\leq$ 0.080; IFI, TLI and CFI values $\geq$ 0.90. Our results indicate that, CMIN/DF (2.448); GFI (0.884), AGFI (0.863); IFI (0. 909), TLI (0.900), CFI (0.909), and RMSEA (0.057) and therefore, achieved the suggested thresholds (Benteler, 1990; Browne & Cudeck, 1993; Marsh et al., 1996). This suggests that the model converged well and could be a plausible representation of underlying empirical data structures collected in Zimbabwe.

Table 5
Results of structural equation model analysis

Path coefficients	Hypothesis	Factor loading
Expert Power →Trust	H1	0.793***
Expert Power → Relationship Commitment	H2	0.794***
Trust →Relationship Satisfaction	H3	0.364***
Relationship Commitment → Relationship Satisfaction	H4	0.684***
Relationship Satisfaction →Cooperation	H5	0.902***

Note: χ^2 (df) = 780.940 (319); GFI = 0.884; AGFI = 0.863; IFI=0.909; TLI = 0.900; CFI = 0.909; RMSEA = 0.057; ***p<0.01.

The results in Table 5 provide support for all five the proposed hypotheses. The first postulated hypothesis was the relationship between major dealer's expert power and SME manufacturer's trust. Consistent with hypothesis one (H1), results indicate that higher levels of major dealer's expert power are associated with the SME manufacturer's higher levels of trust in the major dealer. The second posited hypothesis was the relationship between major dealer's expert power and SME manufacturer's relationship commitment. Also in support of hypothesis two (H2), the results indicate that higher levels of expert power the major dealer possesses are associated with higher levels of relationship commitment the SME manufacturer has with the major dealer. The third proposed hypothesis was the relationship between SME manufacturer's trust and relationship satisfaction. The standardized coefficient of trust for relationship satisfaction is positive and significant. This implies that hypothesis three (H3) is consistent with the current study prediction and is supported. Thus, higher levels of SME manufacturer's trust are associated with higher levels of relationship satisfaction the SME manufacturer has with the major dealer. The fourth posited hypothesis was the relationship between SME manufacturer's relationship commitment and relationship satisfaction. Also in support of hypothesis four (H4), the results indicate that higher levels of the SME manufacturer's

commitment are associated with higher levels of its relationship satisfaction with the major dealer. The last postulated hypothesis was the relationship between SME manufacturer's relationship satisfaction and its channel cooperation. The current study's empirical results are in line with the proposed hypothesis five (H5) and support the reasoning that higher levels of SME relationship satisfaction are associated with its higher levels of channel cooperation.

We refrain from claiming that high levels of expert power "cause" high levels in any of the other constructs but confirm the positive associations between them. Causality would require alternative methodology that was not included in this study.

6
Discussion and conclusions

The purpose of the current study was first and foremost, to explore the role of major dealer's expert power in fostering SME manufacturers' channel cooperation and as well as examining the mediating influence of the SME manufacturers' trust, relationship commitment and relationship satisfaction in this relationship in Zimbabwe's distribution channel system. In order to empirically validate these relationships, a sample of 452 SME manufacturers from Harare and Chitungwiza in Zimbabwe was used. All the proposed five hypotheses

were empirically supported indicating that major dealers' expert powers positively influence manufacturing SMEs' channel cooperation through trust, relationship commitment and relationship satisfaction in a significant way.

Important to note about our findings is the fact that the major dealer's expert power influences the SME manufacturer's relationship commitment more than it does to trust. In addition, the SME manufacturer's relationship commitment has stronger effects on its relationship satisfaction with the major dealer than does its trust on the same. Perhaps this can be explained by the fact that SME manufacturer's relationship commitment is more likely to yield economic benefits than does its trust. The robust association between SME manufacturer's relationship satisfaction and its channel cooperation, reveals the importance of relationship satisfaction to manufacturing SMEs in Zimbabwe' distribution system.

Our study is the first to study these indirect relationships using data collected from SME manufacturers in Zimbabwe. Because of the rapidly growing importance of manufacturing SMEs to the economy of Zimbabwe (Chinomona et al., 2010) and the general acknowledgement of small business development as "engine" for growth (Pretorius & van Vuuren, 2003) our findings provide fruitful implications for both practitioners and researchers. In addition, this study makes a significant contribution to the distribution channels and relationship management literature by systematically examining the influence of expert power on channel cooperation in SME context. Overall, the current study findings provide tentative support to the proposition that major dealer's expert power should be recognized as significant for manufacturing firms in the SME setting.

7
Managerial implications

Our research findings provide practical implications for managers in both major dealers firms and manufacturing SMEs in

Southern Africa and Zimbabwe in particular. The overall implication for managers in the major dealer firms is that they can utilize expert power to induce SME manufacturers to cooperate with them in the distribution channel system. In addition, they can attain the manufacturing SMEs' trust, relationship commitment and satisfaction- channel outcomes crucial for relationship marketing and long term orientation. In this respect, managers in the major dealer firms should endeavor to acquire skills, knowledge, experience and other capabilities that enable them to attain more expert power. The implication for managers in the new manufacturing SMEs is that they can make up for their shortcomings in specific expertise such as marketing skills or product promotion by strategically networking with major dealers who wield the expertise and experience they so lack.

Besides, the current study also provides added insights and immensely contributes new knowledge to the existing body of distribution channels literature on small business hitherto not studied extensively in developing countries of Southern Africa.

8
Limitations and future research

Although this study makes significant contributions to both academia and practice, there are some limitations which open up avenues for further research. First, the data were gathered from the SME manufacturer's side. The results would be more informative if data from both sides of the channel dyad were compared. Future studies may be conducted by using paired data. Second, the current study was limited to a sample of SMEs in the manufacturing industry in Zimbabwe. Subsequent research could replicate this study in broader sampling contexts that includes SMEs in the service industry. Third, this study used cross sectional data and this is a limitation. Consequently, a longitudinal design would be a more appropriate design which can be included as a future research avenue. Another possible future research route is to extend our conceptual framework by studying

the effects of a larger set of variables. For instance, the influence of other non-mediated channel powers such as information power could be investigated. Above and beyond, this will added on to the existing body of distribution channels literature on small business in Southern Africa.

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Appendix

Construct Measurement Items

Expert Power

EP1. Our major dealer is an expert in its field.
EP2. We respect the judgment of our major dealer.
EP3. Our major dealer is experienced in its job.
EP4. We get good advice from our major dealer.
EP5. Since our major dealer is familiar with its job, we accept what it tells me.

Trust

TR1. When making important decisions, our major dealer is concerned about our welfare.
TR2. When it comes to things that are important to us, we can depend on our major dealer's support
TR3. We can count on our major dear to consider how its decisions and actions will affect us.
TR4. Though circumstances change, we believe that our major dealer will be ready and willing to offer us assistance and support.
TR5. Our major dealer keeps promises it makes to our firm.
TR6. Our firm can count on the major dealer to be sincere.

Relationship Commitment

RC1. The relationship with our major dealer means very much to us.
RC2. The relationship we have with our major dealer is something we are very committed to.
RC3. The relationship we have with our major dealer is something we intend to maintain indefinitely.
RC4. The relationship we have with our major dealer deserves our maximum effort to maintain.
RC5. We won't do anything to jeopardize the relationship with our major dealer.

Relationship Satisfaction

RS1. We are satisfied with the services we get from our major dealer.
RS2. We will continue selling our products to our major dealer.
RS3. Our major dealer is a good company to do business with.
RS4. We do not regret doing business with our major dealer.
RS5. If we had to do it all over again, we would still choose to use this dealer.
RS6. In general, we are very satisfied with the relationship with our major dealer.

Cooperation

CO1. We can work together well in this business to be successful.
CO2. No matter who is at fault, problems between the major dealer and our firm are joint responsibilities.
CO3. Both sides are willing to make cooperative changes.
CO4. One party will not take advantage of a strong bargaining position
CO5. We do not mind owing each other favors.