RELATIONAL BASED VIEW: STUDY OF A SPRINGBED PRODUCER ON ITS RETAILS’ PERFORMANCE

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ABSTRACT

In a very dynamic and highly competitive business environment every company have to make sure that they have a sustainable competitive advantage. The issue about the channel of distribution has been given a very serious attention by every business. The retailer performance that failed to meet the expectation in the springbed industry was a sign that a study regarding factors affecting the retailer performance in this industry has to be analyzed, evaluated, synthesized and empirically tested. To follow up the statement, this study was conducted on 344 springbed retailers in Jakarta, Bogor, Depok, Tangerang, Bekasi as the sample. After the validity and reliability test, the collected data was analyzed using multiple regression analysis.

Results of the study revealed that the relational rent do not have an effect on springbed retailer performance, but relational governance and relational embeddedness has asignificant effect on the springbed retailer performance. Not all business relationships need a high level of relational rent. In a weak-tied relationship, relational rent does not affect performance. The relationships between springbed producers and retailers are weak so much so that relationships with other parties are needed to gain innovative stimuli from different sources. An over-intensive relationship may reduce the ability to respond to economic and social changes, limit the focus of marketing on a small target and risk of losing contact with a new group of emerging customer. This study shows the importance of retailer’s relational governance and relational embeddedness on retailer’s performance.

Keyword: relational governance, relational rent, relational embeddedness, performance.