Industrial Marketing Management xxx (xxxx) xxx–xxx

Contents lists available at ScienceDirect

Industrial Marketing Management

journal homepage: www.elsevier.com/locate/indmarman

Relationship satisfaction: An overlooked marketing channel safeguard

James R. Brown[a,*], Jody L. Crosno[a], Yuerong Liu[a], Chekitan S. Dev[b]

[a] West Virginia University, United States of America
[b] Cornell University, United States of America

ARTICLE INFO

Keywords:
Relationship satisfaction
Transaction specific investments
Opportunism
Monitoring ease
Hotel industry

ABSTRACT

Transaction specific investments (TSIs) are investments that a marketing channel firm makes to create value for a particular channel relationship. TSIs transform the relationship by creating barriers to exit or lock-in situations because the investing party cannot leave the relationship without incurring substantial costs. This situation may compel the investing party to engage in opportunism to recoup the value of the specific investments, particularly when they are not satisfied with the relationship. We argue, therefore, that relationship satisfaction may serve as an important safeguard when TSIs have been made. Further, we argue that monitoring ease will interact with the moderating effect of relationship satisfaction on the relationship between TSIs and opportunism. Data were collected from 296 hotel general managers and 37 hotel headquarters' field representatives in the U.S. and Canada to test these possibilities. We found that relationship satisfaction indeed serves as an important safeguard, particularly when the partner has difficulty in monitoring the firm.

1. Introduction

Firms in exchange relationships, such as a channel relationship, sometimes require their partners to invest in specific assets because of their superior value-generating properties (Williamson, 1975, 1985). These transaction specific investments (TSIs) are dedicated to a particular exchange relationship and, as a result, have little value outside of that relationship (Williamson, 1991). For example, in hotel franchises, individual hotels may be required by their headquarters to invest in specialized furnishings, fixtures, signage, and reservations systems (Brown, Dev, & Lee, 2000). Similarly, OEMs may require their suppliers to invest in specialized tools and production equipment to meet their product specifications (Lin, Wu, & Chiou, 2017; Rokkan, Heide, & Wathne, 2003).

A key insight of transaction cost economics (TCE) is that firms will sometimes opportunistically exploit exchange partners that make transaction specific investments (Williamson, 1975, 1985).[1] However, firms that invest in TSIs are less likely to behave opportunistically toward their exchange partners for two reasons. First, TSIs often generate more profits than generalized assets, so the investing firm has an incentive to behave appropriately to avoid foregoing future profits generated from those TSIs (Heide & Stump, 1995). Second, TSIs increase switching costs, which raise the investing firm's dependence on its exchange partner (Heide and John, 1988). If the investing firm's opportunism causes the exchange relationship to dissolve, it will incur substantial losses as these investments cannot be redeployed to an alternative relationship (Anderson & Sandy, 2005).

Contrary to this TCE-based logic, meta-analytic research shows that a firm's TSIs can increase its own opportunism (Crosno & Dahlstrom, 2008). One argument for this positive relationship is that the investing firm may use opportunistic means to gain additional returns for their investments, especially when the investing firm does not believe that it is adequately compensated (Brown et al., 2000; Crosno, Manolis, & Dahlstrom, 2013). Another reason is that TSIs carry a higher level of risk, and, as a result, the investing firm may seek additional returns to cover the level of risk incurred (Crosno et al., 2013). Both arguments suggest that when firms are satisfied with the returns given their level of investment, they will refrain from opportunistic behavior. Hence, we put forth relationship satisfaction as a potential safeguard when firms have invested in specific assets to support the channel relationship.

Satisfaction occurs when a firm has a positive affective response to its channel relationship based on the performance that it obtains from that relationship (Schul, Little, & Pride, 1985; cf. Geyskens, Steenkamp, & Kumar, 1999). When a channel firm performs at higher levels, its

* Corresponding author.
E-mail addresses: j.brown@mail.wvu.edu (J.R. Brown), jlcrosno@mail.wvu.edu (J.L. Crosno), yl0015@mix.wvu.edu (Y. Liu), chekitan.dev@cornell.edu (C.S. Dev).

[1] Opportunism refers to a firm's guileful, self-interest seeking activities such as willfully avoiding its contractual obligations and/or distorting or withholding important information (Wathne & Heide, 2000; Williamson, 1985).

https://doi.org/10.1016/j.indmarman.2020.01.011
Received 11 April 2019; Received in revised form 17 December 2019; Accepted 25 January 2020

satisfaction with its exchange partner increases (Lusch, Brown, & O'Brien, 2011). Satisfied firms have little incentive to behave opportunistically (i.e., happy channel firms are less likely to lie, cheat, and steal) because doing so risks "killing the golden goose." Thus, one contribution of our research to the literature is identifying relationship satisfaction as a potential safeguard against opportunistic behavior in TSI situations.

Moreover, we argue that the safeguarding role of relationship satisfaction is especially effective when monitoring channel member behavior is difficult. Stated differently, we propose that monitoring ease can change the moderating effect of satisfaction on the relationship between TSIs and opportunism. *Monitoring ease* refers to how easily a firm's behaviors and/or performance can be measured and evaluated by its exchange partners (Heide, Wathne, & Rokkan, 2007). When monitoring is easy, the investing firm's partner will likely monitor it more intensively (Stump & Heide, 1996), quelling the autonomy of the investing firm (Frey, 1993). As a result, a satisfied firm's TSIs might increase its opportunism in response to the lack of autonomy resulting from easy monitoring. However, when monitoring ease is low (i.e., monitoring is difficult), a satisfied firm's TSIs might decrease its opportunism because it values the potential benefits as well as the autonomy from the exchange relationship. Thus, another contribution of our research to the literature is deepening our understanding of the monitoring conditions that underlie relationship satisfaction as an effective safeguard against opportunistic behavior.

The remainder of this study is organized as follows. First, we propose the conceptual framework and hypotheses. Second, we describe the methodology and report the results of this study. Finally, we discuss the results and their theoretical and managerial implications.

2. Theory and hypotheses

Drawing on transaction cost economics, we will first discuss the relationship between transaction specific investments (TSIs) and opportunism. We then will explain how satisfaction and monitoring ease moderate the relationship between TSIs and opportunism. Fig. 1 depicts the conceptual framework to be investigated. We introduce Fig. 1 here as a preview of how the constructs of our study are interlinked. In the sections that follow, we describe those constructs and their connections more fully.

2.1. Transaction specific investments and opportunism

As noted earlier, *TSIs* are specialized assets that are dedicated to a specific relationship (Rokkan et al., 2003); as such, these investments have little value outside of that relationship (Williamson, 1991). TSIs may include physical assets (e.g., signage, computer systems, specialized equipment) and knowledge-based assets (e.g., idiosyncratic knowledge about specific suppliers and/or customers) (Brown, Crosno, & Dev, 2009; Lohtia, Brooks, & Krapfel, 1994). Because they are more efficient and more effective than their more generalized counterparts, TSIs create greater value and thereby may lead to higher returns and positions of competitive advantage (Ghosh & John, 1999).

Despite these potential benefits, TSIs create a lock-in situation; firms that invest in TSIs are at risk of being exploited opportunistically by their exchange partners (Geyskens, Steenkamp, & Kumar, 2006; Rindfleisch & Heide, 1997; Williamson, 1981). *Opportunism*, which is defined as "self-interest seeking with guile" (Williamson, 1981, p. 554), includes behaviors such as "lying, stealing, and cheating" as well as engaging in an "incomplete or distorted disclosure of information … to mislead, distort, disguise, obfuscate or otherwise confuse" (Williamson, 1985, p. 47). The investing firm may use a variety of safeguards (e.g., contracts, monitoring, dependence-balancing, etc.) to prevent, or at least minimize, partner opportunism (Heide & John, 1988; Wathne & Heide, 2000).

The investing firm, in contrast, has little incentive to behave opportunistically as doing so will risk the dedicated TSIs, and the firm will incur substantial costs if the relationship ends (Crosno et al., 2013). Yet, empirical research suggests the investing firm may indeed behave opportunistically (Brown et al., 2000; Crosno et al., 2013). As noted earlier, Crosno and Dahlstrom's (2008) meta-analysis uncovered a positive relationship between a firm's TSIs and its own opportunism. Due to its vulnerable position, the investing firm may possibly act opportunistically as a "preemptive strike" or in retaliation to recoup any expropriated rents from its TSIs (Brown, Krishen, & Dev, 2014; Kumar, Scheer, & Steenkamp, 1995, p. 349; Williamson, 1965, 1993). Another possible explanation is that the investing firm may seek additional returns to cover the higher levels of risk involved with TSIs. When it does not receive a sufficient risk premium, the investing firm behaves opportunistically to compensate (Crosno et al., 2013). All of this evidence, therefore, suggests that:

H1. Transaction specific investments are related positively to opportunism.

2.2. The moderating role of relationship satisfaction

This logic for *H1* implies that when firms are satisfied with the returns given their level of investment, they will refrain from behaving opportunistically. Hence, satisfaction appears to be a potential safeguard when firms have invested in specific assets. As noted earlier, *relationship satisfaction* refers to a firm's positive affective response toward its channel relationship (Schul et al., 1985). In particular, it refers to the firm's satisfaction with its economic gains from the relationship

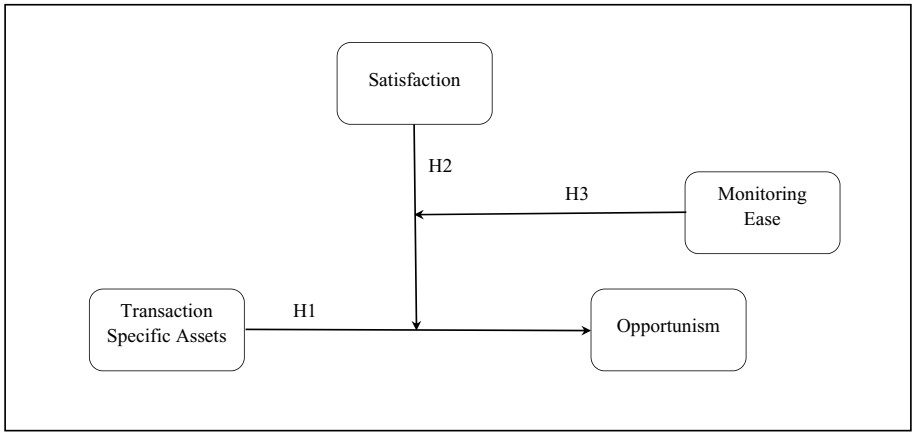

Fig. 1. The safeguarding role of relationship satisfaction: monitoring ease as a boundary condition.

(e.g., economic satisfaction) and/or its interactional experience in the relationship (e.g., noneconomic satisfaction) (Geyskens et al., 1999). Firms that are satisfied with the economic outcomes from their channel relationships "will perceive their partner as advancing their goal achievement, as opposed impeding or preventing it" (Geyskens et al., 1999, p. 225). Paralleling this argument, satisfied channel members are more likely to view their TSI investments positively (e.g., enhancing goal-achievement, value-creating) whereas dissatisfied channel members are more likely to perceive TSIs negatively (e.g., impeding goal-achievement, being locked-in).

Specifically, when the investing firm is satisfied with the outcomes it derives from the exchange relationship, it will strive to maintain the value-creating benefits of the TSIs and, therefore, will avoid undermining that relationship by behaving opportunistically (Palmatier, Dant, Grewal, & Evans, 2006; Wang, Kayande, & Jap, 2010). Doing so would risk the value generated from these specialized assets should the relationship dissolve (Rubin, 1990). In contrast, when the investing firm is not satisfied with its outcomes, it may behave opportunistically to secure additional returns (Crosno et al., 2013), thereby balancing the perceived inputs-to-outputs ratio (Adams, 1965). Investing firms that are locked into a dissatisfying relationship may also engage in opportunism as a reactance effect to their inability to leave the relationship without incurring substantial costs (Brehm, 1966; Crosno et al., 2013).

In short, we expect that higher levels of relationship satisfaction will weaken the positive connection between TSIs and opportunism, whereas lower levels of satisfaction will exacerbate the positive relationship between TSI and opportunism. Hence, we posit that:

H2. : A firm's relationship satisfaction will weaken the positive relationship between TSIs and its own opportunistic behavior.

2.3. The moderating role of monitoring ease

H2 indicates that the positive link between a firm's TSIs and its opportunism is moderated by the level of its satisfaction with its channel relationship. In this section, we explore how monitoring ease will change the moderating effect of satisfaction on the positive link between TSIs and opportunism.

Previous research has demonstrated that monitoring is a nuanced construct, consisting of the extent, frequency, and ease of monitoring (Agrawal & Lal, 1995; Ishida & Brown, 2011). Furthermore, previous research has argued that the "facets of monitoring should be scrutinized to account for possible differing effects of the various aspects of monitoring" (Ishida & Brown, 2013, p. 124). Given this, we examine monitoring *ease*, which refers to how easily a firm's behaviors and/or performance can be measured and evaluated by its exchange partners (Heide et al., 2007).

According to agency theory, channel partners may have differential access to needed information and this information asymmetry may enable a partner to advance their own interests unilaterally, often at the expense of their partner (Anderson & Oliver, 1987; Eisenhardt, 1985, 1989; Tong & Crosno, 2016). When the partner can more easily monitor the firm, information asymmetry can be more readily overcome, thereby making it more difficult for the firm to behave opportunistically without detection (Eisenhardt, 1989; Kashyap, Antia, & Frazier, 2012; Kashyap & Murtha, 2017). When monitoring works as intended (e.g., minimizing opportunism, ensuring compliance), it is referred to as the *disciplining effect* of monitoring (Crosno & Brown, 2015; Frey, 1993).

Yet, monitoring can also produce unintended, *crowding out* effects (Crosno & Brown, 2015; Frey, 1993). The ability of a channel partner to easily monitor the firm, whether utilized or not, impinges on the firm's perceived autonomy. Such a situation may lead the firm to react negatively as it attempts to re-establish its independence (Brehm, 1966). Furthermore, monitoring ease may lead to over-monitoring, which signals that the partner does not trust the firm, and in turn, crowds out desired behaviors (Crosno & Brown, 2015; Deci & Ryan, 2000; Heide et al., 2007). Indeed, research has reported a positive relationship between monitoring ease and extensive monitoring (Stump & Heide, 1996).

2.3.1. High monitoring ease

Previous research has demonstrated that high levels of monitoring may have crowding out effects, including increased opportunism (Crosno & Brown, 2015; Heide et al., 2007). These effects occur when monitoring reduces a firm's motivation to perform on the partner's behalf (Crosno & Tong, 2018). For example, monitoring in close relationships is likely to crowd out trust in the relationship (Frey, 1993). Drawing on this line of research, we argue that the crowding out effects of monitoring are more likely when the investing firm is satisfied with the relationship and the partner can easily monitor the firm.

H2 implies that higher levels of relationship satisfaction have a disciplining effect in that they weaken the positive TSI-opportunism link. However, a more highly satisfied investing firm will have stronger reactance effects when its partner can more easily monitor it (Frey, 1993). Ease of monitoring enables the investing firm's partner to monitor it extensively with little cost.[2] The ability to monitor extensively with little cost (whether implemented or not) constrains perceived autonomy and may signal that the partner does not trust the firm (Frey, 1993; Praxmarer-Carus, 2014).[3] Two results of this distrust are possible. First, it could increase the investing firm's concern that its partner might exploit it by capturing more of the economic rents generated by the firm's TSIs (Dwyer, Schurr, & Oh, 1987; Morgan & Hunt, 1994). Second, partner distrust may be especially galling to firms that experience higher levels of satisfaction because they contribute significantly to the well-being of the channel relationship. "As a consequence, the agent affected [e.g., an investing channel firm that performs at a high level] sees no reason why he or she should not behave in an opportunistic way (to use Williamson's terminology)" (Frey, 1993, pp. 664–665).

The partner's monitoring in these situations will motivate highly satisfied firms having greater TSIs to behave opportunistically: (1) to recoup their TSIs as quickly as possible; and (2) as psychological reactance to the negative effects of its partner's monitoring (i.e., lack of autonomy and partner distrust) (Frey, 1993; cf. Brehm, 1966). Thus, we expect the disciplining effects of relationship satisfaction to be more than offset by the crowding out effects of easy monitoring (Table 1). In other words, we posit that[4]:

H3a. The positive link between a firm's TSIs and its opportunistic behavior will be stronger for firms that are more satisfied with their channel relationship and that are more easily be monitored by their partners.

As argued previously, when an investing firm is dissatisfied with its partner, it might behave opportunistically to recoup some of its TSIs (Crosno et al., 2013; Rokkan et al., 2003). In other words, a firm's dissatisfaction crowds out the behavior desired by its partner. Monitoring ease, however, can produce disciplining effects, in which a dissatisfied, investing firm is motivated to put forth more effort on the firm's behalf and to refrain from opportunism (Crosno & Brown, 2015).

[2] The empirical findings of Stump and Heide (1996) indicate that monitoring ease indeed leads to more extensive monitoring.

[3] The condition of monitoring ease itself may limit a firm's autonomy even if the partner does not monitor extensively. The reason is that the firm realizes that the partner could implement or increase its monitoring at any time. Exploring the anticipatory effects of monitoring ease might be an avenue for future research.

[4] From a research methods perspective, *H3a* represents moderated moderation (Hayes, 2018). Specifically, the negative moderating effect of a firm's satisfaction on the positive relationship between the firm's TSIs and its opportunistic behavior will be negatively moderated by the ease with which it can be monitored by its partner.

Table 1
Disciplining and crowding out effects of relationship satisfaction and monitoring ease.

Level of relationship satisfaction	Monitoring ease	
	High (Easy to monitor firm)	Low (Difficult to monitor firm)
High	Hypothesis 3a • Disciplining Effect of High Satisfaction < • Crowding Out Effect of Easy Monitoring	Hypothesis 3c • Disciplining Effect of High Satisfaction > • Temptation due to Difficult Monitoring
Low	Hypothesis 3b • Disciplining Effect of Easy Monitoring > • Crowding Out Effect of Low Satisfaction	Hypothesis 3d • Crowding Out Effect of Low Satisfaction + • Temptation from Difficult Monitoring

This can occur for three reasons: (1) partner monitoring may signal which tasks are most important for achieving higher returns for the investing firm (Anderson & Oliver, 1987); (2) the information content of partner monitoring can provide the investing firm with ways in which it can enhance its competence, resulting in greater motivation to perform desired tasks (Gagné & Deci, 2005); and (3) monitoring ease increases the likelihood of the opportunism being detected, which raises the investing firm's marginal cost of shirking (Crosno & Tong, 2018). In short, as monitoring ease and TSIs increase, the cost of opportunism (e.g., losing TSIs due to relationship dissolution) will be greater than the benefits of opportunism (e.g., recouping TSIs in short term and responding to distrust) (Table 1). Therefore, we expect the crowding out effect of low satisfaction to be more than offset by the disciplining effect of high monitoring ease, thereby attenuating the positive effect of TSIs on opportunism. Specifically, we believe that[5]:

H3b. The positive link between a firm's TSIs and its opportunistic behavior will be weaker for firms that are less satisfied with their channel relationship and are more easily monitored by their partners.

2.3.2. Low monitoring ease

In the previous section, we examined the potential disciplining and crowding out effects of high monitoring ease. In this section, we examine low monitoring ease. Under low monitoring ease, the partner firm cannot readily monitor the investing firm, therefore, making opportunism difficult to detect (Ishida & Brown, 2011). With little to no constraints in its behavior, the investing firm will behave in a manner that secures the highest returns. We argue below that satisfied firms will refrain firm opportunism to ensure relationship continuity and to secure the returns from their specific investments. Dissatisfied firms, in contrast, are expected to succumb to the temptation of low monitoring ease to secure additional returns by behaving opportunistically.

When monitoring ease is low, the investing firm will perceive higher levels of autonomy because its partner is not likely to monitor extensively due to the greater monitoring difficulty (John, 1984). Therefore, the investing firm's perception of its control loss should decrease (cf. Phillips, 1982), thereby reducing reactance effects (Brehm, 1966). Further, the investing firm may decrease its opportunism since it might perceive autonomy as a reward, which should generate feelings of reciprocity. Moreover, as autonomy signals trust (cf. Frey, 1993), a satisfied investing firm will be less concerned about being exploited by its exchange partner, which in turn, will decrease its own opportunistic behavior (Gundlach, Achrol, & Mentzer, 1995). Therefore, the disciplining effect of high relationship satisfaction will more than overcome the temptation to behave opportunistically when monitoring is difficult (Table 1). The result is an attenuated positive effect of a firm's TSIs on its opportunistic behavior because a satisfied investing firm will want to maintain a profitable and more autonomous relationship with its partner. All of this suggests that:

H3c. The positive link between a firm's TSIs and its opportunistic behavior will be weaker for firms that are more satisfied with their channel relationship and are less easily be monitored by their partners.[6]

While satisfaction may serve as a behavioral constraint (i.e., a safeguard) under low monitoring ease, dissatisfaction may invoke opportunism as a means to achieve higher returns in an otherwise disappointing relationship. A dissatisfied investing firm will view low monitoring ease (i.e., monitoring difficulty) as an opportunity to exploit the relationship and recoup some of its TSIs. In this situation, the dissatisfied firm will realize that its opportunistic behavior can more easily go undetected. As a result, the dissatisfied firm is likely to behave opportunistically to recoup its TSIs more quickly, particularly since the relationship's lackluster performance does not provide satisfactory returns on these investments (Crosno et al., 2013; Rokkan et al., 2003). In other words, low satisfaction crowds out desired behavior especially when corrective feedback through monitoring is not forthcoming. Therefore, the lower the investing firm's satisfaction and the higher the partner's difficulty in monitoring the firm, the stronger the positive impact of the investing firms' TSIs on its opportunistic behavior (Table 1). Specifically[7]:

H3d. The positive link between a firm's TSIs and its opportunistic behavior will be stronger for firms that are less satisfied with the performance aspects of their channel relationship and are less easily monitored by their partners.

3. Methodology

3.1. Sample and data collection

To test the above hypotheses and the overall model of Fig. 1, we conducted an empirical study of the relationship between hotels and their brand headquarters in the U.S. and Canada. We chose the hotel industry for two main reasons. First, individual hotels tend to invest specific assets (e.g., signage and computer systems) to support their relationship with the brand's headquarters (Dahlstrom, Haugland, Nygaard, & Rokkan, 2009). Further, previous research has shown that individual hotels can and do engage in opportunistic behavior (Brown et al., 2000; Panvisavas & Taylor, 2008). Therefore, the hotel industry seems appropriate for investigating the conceptual relationships specified in the hypotheses. Second, we studied the hotel-brand headquarters relationships of two large, global U.S.-based hotel chains. These chains were sufficiently large to provide us with enough statistical power to observe whether the tested effects actually exist (Lenth, 2001).

[5] The negative moderating effect of a firm's satisfaction on the positive relationship between its TSIs and its opportunism will be positively moderated by the ease with which it can be monitored by its partner. Therefore, *H3b* is a moderated moderation hypothesis.

[6] *H3c* is another example of moderated moderation. In particular, the negative moderating effect of a firm's satisfaction on the positive relationship between the firm's TSIs and its opportunistic behavior will be positively moderated by the ease with which it can be monitored by its partner.

[7] The negative moderating effect of a firm's satisfaction on the positive relationship between its TSIs and its opportunism will be negatively moderated by the ease with which it can be monitored by its partner. As with *H3a-c*, *H3d* describes how monitoring ease moderates the moderating role of satisfaction on the TSI-opportunism relationship.

The unit of analysis in our study was the relationship between the hotel company's brand headquarters and its individual hotel properties (i.e., the hotel themselves). Extensive pretesting showed that the hotel's general manager was the most appropriate hotel-level informant to report on his/her hotel's relationship with its brand headquarters. Further, the hotel companies' field representatives were in the best position to report on the relationship between the individual hotels and their brand headquarters. Therefore, we conducted two mail surveys, matching hotel general managers with their corresponding hotel companies' field representatives.

For the general manager survey, we mailed questionnaires to 1650 hotel general managers in the U.S. and Canada. To increase the survey response rate, we added a cover letter to each questionnaire to indicate that the research was supported by the two hotel brand headquarters' companies and provided a business reply envelope for the respondents' convenience. We also assured the general managers that only aggregate results would be reported and that all collected data were confidential. Moreover, informants were promised an executive summary of this survey to encourage to their participation. Finally, reminder letters were sent to hotel general managers who did not reply four weeks after the mailing.

We received 296 usable questionnaires (17.9%) from 1650 hotel general managers. To check for possible nonresponse bias, we called 50 randomly chosen, non-respondents and asked them some organizational demographic questions as well as a few random items reflective of the theoretical constructs in the original questionnaire. We found no significant differences on these questions ($p > .10$) between these 50 non-respondents and the 296 original respondents. Moreover, no significant differences in the variable means were found between the early responders (i.e., those whose completed surveys were received prior to the reminder letters being sent) and late responders (those whose responses arrived after the reminder letter was posted) (Armstrong & Overton, 1977). These two steps indicated that nonresponse was not a problem for our sample of hotel general managers.

For the field representative survey, questionnaires were mailed to 52 U.S. and Canadian field representatives of the two hotel chains under study. Each field representative was asked to complete one questionnaire for each hotel under its purview. Thirty-seven field representatives returned completed survey instruments and, on average, reported on eight hotels. Each completed field representative survey was then paired with its corresponding hotel general manager survey, yielding a matched sample of 296 brand headquarters-hotel relationships.

In this sample, 49 hotels were owned by the hotel brand headquarters and 247 hotels were independently owned by franchisees. Out of the 296 hotels matched to field rep surveys, 151 were operated under a management service contract, while 145 were independently managed by each individual hotel. The average of length of the relationship between the hotel companies and their individual hotel properties was about 13 years, and the hotels averaged 125 full-time equivalent employees.

3.2. Measures

The constructs in Fig. 1 were measured by a structured questionnaire. We first undertook a comprehensive review of the relevant academic literature to develop measures of our constructs. We then pretested the resulting questionnaire items with hotel practitioners to improve the content validity of our measures. Hotel general managers were asked questions about the transaction specific investments made by the hotel, the hotel's opportunism toward its brand headquarters, its satisfaction with its brand headquarters, perceptions about its relationship with brand headquarters, and hotel performance. The hotel company's field representatives were asked about the ease with which they could monitor each individual hotel property for which they were responsible. The questionnaire items used to measure these constructs appear in the Appendix A.

3.2.1. Theoretical construct measures

Transaction specific investments (TSIs) are investments hotels make to support their relationship with brand headquarters, but have little or no value outside of that relationship (Williamson, 1991). Three, seven-point Likert-type items measured the hotel's investment in physical assets (such as furniture, fixtures, and equipment) and three, seven-point point Likert-type items to measure its knowledge-based TSIs (such as training and computer system) (Anderson, 1988; Heide & John, 1988; Heide & John, 1990; Klein, Frazier, & Roth, 1990). *Opportunism* refers to “self-interest seeking with guile” (Williamson, 1975, p. 47). We used three, seven-point point Likert-type items which captured guileful, self-interest seeking to measure opportunism (Anderson, 1988; John, 1984).

Relationship satisfaction refers to a firm's positive affective response toward its channel relationship (Schul et al., 1985). We used five, seven-point Likert-type items to measure hotel's satisfaction with its brand headquarters (Hunt & Nevin, 1974; Lewis & Lambert, 1991; Mysen, Svensson, & Payan, 2011; Ping Jr., 1993). *Monitoring ease* refers to how easily a firm can measure or evaluate its partner's behaviors and/or performance (Heide et al., 2007). Three, seven-point point Likert-type items assessed the ease with which the brand representatives could evaluate each of its hotels (Anderson, 1988; Antia & Frazier, 2001; Kim, McFarland, Kwon, Son, & Griffith, 2011; Stump & Heide, 1996).

3.2.2. Covariate measures

We included four covariate variables in our survey to examine the possibility that the variance in hotel opportunism could be explained by other variables. First, we asked hotel general managers if their properties were owned by brand headquarters or owned independently. Second, we included a dummy variable to indicate whether an individual hotel was affiliated with either Brand A or Brand B. Third, we also controlled for the length of the hotel's affiliation with the brand. Finally, we assessed the size of each hotel as measured by the natural logarithm of the hotel's total number of full-time equivalent employees.

We controlled for differences in ownership and brand affiliation to account for possible variations in the relationships between the hotel and its brand headquarters across these variables. These relationships may also vary according to the length of the relationship and the size of the hotel; therefore, we controlled for these potential sources of variation.

3.2.3. Measurement validity

We estimated our measurement model using confirmatory factor analysis (CFA) to evaluate the validity of our construct measures. Our proposed measurement model fitted the data acceptably ($\chi 2 = 713.43$, $df = 389$, $p < .01$; RMSEA = 0.05, p (close fit) = 0.20; CFI = 0.92, NNFI = 0.92). Table 2 shows that the composite reliability coefficients of all construct measures exceeded 0.70, indicating acceptable reliability (Hair, Black, Babin, & Anderson, 2010). All construct indicators loaded on their relevant constructs and their estimated factor loadings were all statistically significant ($t > 1.96$). The average variance extracted (AVE) for each construct measure met the usual 0.50 threshold (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Table 2 shows that the square root of the AVE for all constructs was greater than the correlation coefficients between the relevant latent constructs, thereby providing evidence for the discriminant validity of our construct measures (Fornell & Larcker, 1981). In summary, these results show that our construct measures were acceptably reliable and valid.

3.2.4. Common method bias

Podsakoff and colleagues (2003) recommend several procedures to minimize common method bias . First, we conveyed to the informants that their survey responses would be confidential. Second, we encouraged informants to answer all questions honestly because there were no right or wrong answers. Third, we adapted the scale items to

Table 2
Descriptive statistics and intercorrelations.

	Mean	SD	1	2	3	4	5	6	7	8
1. Own TSIs (TSIs)	3.43	1.06	(0.81)†							
2. Own opportunism (OPPRT)	2.32	1.15	0.08	(0.71)						
3. Own Satisfaction (SAT)	5.79	1.08	0.31**	−0.14*	(0.81)					
4. Other Monitoring Ease (MON)	5.45	1.13	−0.07	0.05	−0.05	(0.85)				
5. Relationship Length (YRS)	13.44	9.47	0.12*	0.07	0.12*	−0.06	(1.00)			
6. Natural Log of Outlet Size (LNSIZE)	1.96	0.33	−0.12*	0.02	−0.19**	0.09	0.02	(1.00)		
7. Company-Owned Outlet (“1”: OWNS)	0.17	0.38	0.13*	0.09	0.06	0.17**	0.17**	0.16**	(1.00)	
8. Brand A (“1”: BRAND)	0.20	0.40	−0.10	−0.10	−0.23**	0.05	−0.13*	0.49**	0.14*	(1.00)
Composite Reliability Coefficient	–	–	0.75	0.75	0.90	0.86	N/A	N/A	N/A	N/A

† Numbers in parentheses refer to the square root of the average variance extracted (AVE).
* $p < .05$.
** $p < .01$.

better fit the context of this study. Fourth, we employed different scale lengths in our measures (e.g., 5-point and 7-point).

In addition to these steps, we conducted two tests to examine the potential for common method bias. First, we used Harmon's single factor test to test for common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). An exploratory factor analysis resulted in multiple factors, with the first factor accounting for a small proportion of the variance (i.e., 21.45%). Second, we compared two CFA models. A single-factor CFA model, where all measurement items were assigned to the single factor, indicated a significantly inferior fit to the data relative to our hypothesized measurement model (i.e., $\Delta\chi 2 = 1932.40$, $df = 45$, $p < .01$). Together, these results suggest that common method bias is not a serious problem in this study.

4. Results

Our conceptual framework in Fig. 1 indicates that the link between a hotel's investment in TSIs and its opportunistic behavior is moderated by the interaction between the hotel satisfaction and the ease with which brand headquarters can monitor the hotel's performance. As a first step, we estimated a null, unconstrained model reflective of Fig. 1 using SAS PROC MIXED (Luke, 2004).

We used this procedure because the hotel responses were nested within the brand representative responses. Hotel transaction specific investments (TSIs), hotel satisfaction with its channel relationship (SAT), and hotel opportunism (OPPT) were collected from the individual hotels, while the brand representatives reported on the ease of monitoring the hotel (MON). Nested data such as these may violate the independence assumption of OLS regression analysis. In other words, this data structure suggested a hierarchical linear modeling procedure, such as SAS PROC MIXED, to test the hypotheses.

Based on these results, we calculated the intra-class correlation coefficient (ICC) to determine the proportion of variance accounted for by the brand representatives (Raudenbush & Bryk, 2002). We found the ICC to be 0.027, which suggests that the brand representatives account for a small proportion of the variance in hotel opportunism. In addition, the estimated amount of variance associated with the field representatives did not significantly differ from zero ($p > .10$). These results suggest that, for each field representative, the corresponding hotel-level questionnaire responses are statistically independent. This conclusion allowed us to use Hayes' (2018) PROCESS procedure (specifically, Model 3) to analyze the three-way interaction effects (TSIs x SAT x MON) implied in Fig. 1. We present the results of estimating Fig. 1 and, hence, the tests of *H1-H3d* in Table 3.

4.1. The impact of a firm's TSIs on opportunism

Our basic premise is that the greater the firm's TSIs, the more likely it is to behave opportunistically against its partner (Crosno et al., 2013; Crosno & Dahlstrom, 2008). The results of Table 3 show that, as expected, TSIs have a significant and positive impact on opportunism ($\beta = 0.14, p < .05$). This finding is consistent with our prediction in *H1*.

Table 3
The safeguarding role of performance-driven satisfaction on opportunism: OLS estimates.

Independent variable	Hypothesis	Parameter Estimate	Standard Error	t-Value
Intercept		1.98	0.45	4.41[a]
Independent variables				
1. Own TSIs (TSIs)	H1	0.14	0.07	2.09[b]
2. Own Satisfaction (SAT)		−0.23	0.07	−3.40[a]
3. TSIs x SAT	H2	−0.09	0.05	−1.68[c]
4. Other Monitoring Ease (MON)		0.01	0.06	0.22
5. TSIs x MON		0.02	0.06	0.26
6. SAT x MON		−0.02	0.06	−0.27
7. TSIs x SAT x MON	H3	0.12	0.06	1.99[b]
Control variables				
6. Relationship Length (YRS)		0.01	0.01	0.75
7. Natural Log of Outlet Size (LNSIZE)		0.18	0.23	0.77
8. Company-Owned Outlet (“1”: OWNS)		0.25	0.18	1.37
9. Brand A (“1”: BRAND)		−0.49	0.20	−2.49[b]
R-Square		0.09		
F-Ratio		2.59[a]		
df		11, 284		

[a] $p < 0.01$.
[b] $p < 0.05$.
[c] $p < 0.10$.

4.2. The moderating effect of satisfaction

We argue in *H2* that this positive linkage between a firm's TSIs and its own opportunism is weakened the more satisfied the firm is with its channel relationship. Table 3 shows that satisfaction does indeed weaken the positive connection between a firm's TSIs and its own opportunism ($\beta = -0.09, p < .10$). Thus, these results support our *H2* prediction, albeit at less than the usual 0.05 level of significance.

4.3. Monitoring ease as moderating the moderation effect of satisfaction

To test *H3* we estimated the effect of the three-way interaction among TSIs, satisfaction, and monitoring ease (TSIs x SAT x MON) on opportunism. Table 3 shows that this effect is statistically significant ($\beta = 0.12$, $p < .05$). Following the procedures described by Hayes (2018) as well as Aiken and West (1991), we decomposed this significant three-way interaction to test the specific effects described in *H3a - H3d* (see Fig. 2).

H3a argues that the positive link between a firm's TSIs and its opportunistic behavior will be stronger for firms that are more satisfied

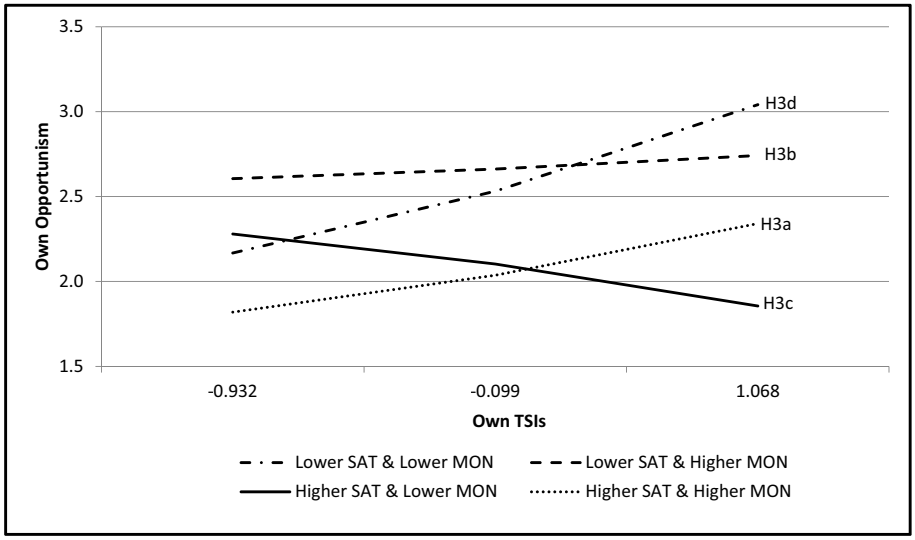

Fig. 2. Decomposition of interaction effects.

with their channel relationships and are more easily monitored by their partners (i.e., the Higher SAT/Higher MON condition of Fig. 2). The dotted line in Fig. 2 shows that the firm's opportunism increases as its TSIs increase when it is satisfied with its channel relationship and when it can be easily monitored by its partner. This result provides evidence for *H3a*.

H3b argues that the positive relationship between a firm's TSIs and its opportunistic behavior will be weaker for firms that are less satisfied with their channel relationships and are more easily monitored by their partners. The dashed line of Fig. 2 (i.e., the Lower SAT/Higher MON condition) shows a positive slope. Of the positively sloped lines in Fig. 2, the dashed line's slope is the flattest indicating that the positive connection between a firm's TSIs and its opportunistic behavior is weaker in this condition (i.e., lower satisfaction and higher monitoring ease). However, this finding is consistent with *H3b*.

We argue in *H3c* that the positive relationship between a firm's TSIs and its opportunistic behavior will be weaker for firms that are more satisfied with the performance aspects of their channel relationship and are less easily monitored by their partners (i.e., the Higher SAT/ Lower MON condition of Fig. 2). Fig. 2's solid line shows that as the firm's TSIs increase, its opportunistic behavior decreases when the firm is satisfied with the performance of its channel relationship and when its partner has difficulty in monitoring it. This supports our prediction in *H3c*.

The dotted, dashed line of Fig. 2 (i.e., the Lower SAT/Lower MON condition) shows that when the firm's satisfaction is lower and its partner has more difficulty in monitoring its performance, the firm's opportunism is positively correlated with the extent of its TSIs. Moreover, Fig. 2 shows that the positive slope of the dotted, dashed line is steeper than any of the other positively sloped lines. These results support *H3d* which argues that the positive link between a firm's TSIs and its opportunistic behavior will be stronger for firms that are less satisfied with their channel relationship and are less easily monitored by their partners.

In terms of the control variables, Table 3 shows that hotels affiliated with Brand A engaged in significantly less opportunism than did those belonging to Brand B ($\beta = -0.49, p < .01$). Thus, the two hotel chains appear to manage their channel partners differently with one provoking its hotels to behave significantly more opportunistically than the other. Whether this greater opportunism translates into lower customer relationship performance and/or diminished financial performance is an open question.

5. Discussion

In this section, we discuss these results and their implications for the development of theory and the management of channel relationships.

5.1. Summary of results

Our test of *H1* showed support for our basic assertion that a firm's opportunistic behavior is related positively to the extent of its TSIs (Table 4). Consistent with *H2*, our results also show that this linkage is

Table 4
Summary of hypothesis testing results.

Hypothesis		Supported?
H1	Transaction specific investments are related positively to opportunism.	Supported at $p \leq .05$
H2	The positive link between a firm's TSIs and its opportunistic behavior will be weaker (stronger) for firms that are more (less) satisfied with their channel relationship.	Supported at $p \leq .10$
H3a	The positive link between a firm's TSIs and its opportunistic behavior will be stronger for firms that are more satisfied with their channel relationship and that are more easily monitored by their partners.	Supported at $p < .05$
H3b	The positive link between a firm's TSIs and its opportunistic behavior will be weaker for firms that are less satisfied with their channel relationship and are more easily monitored by their partners.	
H3c	The positive link between a firm's TSIs and its opportunistic behavior will be weaker for firms that are more satisfied with their channel relationship and are less easily monitored by their partners.	
H3d	The positive link between a firm's TSIs and its opportunistic behavior will be stronger for firms that are less satisfied with their channel relationship and are less easily monitored by their partners.	

weakened by the extent to which the firm is satisfied with its channel relationship. Thus, a firm's relationship satisfaction somewhat constrains the firm from engaging in opportunism when the firm has invested more heavily in TSIs. In other words, a firm's relationship satisfaction has a disciplining effect on its behavior.

This safeguarding effect, however, is conditional on the ease with which the partner can monitor the firm's activities and outcomes, as shown by the decomposition of the significant interaction among the TSIs, SAT, and MON variables (Table 4). Fig. 2 shows that an investing firm's satisfaction constrains it from behaving opportunistically only when its partner has difficulty in monitoring it. The higher the monitoring difficulty (i.e., the lower the monitoring ease), the less likely the firm will engage in extensive and intrusive monitoring because of the costs involved (cf. Lafontaine & Slade, 1996). Fig. 2 also shows that the easier the partner can monitor satisfied firms, the stronger the positive link between the firm's TSIs and its opportunistic behavior. In other words, the easier the partner can monitor the firm, the more extensively it will do so, as empirically shown by Stump and Heide (1996), and this monitoring will crowd out the safeguarding effects of relationship satisfaction.

Fig. 2 also reveals that the more that dissatisfied firms invest in TSIs, the more opportunistically they will behave regardless of the ease with which the partner can monitor them. More difficult monitoring increases the cost of monitoring, thereby limiting its extent (cf. Stump & Heide, 1996). This implies that dissatisfied firms can engage in unscrupulous behavior with impunity. In contrast, easy monitoring suggests more extensive monitoring (Stump & Heide, 1996), thereby giving dissatisfied firms additional reasons (beyond their dissatisfaction) to behave guilefully. In other words, dissatisfied firms that are monitored extensively will behave opportunistically to re-establish their independence and to recoup their investments in TSIs more quickly.

5.2. Theoretical implications

This study makes several unique and significant contributions to the literature. First, our research shows that a firm's relationship satisfaction acts as a safeguard against it behaving opportunistically. This finding is consistent with the notion of self-enforcing agreements in that firms in successful relationships refrain from behaving opportunistically to avoid destroying those relationships (cf. Telser, 1980). This result affirms the heretofore untested assumption that firms refrain from opportunism when such behavior can damage a relationship that is economically fruitful.

We also investigate one of the conditions under which the safeguarding role of satisfaction operates—the ease with which the partner can monitor the firm's activities and performance. We found that satisfaction only safeguards against firm opportunism when the partner has difficulty in monitoring the firm (i.e., when the partner cannot extensively monitor the firm).[8] This finding provides further evidence that extensive monitoring crowds out desired behavior by: (1) limiting the monitored firm's discretion to choose its own means for achieving desired goals; and (2) signaling to the monitoring firm that it cannot be trusted (Crosno & Brown, 2015; Frey, 1993). Both outcomes of excessive monitoring could produce psychological reactance in the monitored firm, causing it to assert its independence in undesirable ways and confirming the monitoring firm's distrust by behaving in an untrustworthy manner.

5.3. Managerial implications

This study provides several implications for managing marketing exchange relationships. First, a firm's relationship satisfaction can safeguard against its opportunistic behavior when the firm has invested in transaction-specific assets (TSIs). The sole condition under which this safeguarding effect occurs is when the partner cannot easily monitor the firm. This suggests that the partner should be judicious in its monitoring of the firm to avoid deleterious micro-management, which results in heightened opportunism. In short, when monitoring is easy, the temptation to "monitor everything" should be avoided because such behavior will provoke the very opportunism it is supposed to protect against.

If monitoring difficulty is one condition for satisfaction to safeguard against firm opportunism, the other is the firm's satisfaction itself. Thus, boosting the firm's level of relationship satisfaction is a key way in which the partner can safeguard itself against the firm's opportunism. Previous research has shown that the partner can help satisfy the firm by providing marketing support, business assistances, and technical support (cf. Hunt & Nevin, 1974).

The context of our research is the hotel industry in which a hotel represents a single brand, regardless of whether the individual hotel is company-owned or franchised.[9] This situation is termed exclusive dealing, a channel arrangement "… in which intermediaries carry only one supplier's products or, minimally, intermediaries are barred from carrying products in direct competition with the focal supplier's products …" (Li & Dant, 1997, p. 201). Note that in this definition the term "products" can refer to either tangible goods, intangible services, or some combination of the two.

The hospitality industry typifies exclusive dealing in that brand headquarters restricts individual hotel and restaurant properties from representing multiple brands, as was the case with our sample hotels. Exclusive dealing applies not just to intangible services, such as the hospitality industry provides, but in the distribution of tangible goods as well. For example, an automobile service center may carry different brands of lubricating oils and fluids, windshield wipers, etc. but only stocks a single brand of batteries. Because exclusive distribution arrangements such as the ones studied here are not uncommon (Li & Dant, 1997), we believe that our results generalize beyond the hotel industry to other situations characterized by exclusive dealing.

5.4. Limitations and future research

As with any empirical study, ours has a number of limitations that future research should address. First, this study employed a cross-sectional research design. However, longitudinal research can better capture the causal relationships implicit in this study (e.g., the impact of a firm's TSIs on its own opportunistic behavior) (cf. Brown, Crosno, & Tong, 2019). Studying the constructs of this study from both sides of the buyer-seller dyad might shed additional light on the theoretical relationships investigated here. In addition, future researchers should consider using more objective measures of constructs such as TSIs, opportunism, and monitoring ease. Such measures when coupled with perceptual ones may provide deeper insights than solely using one or the other. Another aim of future research might be to compare the theoretical relationships studied here in predominately goods industries (e.g., tools and mechanical equipment, electronic equipment, and household appliances) with those in predominately services industries (e.g., hospitality, health services, and financial services).

Other safeguards might also be included in future studies that investigate the link between a firm's TSIs and its opportunistic behavior. For example, Crosno et al. (2013) found that organizational justice (interactional justice, in particular) can temper the positive effect of a firm's TSI investments on its opportunistic behavior. Thus, future research might compare the safeguarding effect of interactional justice with that of relationship satisfaction. Additional safeguards such as

[8] Recall that Stump and Heide (1996) found monitoring ease to be associated with more extensive monitoring.

[9] An independently-owned hotel by definition represents its own brand.

legal contracts, partner TSIs, and goal congruence might also be incorporated in future studies of this sort (Wathne & Heide, 2000). Moreover, future studies of the safeguarding role of firm satisfaction might include antecedents of satisfaction including performance and relational norms. They might also consider examining the separate effects of economic and noneconomic satisfaction (Geyskens et al., 1999).

Appendix A. Construct measures

Construct and measurement item	Source	CR[a]	AVE[b]
Knowledge-Based TSIs		0.82	0.60
1 The systems and procedures we use to sell hotel services are tailored for this brand.	Based on Anderson (1988); Heide and John (1992)		
2 Our hotel has spent a lot of time and effort to develop a strong customer base for this particular brand.	Adapted from Heide and John (1988)		
3 We have spent a lot of time and effort learning special selling techniques for this hotel brand.	Adapted from Heide and John (1988)		
Physical TSIs		0.79	0.56
4 The furnishings, fixtures, equipment, and supplies at this hotel could not be as easily transferred from the current brand to a comparable brand.	Based on Klein et al. (1990); Heide and John (1992); Ganesan (1994)		
5 Our facilities, supplies, and services are highly specialized – they could not be used with any other brand.	Based on Klein et al. (1990); Heide and John (1992); Ganesan (1994)		
6 This hotel has invested in furnishings, fixtures, equipment, and supplies for this brand that could not be used with another hotel brand.	Based on Klein et al. (1990); Heide and John (1992); Ganesan (1994)		
Hotel Opportunism (OPPT)		0.75	0.50
1 Sometimes we have had to alter the facts slightly in order to get what we need from our partner.	John (1984); Anderson (1988)		
2 To get the necessary support from our partner, we sometimes mask the true nature of our needs.	Based on John (1984); Anderson (1988)		
3 To get the needed support from our partner, we sometimes overstate the difficulties our hotel faces.	Adapted from John (1984); Anderson (1988)		
Hotel Satisfaction (SAT)		0.90	0.66
1 Our relationship with this affiliation has been very satisfying.	Adapted from Ping Jr. (1993)		
2 If we had to do it over again, we would still choose to be associated with this affiliation.	Adapted from Hunt and Nevin (1974); Lewis and Lambert (1991)		
3 We are very pleased with our association with this affiliation.			
4 Our relationship with our partner has been an unhappy one. (REVERSE CODED)	Adapted from Mysen et al. (2011)		
5 Generally, we are very satisfied with our overall relationship with our partner.	Adapted from Ping Jr. (1993)		
Representative Monitoring Ease (MON)		0.86	0.72
1 We have accurate reports about this hotel's activities.	Adapted from Anderson (1988); Kim et al. (2011)		
2 Our evaluation of this hotel is based on quite accurate information.	Adapted from Antia and Frazier (2001)		
3 It is difficult to evaluate whether this hotel follows our recommended operating procedures. (REVERSE CODED)	Adapted from Stump and Heide (1996)		
LENGTH			
The number of years the hotel was affiliated with the marketing partner.	Crosno et al. (2013); Lusch and Brown (1996)	n/a	n/a
SIZE			
Log (Base 10) of the total number of full-time equivalent employees.	Adapted from Brown et al. (2000)	n/a	n/a
OWNS			
A dummy variable indicating whether the marketing partner held an equity position in the hotel (0 = independently owned; 1 = chain owned).	Brown et al. (2000)	n/a	n/a
BRAND			
The marketing partner's identity (1 = Brand A; 0 = Brand B).	Based on Brown et al. (2000)	n/a	n/a

[a] Composite reliability coefficient.
[b] Average variance extracted.

References

Adams, J. S. (1965). Inequity in social exchange. In L. Berkowitz (Ed.). *Advances in experimental social psychology* (pp. 267–299). New York: Academic Press.

Agrawal, D., & Lal, R. (1995). Contractual arrangements in franchising: An empirical investigation. *Journal of Marketing Research, 32*(2), 213–221.

Aiken, L. S., & West, S. G. (1991). *Multiple regression: Testing and interpreting interactions.* Newbury Park, CA: Sage.

Anderson, E. (1988). Transaction costs as determinants of opportunism in integrated and independent sales forces. *Journal of Economic Behavior & Organization, 9*(3), 247–264.

Anderson, E., & Oliver, R. L. (1987). Perspectives on behavior-based versus outcome-based salesforce control systems. *Journal of Marketing, 51*(4), 76–88.

Anderson, E., & Sandy, D. J. (2005). The dark side of close relationships. *MIT Sloan Management Review, 46*(3), 75–82.

Antia, K. D., & Frazier, G. L. (2001). The severity of contract enforcement in interfirm channel relationships. *Journal of Marketing, 65*(4), 67–81.

Armstrong, J. S., & Overton, T. S. (1977). Estimating nonresponse bias in mail surveys. *Journal of Marketing Research, 14*(3), 396–402.

Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science, 16*, 74–94.

Brehm, J. W. (1966). *A theory of psychological reactance.* New York: Academic Press.

Brown, J. R., Crosno, J. L., & Dev, C. S. (2009). The effects of transaction-specific investments in marketing channels: The moderating role of relational norms. *The Journal of Marketing Theory and Practice, 17*(4), 317–334.

Brown, J. R., Crosno, J. L., & Tong, P. Y. (2019). Is the theory of trust and commitment in marketing relationships incomplete? *Industrial Marketing Management, 77*, 155–169.

Brown, J. R., Dev, C. S., & Lee, D.-J. (2000). Managing marketing channel opportunism: The efficacy of alternative governance mechanisms. *Journal of Marketing, 64*(2), 51–65.

Brown, J. R., Krishen, A. S., & Dev, C. S. (2014). The role of ownership in managing interfirm opportunism: A dyadic study. *Journal of Marketing Channels, 21*(1), 31–42.

Crosno, J. L., & Brown, J. R. (2015). A meta-analytic review of the effects of organizational control in marketing exchange relationships. *Journal of the Academy of Marketing Science, 43*(3), 297–314.

Crosno, J. L., & Dahlstrom, R. (2008). A meta-analytic review of opportunism in exchange relationships. *Journal of the Academy of Marketing Science, 36*(2), 191–201.

Crosno, J. L., Manolis, C., & Dahlstrom, R. (2013). Toward understanding passive opportunism in dedicated channel relationships. *Marketing Letters, 24*(4), 353–368.

Crosno, J. L., & Tong, P. Y. (2018). Just going through the motions? An empirical investigation of control, compliance, and performance in franchisor-franchisee relationships. *Journal of Business Research, 92*, 360–373.

Dahlstrom, R., Haugland, S. A., Nygaard, A., & Rokkan, A. I. (2009). Governance structures in the hotel industry. *Journal of Business Research, 62*(8), 841–847.

Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior stable. *Psychological Inquiry, 11*(4), 227–268.

Dwyer, R., Schurr, P., & Oh, S. (1987). Developing buyer-seller relationships. *Journal of Marketing, 51*(2), 11–27.

Eisenhardt, K. M. (1985). Control: Organizational and economic approaches. *Management Science, 31*(2), 134–149.

Eisenhardt, K. M. (1989). Agency theory: An assessment review. *The Academy of Management Review, 14*(1), 57–74.

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research, 18*(1), 39–50.

Frey, B. S. (1993). Does monitoring increase work effort: The rivalry with trust and loyalty. *Economic Inquiry, 31*(4), 663–670.

Gagné, M., & Deci, E. L. (2005). Self-determination theory and work motivation. *Journal of Organizational Behavior, 26*(4), 331–362.

Ganesan, S. (1994). Determinants of long term orientation in buyer-seller relationships.

Journal of Marketing, 58(2), 1–19.
Geyskens, I., Steenkamp, J.-B. E. M., & Kumar, N. (1999). A meta-analysis of satisfaction in marketing channel relationships. *Journal of Marketing Research, 36*(2), 223–238.
Geyskens, I., Steenkamp, J.-B. E. M., & Kumar, N. (2006). Make, buy, or ally: A transaction cost theory meta-analysis. *Academy of Management Journal, 49*(3), 519–543.
Ghosh, M., & John, G. (1999). Governance value analysis and marketing strategy. *Journal of Marketing, 63*, 131–145.
Gundlach, G. T., Achrol, R. S., & Mentzer, J. T. (1995). The structure of commitment in exchange. *Journal of Marketing, 59*(1), 78–92.
Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis.* New York: Pearson Prentice Hall.
Hayes, A. F. (2018). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach* (2nd ed.). New York: The Guilford Press.
Heide, J. B., & John, G. (1988). The role of dependence balancing in safeguarding transaction-specific assets in conventional channel. *Journal of Marketing, 52*(1), 20–35.
Heide, J. B., & John, G. (1990). Alliances in industrial purchasing: The determinants of joint action in buyer-supplier relationships. *Journal of Marketing Research, 27*(1), 24–36.
Heide, J. B., & John, G. (1992). Do norms matter in marketing relationships? *Journal of Marketing, 56*(2), 32–44.
Heide, J. B., & Stump, R. L. (1995). Performance implications of buyer-supplier relationships in industrial markets: A transaction cost explanation. *Journal of Business Research, 32*(1), 57–66.
Heide, J. B., Wathne, K. H., & Rokkan, A. I. (2007). Interfirm monitoring, social contracts, and relationship outcomes. *Journal of Marketing Research, 44*(3), 425–433.
Hunt, S. D., & Nevin, J. R. (1974). Power in a channel of distribution: Sources and consequences. *Journal of Marketing Research, 11*(2), 186–193.
Ishida, C., & Brown, J. R. (2011). The crowding out effects of monitoring in franchise relationships: The mediating role of relational solidarity. *Journal of Marketing Channels, 18*(1), 19–41.
Ishida, C., & Brown, J. R. (2013). A taxonomy of monitoring in business-to-business relationships. *Journal of Marketing Theory and Practice, 21*(2), 123–140.
John, G. (1984). An empirical investigation of some antecedents of opportunism in a marketing channel. *Journal of Marketing Research, 21*(3), 278–289.
Kashyap, V., Antia, K. D., & Frazier, G. L. (2012). Contracts, extracontractual incentives, and ex post behavior in franchise channel relationships. *Journal of Marketing Research, 49*(2), 260–276.
Kashyap, V., & Murtha, B. R. (2017). The joint effects of ex ante contractual completeness and ex post governance on compliance in franchised marketing channels. *Journal of Marketing, 81*(3), 130–153.
Kim, S. K., McFarland, R. G., Kwon, S., Son, S., & Griffith, D. A. (2011). Understanding governance decisions in a partially integrated channel: A contingent alignment framework. *Journal of Marketing Research, 48*(3), 603–616.
Klein, S., Frazier, G. L., & Roth, V. J. (1990). A transaction cost analysis model of channel integration in international markets. *Journal of Marketing Research, 27*(2), 196–208.
Kumar, N., Scheer, L. K., & Steenkamp, J.-B. E. M. (1995). The effects of perceived interdependence on dealer attitudes. *Journal of Marketing Research, 32*(3), 348–356.
Lafontaine, F., & Slade, M. E. (1996). Retail contracting and costly monitoring: Theory and evidence. *European Economic Review, 40*(3–5), 923–932.
Lenth, R. V. (2001). Some practical guidelines for effective sample size determination. *American Statistician, 55*(3), 187–193.
Lewis, M. C., & Lambert, D. M. (1991). A model of channel member performance, dependence and satisfaction. *Journal of Retailing, 67*(2), 205–225.
Li, Z. G., & Dant, R. P. (1997). An exploratory study of exclusive dealing in channel relationships. *Journal of the Academy of Marketing Science., 25*(3), 201–213.
Lin, C. W., Wu, L. Y., & Chiou, J. S. (2017). The use of asset specific investments to increase customer dependence: A study of OEM suppliers. *Industrial Marketing Management, 67*(321), 174–184.
Lohtia, R., Brooks, C. M., & Krapfel, R. E. (1994). What constitutes a transaction-specific asset: An examination of the dimensions and types. *Journal of Business Research, 30*(3), 261–270.
Luke, D. A. (2004). *Multilevel Modeling.* Thousand Oaks, CA: Sage.
Lusch, R. F., & Brown, J. R. (1996). Interdependency, contracting, and relational behavior in marketing channels. *Journal of Marketing, 60*(4), 19–38.
Lusch, R. F., Brown, J. R., & O'Brien, M. (2011). Protecting relational assets: A pre and post field study of a horizontal business combination. *Journal of the Academy of Marketing Science, 39*(2), 175–197.
Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing, 58*(3), 20–38.
Mysen, T., Svensson, G., & Payan, J. M. (2011). Causes and outcomes of satisfaction in business relationships. *Marketing Intelligence & Planning, 29*(2), 123–140.
Palmatier, R. W., Dant, R. P., Grewal, D., & Evans, K. R. (2006). Factors influencing the effectiveness of relationship marketing: A meta-analysis. *Journal of Marketing, 70*(4), 136–153.
Panvisavas, V., & Taylor, J. S. (2008). Restraining opportunism in hotel management contracts. *Tourism and Hospitality Research, 8*(4), 324–336.
Phillips, L. W. (1982). Explaining control losses in corporate marketing channels: An organizational analysis. *Journal of Marketing Research, 19*(4), 525–549.
Ping, R. A., Jr. (1993). The effects of satisfaction and structural constraints on retailer exiting, voice, loyalty, opportunism, and neglect. *Journal of Retailing, 69*(3), 320–352.
Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology, 88*(5), 879–903.
Praxmarer-Carus, S. (2014). Why the proposal of a complex contract may harm or foster a partner's trust. *Journal of Business Research, 67*(7), 1421–1429.
Raudenbush, S. W., & Bryk, A. S. (2002). *Hierarchical linear models: Applications and data analysis methods* (2nd ed.). Thousand Oaks, CA: Sage.
Rindfleisch, A., & Heide, J. B. (1997). Transaction cost analysis: Past, present, and future applications. *Journal of Marketing, 61*(4), 30–54.
Rokkan, A. I., Heide, J. B., & Wathne, K. H. (2003). Specific investments in marketing relationships: expropriation and bonding effects. *Journal of Marketing Research, 40*(2), 210–224.
Rubin, P. H. (1990). *Managing business transactions.* New York: The Free Press.
Schul, P. L., Little, T. E., & Pride, W. M. (1985). Channel climate: Its impact on channel members satisfaction. *Journal of Retailing, 61*(2), 9–38.
Stump, R. L., & Heide, J. B. (1996). Controlling supplier opportunism in industrial relationships. *Journal of Marketing Research, 33*(4), 431–441.
Telser, L. G. (1980). A theory of self-enforcing agreements. *The Journal of Business, 53*(1), 17–44.
Tong, P. Y., & Crosno, J. L. (2016). Are information asymmetry and sharing good, bad, or context dependent? A meta-analytic review. *Industrial Marketing Management, 56*, 167–180.
Wang, Q., Kayande, U., & Jap, S. (2010). The seeds of dissolution: Discrepancy and incoherence in buyer–supplier exchange. *Marketing Science, 29*(6), 1109–1124.
Wathne, K. H., & Heide, J. B. (2000). Opportunism in interfirm relationships: Forms, outcomes, and solutions. *Journal of Marketing, 64*(4), 36–51.
Williamson, O. E. (1965). A dynamic theory of interfirm behavior. *The Quarterly Journal of Economics, 79*(4), 579–607.
Williamson, O. E. (1975). *Markets and hierarchies.* New York: The Free Press.
Williamson, O. E. (1981). The economics of organization: The transaction cost. *American Journal of Sociology, 87*(3), 548–577.
Williamson, O. E. (1985). *The economic institutions of capitalism.* New York: The Free Press.
Williamson, O. E. (1991). Comparative economic organization: The analysis of discrete structural alternatives. *Administrative Science Quarterly, 36*(2), 269–296.
Williamson, O. E. (1993). Opportunism and its critics. *Managerial and Decision Economics, 14*(2), 97–107.