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B2B Channel Partner Programs:**Disentangling Indebtedness from Gratitude**

Paper accepted for Journal of Retailing

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Many suppliers invest heavily in channel partner programs that incentivize selling and learning. The authors conduct a multi-wave field study to investigate the roles of indebtedness and gratitude in transforming these investments into returns. The results show that indebtedness has negative effects on commitment to the supplier, as well as the reseller's sales effort. Gratitude however attenuates the effects of indebtedness on sales effort and commitment, and thus offers a buffer against indebtedness' negative effects. Indebtedness and gratitude thus play key roles in channel partner programs. In addition, the results highlight the importance of perceived motives as they differentially predict these two states. Benevolent motives are found to increase gratitude, though ulterior motives do not detract from it. Ulterior motives do however increase indebtedness. Finally, the results also reveal how entitlement negatively impacts channel partner programs: It decreases the positive effect of perceived program value on partner gratitude while increasing the effect of ulterior motives on indebtedness. This study thus assesses the simultaneous yet contrasting role of gratitude and indebtedness, as well as the complexity

associated with realizing the full benefits of channel partner programs. The findings have implications for suppliers, marketers, and further research.

Key Words: Indebtedness, Gratitude, Motives, Entitlement, Relationship Marketing

For supplier firms that use vertical networks to create superior value (Lusch et al. 2007), managing indirect sales channel relationships is critical (Bairstow and Young 2012; De Ruyter et al. 2001). In the IT sector, channel partners produced 67% of sales of the largest manufacturers in 2007 (Lamkin 2013). For example, worldwide channel partners of SAP account for US\$220 billion in revenue (Whiting 2013). These partnerships are immensely important to manufacturers and they actively invest in programs to incentivize their partners' selling and learning efforts (TSL Marketing 2013). Firms like Oracle and Microsoft offer learning modules on a variety of topics to their partners and incentivize them through reward points or discounts.

Yet, market surveys report that only 33% of senior sales and marketing executives are satisfied with these programs (Fiorletta 2011; SAS & Loyalty 360 2012). It appears that even when the partners indicate appreciation for the programs (Bateman 2009), they remain suspicious of their true intentions and sense an obligation to repay in some way (Incentivecentral.org 2008). As one practitioner notes: "You must have a compelling answer to the question "What can we do for them?" – Not just selfish interest in what they can do for you" (Andrews 2013, p. 1).

Moreover, the programs target a mixed audience of heterogeneous resellers, including high performing, self-confident salespeople (Davis 2012), who express widely varying expectations of their suppliers. For this reason, "channel chiefs routinely struggle with the number of partners in their programs that are living off the channel equivalent of entitlement programs" (Vizard 2012, p. 1). To learn the best ways to invest in channel partner programs, we need a more detailed understanding of how business partners perceive and evaluate them.

Recent marketing theory highlights the relational construct of *gratitude*, or the "emotional appreciation for benefits received" (Palmatier et al. 2009, p. 1), as a means by which

relationship investments transform into returns. Yet, indebtedness, which is also a basic feature of social exchanges (Greenberg 1980), remains largely neglected. *Indebtedness* is defined as “a state of obligation to repay another” (Greenberg 1980, p. 4) and is generally perceived as unpleasant (Watkins et al. 2006), accompanied by negative emotions, and related to avoidance goals (Greenberg 1980). Gratitude and indebtedness can potentially occur in conjunction (Naito et al. 2005; Watkins et al. 2006), yet we lack an in-depth understanding of their interplay or a clear differentiation between these two distinct constructs (e.g., Komter 2004). Ambiguity also exists with regard to the determinants of both gratitude and indebtedness.

Another potentially important characteristic of heterogeneous partners pertains to the extent to which they exhibit a pervasive sense of being entitled to more than others and expect suppliers to offer consistent benefits (Campbell et al. 2004; Wetzel et al. 2013). Feelings of entitlement and inflated expectations likely influence partners’ responses to supplier programs, such as by causing them to feel less appreciative, which reduces the program’s benefits for the supplier. We also do not know how entitlement affects indebtedness or gratitude. With this study, we seek to examine how these emotional states and facets can help explain channel partner program success.

In turn, this study makes three main contributions. First, we propose that indebtedness is a central element of channel partner programs. We also investigate the unique and joint impacts of indebtedness and gratitude as distinct emotional states that relate to the receipt of a benefit. We need to distinguish between them (Schaumberg and Flynn 2009; Watkins et al. 2006) while also considering and explicating their possible simultaneous occurrence (cf. Morales 2005). In channel partner contexts, gratitude affects relational outcomes, such as commitment and trust, as well as sales performance and effort (e.g., Palmatier et al. 2009). We extend existing literature by

integrating feelings of appreciation and obligation into a wider nomological framework, then explicitly assessing the interplay of gratitude and indebtedness. Previous literature implies that positive emotions can *undo* the damage created by negative emotions (Fredrickson et al. 2000), which in turn suggests a novel perspective on gratitude, in that it may mitigate the negative impact of indebtedness.

Second, we examine conditions that favor the dominance of either gratitude or indebtedness. Scant empirical evidence describes situational or personal characteristics that might predominantly produce one or the other (Schaumberg and Flynn 2009), though Morales (2005) establishes the role of personal favors in eliciting indebtedness as well as gratitude, in contrast with general reciprocity, which only leads to gratitude. Palmatier et al. (2009) also highlight the role of perceived motives in enhancing gratitude. We affirm the influence of perceived motives on gratitude and investigate their role in driving indebtedness. We also propose a more nuanced view of the multiple motives at play simultaneously in channel relationships. Specifically, we treat benevolent and self-serving motives as orthogonal and assess their simultaneous, differential effects on gratitude and indebtedness.

Third, we detail a source of heterogeneity in this context. Building on recent relationship marketing research (Wetzel et al. 2013), we investigate the role of entitlement in channel partner programs, which may influence how partners respond to the program, namely, by mitigating the positive effects of program value on partner gratitude. Because entitlement likely alters partners' perceptions and expectations, we investigate the combined effect of entitlement and perceived ulterior motives on indebtedness, such that we consider how entitlement moderates the effects of various drivers of gratitude and indebtedness.

In the next section, we review literature on gratitude and indebtedness as well as their conceptual connections and distinctions between them. After we introduce our conceptual framework and the hypotheses, we describe our multi-wave longitudinal study, with a worldwide sample of business channel partners, supplemented with objective performance data. We present the results and discuss the main findings from both theoretical and managerial perspectives. Finally, we note some limitations and opportunities for further research.

Conceptual Background

Because gratitude and indebtedness are two conceptually distinct states, resulting from the receipt of a benefit, they are particularly relevant for understanding channel partner programs, for which the benefits of knowledge and rewards are foundations. Gratitude has received increased research attention recently, though it remains understudied (Palmatier et al. 2009), and literature in both psychology and marketing often fails to differentiate between gratitude and indebtedness (Haisley and Loewenstein 2011; Watkins et al. 2006).

Gratitude and Indebtedness

Gratitude has been conceptualized as a moral virtue, an attitude, a trait, or a coping response (Emmons et al. 2003; Lambert et al. 2009), as well as a state of thankfulness (e.g., Steindl-Rast 2004) or appreciation (e.g., Adler and Fagley 2005). Substantial research treats gratitude as a response to an interpersonal benefit transfer (Lambert et al. 2009), such as when Emmons (2004) conceptualizes it as a feeling of thankful appreciation for favors received. Gratitude as a form of emotional appreciation is universal, evident in all cultures and encouraged by all major religions (Emmons and Crumpler 2000), which is important for international channel partner programs. McCullough et al. (2002, p. 112) suggest that gratitude also has a dispositional dimension, prompting “a generalized tendency to recognize and respond with

grateful emotion to the roles of other people's benevolence in the positive experiences and outcomes that one obtains." The value of a benefit determines the extent to which people feel gratitude (Lane and Anderson 1976). Grateful people then tend to behave more generously toward benefactors (Tsang 2006); in a marketing context, this tendency should imply improved results (Raggio et al. 2013) and stronger social relationships (Bono and McCullough 2006; McCullough et al. 2008). Thus, gratitude represents a key mechanism by which firms' relationship investments translate into results, with a broad range of positive outcomes in terms of both performance and relationship enhancements (Fredrickson 2001; Palmatier et al. 2009). However, we know little about its potential role in structured relationship marketing efforts, such as a channel partner programs (Palmatier et al. 2009).

The fact that gratitude is of relevance in channel partner programs, however, is illustrated by this quote of a channel partner:

"The first impactful reward program I ever participated in was the Kodak Rewards Program... I mean it actually made me focus on selling Kodak and caused me to actively recommend Kodak over similar or equal products. As a result I earned many Kodak Points that I could spend on a few hundred different merchandise items. I ordered a few items including an iPod, Canon Camera, and even a TV. But the one that probably left the most lasting impression was a toothbrush... The OB Electric Toothbrush changed everything. I remember the enjoyment of brushing my teeth, of looking in the mirror and thinking, Thank You, Kodak. Thank You, Kodak..." (Movethechannel.com 2015, p.1)

Indebtedness also is a basic feature of social exchanges, defined as "a state of obligation to repay another" (Greenberg 1980, p. 4). Indebtedness stems from the norm of reciprocity, which states that "(1) people should help those who have helped them, and (2) people should not injure those who have helped them" (Gouldner 1960, p. 171). In contrast with gratitude, it is an unpleasant state (Watkins et al. 2006), accompanied by negative emotions (Greenberg 1980), such that it is aversive (Greenberg and Shapiro 1971). In particular, it constitutes a violation of

the sense of “ought” while repayment has not yet been made (Heider 1958), which may invoke feelings of guilt (Greenberg and Shapiro 1971).

Indebtedness also could be perceived as a threat to the recipient’s status or power (Blau 1968; Homans 1961). In marketing and consumer research, indebtedness mostly appears in studies of gift giving or receiving (Babin et al. 2007; Larsen and Watson 2001), because receiving gifts can lead the recipient to feel indebted and perceive a need to reciprocate, which can further produce embarrassment or a sense of dependence (Belk and Coon 1993; Joy 2001). In psychology research, indebtedness goes hand-in-hand with perceived inequity and restrained freedom (Marcoux 2009), which may invoke reactance. The amount of felt indebtedness increases with the value of the benefit, and actions to repay generally follow an exchange norm, such that they should not exceed the value of the original benefit—a situation distinct from that provoked by gratitude (Watkins et al. 2006; Wilke and Lanzetta 1982). Finally, empirical research suggests that feelings of indebtedness can harm relationships, because they lead the recipient to try to avoid the benefactor (McCullough et al. 2008).

Despite their potential simultaneous occurrence, extant literature offers sparse insight into the relationship between gratitude and indebtedness and their interplay. In one exception, Watkins et al. (2006) show, across two studies, that gratitude and indebtedness correlate positively but also are clearly dissociated.

Antecedents of Gratitude and Indebtedness

Previous literature offers little insight into common or distinct antecedents of gratitude and indebtedness (Schaumberg and Flynn 2009), despite the evident value of such insights. For example, a costly favor should lead to stronger feelings of gratitude and indebtedness than a less costly one (Greenberg 1980; Lane and Anderson 1976; Tesser et al. 1968); gratitude and

indebtedness both may arise if one person benefits from someone else's effort. In the context of channel partner programs, this would mean that more valuable programs would generate more gratitude or indebtedness. While different conceptualizations exist in the marketing literature (see e.g., Lapierre 2000; Sweeney 2001), most research defines perceived value as an assessment of the utility of a product or service, based on perceptions of benefits versus costs (Dodds et al. 1991). Other researchers (e.g., Hunt and Morgan 1995; Hamel and Prahalad 1994) view value as determined more by the benefits; therefore we conceptualize program value as an overall assessment of the perceived benefits of the channel partner program.

For gratitude to result, the recipient must also believe that the benefactor has provided the benefit with good intentions (McAdams and Bauer 2004); that is, to feel grateful, the recipient must recognize that a benefit was given intentionally and attribute positive intentions to the giver (Gouldner 1960). Several experimental studies indicate that a benefactor's intentionality strongly elicits gratitude (Tsang 2006, 2007), such that participants experience stronger gratitude toward benefactors who help them out of benevolent rather than ulterior motives.

Basing on earlier literature (Bendapudi et al. 1996; Martin 1994, Rifon 2004), we thereby conceptualize ulterior motives as perception of the supplier's motives as being ultimately concerned with increasing the supplier's own welfare. Benevolent motives, in contrast, have the perceived goal of enhancing the welfare of the person who receives the benefit (Bendapudi et al. 1996; Martin 1994). Yet research that operationalizes benevolent and ulterior motives as opposite ends of a spectrum may not reflect reality, because suppliers often try to achieve multiple goals simultaneously when investing in partner programs. In addition, a benefit recipient likely feels indebted if he or she perceives that the benefactor is more concerned with the recipient's benefit than his or her own welfare. Greenberg and Frisch (1972) show that

receiving deliberate, as opposed to accidental, help causes more intense feelings of indebtedness and obligation.

Entitlement

Entitlement is “an expectation that one should or ought to receive something” (Xia et al. 2010, p. 3), based on existing norms, such that a person’s claim of entitlement rests on the presence of some attribute in a social context (Feather 2003). Gouldner’s (1960) formulation of the norm of reciprocity offers a “good example of a generally applicable standard of entitlement” (Lerner 1987, p. 108), because reciprocity, as an element of a social structure, can give rise to entitlement if granting someone else a benefit leads the provider to demand repayment of a similar favor. Psychological entitlement is the “stable and pervasive sense that one deserves more and is entitled to more than others” (Campbell et al. 2004, p. 31), and it could determine the amount of gratitude and indebtedness a person feels. Psychological entitlement is a component of narcissism, which suggests a personal baseline level of entitlement.

A sense of entitlement also might reflect situational factors, however (Haisley and Loewenstein 2011). Most empirical research on entitlement stems from narcissism literature in social psychology (Campbell et al. 2004). Entitled people typically expect a reward in accordance with a social contract, rather than directly in exchange for their own efforts or character (Campbell et al. 2004). Campbell et al. (2004) also show that entitlement is stable across time, and it occurs across cultures (Butori 2010), so it seems particularly relevant for international channel partner programs.

Hypotheses

Simultaneous Effects of Gratitude and Indebtedness

Gratitude represents a positive feeling (Lazarus and Lazarus 1994) or pleasant state that has social effects, in that it helps secure supportive social relationships (Bono and McCullough 2006) and prompts prosocial responses (Naito et al. 2005). That is, gratitude helps maintain close relationships and solidify new ones (McCullough et al. 2008), often through reappraisals of the benefactor's positive qualities (Algoe et al. 2008; Young 2006). Because feelings affect judgments, people decide whether to trust someone by interpreting their feelings (Jones and George 1998).

In line with previous work (Palmatier et al. 2009), we expect that gratitude will increase a channel partner's commitment to the supplier. Gratitude can further invoke broad, creative thoughts and actions and lead to a broad range of positive outcomes (Fredrickson 2001, 2004). When people feel grateful, they behave more generously toward their benefactors (Tsang 2006) and are more willing to explore various actions to repay them (Bartlett and DeSteno 2006; Fredrickson 2001). In many situations, they even go beyond repayment of a perceived debt (Tsang 2006), such that gratitude could help ensure the payoff of firms' investments in partner relationships. Feelings of gratitude lead consumers to alter their purchase behaviors (Dahl et al. 2003; Morales 2005) and business customers to increase their share of wallet and sales. We therefore expect gratitude to have a positive impact on the effort the retailer salesperson expends when selling and promoting the manufacturer's products and services.

Social exchange literature also highlights the role of indebtedness, though many researchers conceptually and empirically equate gratitude with indebtedness (e.g., Komter 2004). We instead regard them as distinct and anticipate that they yield different action tendencies (Frijda 1986). Indebtedness may be perceived as a threat to the recipient's status (Homans 1961) or power (Blau 1968) or reduce his or her perceived freedom (Brehm and Cole 1966). This

unpleasant state (Watkins et al. 2006) likely invokes mixed emotions (Greenberg 1980).

Indebtedness also relates more to avoidance than approach goals (Greenberg 1980), such as desires to avoid the benefactor (Watkins et al. 2006).

The indebted channel partner may thus seek to avoid the supplier that provided the program benefits. Because feeling indebted is aversive, people are motivated to reduce the feeling when it occurs, whether by repaying or by reinterpreting the situation (Greenberg 1980). Illustrating this, one participant in a recent qualitative study mentioned: “indebtedness is when you receive something but you think you need to compensate. And I don’t like being in that position” (p. 12, Schmit 2012). If repayment gets induced, it is likely to follow a direct exchange norm. This means that the amount repaid will at most be equal to the benefit received (Watkins et al. 2006).

In some situations however, it may not be obvious how to repay the benefactor. While some channel partners consider selling more of the supplier’s products as a form of repayment for training and incentives, others may look for more direct ways of repayment and fail to contrive viable options. Even when repayment does occur, this aversive feeling might lead to a reduced repayment as negative emotions narrow individuals’ thought-action repertoires by calling forth specific action tendencies and thus narrowing attention (Fredrickson et al. 2003; Fredrickson and Branigan 2005). In addition, feeling indebted after receiving a benefit may be closely related with feelings of subjugation or oppression due to expectations in the relationship (Marcoux 2009). Individuals feeling the pressure of having to repay a benefit might lead to the individual disliking the benefactor (Gergen, Ellsworth, Maslach, & Seipel, 1975). In this case, partners should not be expected to expend their full effort promoting the manufacturer’s products

and services. In turn, firms that provide benefits to channel partners might not achieve the payoffs they expect.

Despite the apparent contrast between indebtedness and gratitude, one of the few studies that examine these constructs simultaneously indicates that both can occur simultaneously within a person (Watkins et al. 2006). A channel partner, for example, may feel grateful for provided training when the training increased her knowledge on a particular technical innovation featured in this and other suppliers' recent products. At the same time she may feel slightly obligated to promote the focal supplier's products over others' because of their investment in her education. This may result in mixed feelings about the training and the supplier.

In situations in which positive and negative emotions occur simultaneously, the broaden-and-build theory of emotions predicts that the adverse effects of negative emotions get counterbalanced or even undone by positive emotions (Fredrickson 2001, 2004). Specifically, positive and negative emotions have distinct, complementary functions and physiological effects (Tugade and Fredrickson 2007), and positive emotions in particular seem able to physiologically down-regulate negative emotions or responses (Fredrickson and Levenson 1998; Tugade and Fredrickson 2007) by enlarging the cognitive context (Isen 1987), which increases dopamine in the brain (Ashby and Isen 1999). Thus positive emotions do not necessarily undo negative emotions; rather, they undo their effects on a broad array of outcomes (Tugade and Fredrickson 2004). The channel partner in our example may thus be more likely to feel and act positively, as gratitude dampens the effects of feelings of obligation and indebtedness. We thus predict that the negative effects of indebtedness on relational and performance outcomes get buffered by higher levels of gratitude.

H1. Gratitude attenuates the negative impacts of indebtedness on (a) sales effort, and (b) commitment.

Antecedents of Gratitude and Indebtedness

Feeling grateful includes “the benefit, the beneficiary, and the benefactor” (Lambert et al. 2009, p. 1194) and occurs when the benefit provided is costly, intentional, voluntary, and of value to the beneficiary (McCullough et al. 2008; Schaumberg and Flynn 2009). For example, a costly favor elicits stronger feelings of gratitude than a less costly one in experimental studies (Lane and Anderson 1976; Tesser et al. 1968). Building on sociology research, Palmatier et al. (2009) show that relationship investments lead to more gratitude in business-to-business settings. A positive assessment of the value of a channel partner program thus should lead to gratitude among participating salespeople; the more valuable they perceive the program to be, the higher their gratitude.

Similarly, when indebtedness is evoked, it should be greater when the benefit is of higher value to the recipient (Greenberg 1980); the costs to the benefactor and benefits for the recipient increase reported levels of indebtedness (e.g., Greenberg and Shapiro 1971; Wilke and Lanzetta 1982). Although Tsang (2007) rejects this notion empirically in a laboratory study, we expect that favor value increases indebtedness, such that if the channel partner perceives the relationship program to be useful and of value, indebtedness should increase.

H2. Higher program value increases (a) partner gratitude and (b) partner indebtedness

Another critical determinant of gratitude is whether the benefit has been provided with good intentions (McAdams and Bauer 2004). If an action is not intentional, it might not generate gratitude (Bonnie and de Waal 2004). In addition, the recipient must attribute good intentions to the benefactor (Gouldner 1960). In a buyer–seller relationship, actors infer their exchange partners’ motives and intentions, including whether they are likely to be beneficial (Ganesan

1994). These inferences then define their perceptions of marketers' actions, which may have positive or negative consequences (Campbell and Kirmani 2000).

A partner with benevolent motives subordinates its immediate self-interest for the long-term benefit of both parties (Geyskens et al. 1998), unlike those focused on their own welfare. General perceptions of the supplier's benevolence likely vary among participants in the program, according to their prior experiences with the supplier or their assessments of the supplier's prior transaction-specific investments (Ganesan 1994). The recognition that the supplier provides the partner program intentionally should generate more positive attributions regarding its motives, engage the partner's emotional systems, and increase feelings of gratitude (Palmatier et al. 2009; Schaumberg and Flynn 2009).

Based on literature on interpersonal relationships (Heider 1958), indebtedness literature suggests that the motives behind benefit provision also play an important role in indebtedness. Greenberg (1980) argues that people are socialized to recognize and respond to altruistic or benevolent acts as reinforcing the benefactor's altruism leads to more stable and predictable outcomes for the individual over time. From a societal or group perspective, when partners are socialized to recognize altruism, they are obligated to reciprocate when a benefit is received. Hence, benevolent motives should lead to higher levels of indebtedness.

H3. Perceived benevolent motives lead to (a) higher gratitude and (b) higher indebtedness.

We have little evidence to predict when gratitude or indebtedness is more likely (Schaumberg and Flynn 2009). Watkins et al. (2006) show that following a favor, greater expectations of returns reduce feelings of gratitude and increase feelings of indebtedness. Accordingly, we propose that if partners perceive ulterior motives for the channel partner program, such as the supplier's own profit, they experience indebtedness rather than gratitude.

The suspicion of ulterior motives makes the exchange relationship more salient and prompts specific relationship norms and expectations, including a tit-for-tat mentality (Clark and Mills 1979). Because they perceive an implied expectation to repay the supplier in some form for the benefit (i.e., partner program), salespeople may sense obligation and feel indebted (Watkins et al. 2006).

H4. Perceived ulterior motives lead to higher indebtedness.

The Moderating Role of Entitlement

Entitlement, or the expectation of receiving something, is not necessarily based on equitable exchanges (Campbell et al. 2004; Singer 1981; Xia et al. 2010). More entitled people are less likely to give and more likely to accept gifts (Harvey and Martinko 2009). When they receive benefits, they tend to construe it as a reward rather than benevolence (Campbell et al. 2004), so they experience less gratitude. Furthermore, entitled partners expect suppliers to go out of their way continuously to help and benefit them. Even if she or he regards it as valuable, an entitled partner therefore feels less grateful for a program than does a less entitled person.

As we argue, ulterior motives are expected to give salience to the exchange nature of the relationship and related relationship norms, priming a tit-for-tat mentality and an implied expectation to repay the supplier (Clark and Mills 1979; Watkins et al. 2006). In a situation in which exchange norms are triggered by ulterior motives, this should be even more impactful for entitled partners as they tend to be more suspicious of others' motives (Emmons 1984), expect exchange processes to be exploitative (Boyd and Helms 2005), and are more selfish than prosocial (van Dijk and De Cremer 2006). These expectations lead to a biased perception of relational exchanges. Consequently, a channel partner high in entitlement – when compared to a partner low in entitlement – may feel an even stronger obligation to repay benefits which are

perceived to be motivated by supplier self-interest. We thus expect entitlement to increase the effect of ulterior motives on indebtedness.

H5. Entitlement (a) attenuates the positive impact of perceived program value on gratitude and (b) increases the positive effect of ulterior motives on indebtedness.

Shown in Figure 1, our conceptual model builds on prior relationship marketing research that investigates commitment and gratitude as foundations for closer, more profitable relationships (Morgan and Hunt 1994; Palmatier et al. 2006, 2009). We add a consideration of indebtedness, which relates to but is distinct from gratitude, and their interplay. We also integrate the important moderating role of entitlement.

--- Figure 1 about here ---

Research Setting

To test our hypotheses, we conducted an international field study in cooperation with a market-leading, global, *Fortune* 100 computer technology service and solutions provider. We collected a database of multi-wave survey and secondary data from salespeople who participated in the firm's channel partner program; 2,664 reseller salespeople were randomly selected from the database of active program participants, invited by e-mail to participate, and promised bonus points in the channel partner program as incentives to encourage their participation. We then collected the data for this study in three international survey waves during one program year (the measures, scale sources, and item loadings are in Appendix 1).

The channel partner program launches each year, with new content and communications. The first survey wave was sent out shortly after re-launch, the second wave three months later and the third and final wave was sent approximately seven months after the second. While the main measures in our study are derived from waves one and three, we also measured our

dependent variables in wave two in order to include lagged terms for the dependent variables in our analysis.

Sample

The final sample consisted of 284 reseller salespeople who completed the full questionnaires for all waves, for a total response rate of 10.6%. The salespeople responded to scales that measured their satisfaction with the program and its offered rewards, their perceptions of the supplier's motives for providing the partner program, and their feelings of gratitude and indebtedness. They also indicated their sense of entitlement and the amount of effort they put into the learning modules. Finally, the respondents completed scales measuring their commitment to the supplier and their own perceived sales effort relative to other sellers in the organization.

In addition to the online survey, we obtained sales data from company records for some of the respondents, namely, those who exploited the option of logging their sales in the program to gain additional rewards. We received data about the logged sales of 51 resellers during the six months prior to and after the final survey wave.

Validity and Reliability

We evaluated the psychometric properties of the constructs in our field study using SmartPLS version 3.0 (Ringle et al. 2015). The indicator items' loadings on the latent variables were greater than .6, indicating good indicator reliability. The composite reliability scores above .8 exceeded the recommended minimum levels, in support of good internal consistency (Nunnally and Bernstein 1994). In support of convergent validity, the average variances extracted (AVE) of the constructs were greater than .5 (Hair et al. 2011; Hair et al. 2014); the

minimum AVE was .61. As the correlations in Table 1 reveal, several constructs correlate significantly.

--- Table 1 about here ---

To assess the discriminant validity of the measurement model, we employed Fornell and Larcker's (1981) criterion; each latent construct shared more variance with its assigned indicators than with any other latent variable in the structural model. Finally, as a test of common method bias, we produced a Schmid-Leiman solution (Podsakoff et al. 2003; Schmid and Leiman 1957; Wolff and Preising 2005) in R using the psych package (Revelle 2015). The general factor accounted for 32% of the variance on average, indicating no issues.

Results

Main Analyses

Because our measurement scales proved reliable, with high levels of validity, we used a partial least squares (PLS) model to test our hypotheses, with SmartPLS v3.0 (Ringle et al. 2015) for both the measurement and the structural model (Hair et al. 2012). We chose PLS path modeling for its suitability in estimating complex models (Chin 1998), its superior performance compared with regression analysis or covariance-based methods when testing moderating hypotheses, and its superior predictive performance (Chin et al. 2003). We used bootstrapping with 1000 resamples to obtain the standard errors for the estimates, which allowed us to test the statistical significance of the parameter estimates (t-values). Interaction effects were estimated using a two-stage interaction model (Goodhue et al. 2007), which is the default approach in SmartPLS v3.0 (Ringle et al. 2015). It employs latent variable scores of the latent predictor and latent moderator variable from the main effects model without the interaction term. These latent

variable scores are consequently saved and used to calculate the product indicator for the second stage analysis, which adds the interaction term to the first stage model (Ringle et al. 2015).

We investigated the R-square values for the endogenous variables to assess model quality (Cohen 1988), which was acceptable. To assess potential multicollinearity, we calculated the variance inflation factor (VIF). This highest VIF statistic observed across our analyses was 2.61, suggesting no multicollinearity issues (Hair et al. 2011). In addition, we calculated the Q-square statistic for all endogenous variables to assess the predictive validity of the independent variables and mediators (Hair et al. 2012). The cross-validated redundancy measures (Q^2) were at least equal to .24, indicating the predictive relevance of the variables. In line with Tenenhaus et al. (2005), we calculated a global goodness-of-fit (GoF) criterion for our model, using the geometric mean of the average communality and average R-square, yielding a GoF index of .62. Thus, our model performed well (Wetzels et al. 2009).

--- Tables 2 and 3 about here ---

The results of our main analyses can be seen in Tables 2 and 3. Because the two-stage approach to interaction analysis we employ is based on latent variable scores, which can be considered a continuous variable with arbitrary values, we also employ Floodlight tests (Spiller et al. 2013) with the Johnson-Neyman point (cf. Johnson and Neyman, 1936; Preacher et al., 2006). These tests and the respective plots were produced in R using the rockchalk package on the basis of asymptotic standard errors (Johnson 2015).

We find that gratitude exerted a significant, positive, main effect on both dependent variables: sales effort ($\beta = .20$, $t = 2.31$, $p < .01$) and commitment ($\beta = .42$, $t = 6.76$, $p < .01$). Indebtedness instead had a negative effect on sales effort ($\beta = -.19$, $t = 2.30$, $p < .01$) and commitment ($\beta = -.31$, $t = 6.06$, $p < .01$). The interaction term between gratitude and

indebtedness had a significant and positive effect on sales effort ($\beta = .10$, $t = 1.93$, $p < .05$ one sided) and commitment ($\beta = .18$, $t = 5.24$, $p < .01$). Figure 2a illustrates this interaction effect, as indebtedness shows a negative effect on sales effort at lower levels of gratitude. This effect decreases for higher levels of gratitude. Figure 2b shows a similar pattern for commitment, illustrating that gratitude buffers against the negative effect of indebtedness.

--- Figures 2a and 3a about here ---

Figure 2b shows the marginal effect of indebtedness at different levels of gratitude.¹ The shaded region in this type of graph represents values of the moderator at which the effect of the independent variable will be statistically significant. In this case, the negative effect of indebtedness on sales effort becomes insignificant at values of gratitude higher than 0.56 standard deviations from the mean. Figure 3b shows a similar pattern for commitment, as the negative effect of indebtedness approaches insignificance at high levels of gratitude.² We thus found support for both, H1a and H1b.

--- Figures 2b and 3b about here ---

For the drivers of gratitude and indebtedness, we found a significant, positive impact of perceived program value on gratitude ($\beta = .46$, $t = 5.63$, $p < .01$), in support of H2a, but no significant impact on indebtedness ($\beta = -.05$, $t = .65$, n.s.), in contrast with H2b. Perceptions of benevolent motives increased both gratitude ($\beta = .33$, $t = 3.39$, $p < .01$) and indebtedness ($\beta = .41$, $t = 4.41$, $p < .01$); perceptions of ulterior motives increased indebtedness ($\beta = .12$, $t = 1.69$, $p < .05$, one-sided) but not gratitude ($\beta = .04$, $t = .63$, n.s.). Therefore H3a, H3b, and H4 received support.

¹ Variables in the analysis are standardized; for the unstandardized gratitude construct, $M_{\text{Gratitude}} = 6.07$, $\sigma_{\text{Gratitude}} = 0.82$.

² We found the same substantive results for trust as dependent variable (scale adapted from Morgan and Hunt 1994). For the sake of brevity, we focus only on the results for commitment in this manuscript.

Entitlement decreased the positive effect of program value on gratitude ($\beta = -.18$, $t = 3.46$, $p < .01$), in line with H5a, and strengthened the sense of indebtedness triggered by ulterior motives ($\beta = .08$, $t = 1.77$, $p < .05$ one sided), in support of H5b. To facilitate the interpretation of these interactions, we once again employed the R package *rockchalk* for further analyses (Johnson 2015; Spiller et al. 2013). As illustrated in Figure 4a, we find that program value has a considerable effect on gratitude when entitlement is high. At lower levels of entitlement, however, this effect becomes much less pronounced. Figure 5a shows how strongly perceived ulterior motives increase indebtedness for channel partners with high entitlement. On the other hand, ulterior motives do not seem to trigger indebtedness in partners with low entitlement.

--- Figures 4a and 5a about here ---

Figure 4b illustrates the marginal effect of program value on gratitude at different levels of entitlement.³ We observe that the effect of program value becomes insignificant at values of entitlement greater than 1.55 standard deviations from the mean. Figure 5b on the other hand, shows that the effect of ulterior motives on indebtedness becomes insignificant at levels lower than -0.22 standard deviations from the mean of entitlement. These results provide further support for H5a and H5b.

--- Figures 4b and 5b about here ---

For our dependent variables, we included several seller-level variables as controls. Sales experience significantly influenced sales effort ($\beta = .16$, $t = 2.81$, $p < .01$) and commitment ($\beta = .16$, $t = 4.07$, $p < .01$). Supplier identification had significant effects only on commitment ($\beta = .29$, $t = 4.57$, $p < .01$), which holds true also for market turbulence ($\beta = .11$, $t = 2.30$, $p < .05$). In addition, we controlled for the lagged effect of each dependent variable; it exerted a significant

³ Variables in the analysis are standardized; for the unstandardized entitlement construct, $M_{\text{Entitlement}} = 4.80$, $\sigma_{\text{Entitlement}} = 1.09$.

impact on sales effort in the final wave of our survey ($\beta = .42$, $t = 6.40$, $p < .01$), as it did on commitment ($\beta = .30$, $t = 5.87$, $p < .01$).

Robustness Test

As a robustness test, we assessed the interplay of gratitude and indebtedness in a 2×2 between-subjects experimental design, with data collected from 124 business students. In this laboratory setting, participants assigned randomly to a condition recalled and described a shopping interaction with a salesperson that made them feel grateful, indebted, or both, or they completed a control condition (Petty et al. 1993; Watkins et al. 2003, 2006; Wood et al. 2010). Participants then indicated their attitude towards the store or company on a 3-item scale adapted from Mittal (1990) as well as their gratitude and indebtedness on scales similar to those in our field study that were slightly adapted to the context. Manipulation checks confirmed the mood induction; the factor analysis indicated good psychometric properties for the constructs (Netemeyer et al. 2003).

To evaluate whether gratitude buffered the deleterious effects of indebtedness, we employed planned contrasts, while controlling for how long ago the shopping experience took place ($M = 7.98$ months). The overall interaction was not significant ($p > .1$), yet respondents in the indebtedness-only condition expressed significantly less positive attitudes toward the store ($M = 5.12$) than any other condition ($p < .05$). The difference between gratitude conditions with ($M = 5.83$) and without ($M = 5.91$) indebtedness was not significant ($p = .76$). This finding lends further support to the prediction that gratitude buffers the negative effect of indebtedness. It also confirmed our choice of measures and the treatment of gratitude and indebtedness as distinct constructs.

General Discussion

To refine currently prevailing perspectives on relational exchanges focusing on gratitude (e.g., Palmatier et al. 2009), we have introduced a related but distinct construct, indebtedness, as an important element that has the potential to diminish important relationship and performance outcomes. We assess not only its direct effects but also its interplay with gratitude. To provide a better understanding of the causes of both gratitude and indebtedness, we assess the conditions that favor grateful versus indebted responses in business-to-business channel partner programs, highlighting particularly the role of benevolent and ulterior motives. Finally, we add to recent relationship marketing research by shedding light on the influence of entitlement in relation to drivers of gratitude and indebtedness.

As our major contribution, we propose that gratitude and indebtedness are central elements of channel partner programs, with important individual and joint impacts. Emergent marketing theory highlights the centrality of gratitude in business relationships (Palmatier et al. 2009; Wetzel et al. 2013) and illustrates how it can transform investments in customers and business partners into positive firm outcomes. However, with some notable exceptions (Samaha et al. 2011; Steinhoff and Palmatier 2014), existing marketing research has focused on the positive side of relational exchanges and neglected indebtedness, thus failing to capture the intricacies of an ongoing exchange and underestimating its performance-harming aspects. In addition, recent research has consistently called for research to incorporate longitudinal research designs to disentangle the intricate effects in relationship marketing (Palmatier et al. 2007; Palmatier et al. 2013). We build on this emerging literature base and adopt a multi-wave approach to study indebtedness and gratitude.

Although indebtedness and gratitude are often used interchangeably, they are distinct (McCullough et al. 2008) and invoke different outcomes. Few studies explicitly differentiate between them; to the best of our knowledge, this article is the first to investigate the interplay of gratitude and indebtedness in relationship marketing programs.

In our field study, gratitude had significant, positive effects on the channel partner's commitment to the supplier, as well as the reseller's sales effort; indebtedness however had negative effects on these outcomes. This is in line with prior research suggesting that indebted people tend to avoid their benefactors and become less likely to help them on unrelated dimensions (Greenberg 1980; McCullough et al. 2008).

For instance, when a firm like Cisco makes their partners feel like they owed something to the company for providing training and incentives in their partner program, partners may avoid their benefactor (Cisco) and be promote other suppliers' products to their customers. As a consequence, they are and be less likely to build or maintain a good relationship with their Cisco representative. This finding also highlights that firms that expect to increase their channel partners' productivity through partner programs may fail to achieve their expected returns. To enhance their performance, supplier firms should thus aim to prevent channel partners from feeling indebted. In addition, our results show that gratitude acted as a buffer against the negative effects of indebtedness. In line with the broaden-and-build theory of emotions (Fredrickson 2001), the positive emotion of gratitude thus reduced and even undid the effects of the negative emotion of indebtedness. This means that a channel partner who feels indebted to the supplier for having benefitted from the provided training may still expend higher effort selling the suppliers' products if he also feels grateful for the benefits received.

Taken together, these results help explain some prior equivocal findings regarding the outcomes of indebtedness or obligation (e.g., De Ruyter and Wetzels 2000; Goei and Boster 2005; Watkins et al. 2006). On the basis of our results, we expect positive outcomes when both gratitude and indebtedness are invoked but negative outcomes in situations in which indebtedness predominates or cannot be buffered by gratitude. The effect of gratitude appears positive for all outcomes.

In addition to the self-reported items in our field survey, we assessed actual sales logged by some resellers over a 6-month period after the survey; the post hoc tests ($n = 51$) showed that gratitude had a positive effect on actual logged sales ($p < .05$, one-sided, 1000 bootstrap replications). Neither the main effect of indebtedness nor its interaction with gratitude reached significance in this post hoc test, however. This may at least in part be due to the small sample size for the objective data ($n = 51$), which was also the reason we were not able to replicate the whole conceptual model in this test. To investigate this issue further, we employed a median split on the gratitude and indebtedness measurements and assessed actual logged sales (standardized for confidentiality reasons) in the resulting groups. The results are shown in Figure 6 and highlight two trends. First, the high-indebtedness groups both have much lower average sales than the low-indebtedness groups. Second, in the high-indebtedness conditions, this difference seems to be dramatically reduced when gratitude is high. This provides anecdotal support for our earlier findings on the buffering effect of gratitude on indebtedness.

--- Figure 6 about here ---

On the basis of these post hoc findings, we posit that the positive effects of gratitude, as reported in prior research (e.g., Bono and McCullough 2006; McCullough et al. 2008) may have been due, at least in part, to the protection that gratitude offers against indebtedness' negative

impact, rather than purely to a positive main effect. To assess the potential effects of relational exchanges more accurately, marketing research should embrace a dual perspective and examine gratitude and indebtedness simultaneously.

As a second major contribution, we shed light on factors that favor the dominance of either gratitude or indebtedness. Our findings confirm the influence of benefit value, because higher perceived program value significantly increases channel partner gratitude. However, post hoc tests indicate that adding reward value separately does not increase explanatory power ($p > .10$). Channel partners seemingly evaluate the program holistically, rather than viewing the rewards as a separate factor. Overall then, program value is a determinant of gratitude. Motives also strongly determine channel partner gratitude, providing support for theorizing in early gratitude literature (Tesser et al. 1968). Unlike research that regards motives on a continuum, from benevolent to ulterior (e.g., Tsang 2006), we demonstrate that partner program members actually perceive motives in a more nuanced way. Benevolent motives increase gratitude, but ulterior motives do not detract from it. In a business-to-business setting, partners appear to allow for some measure of self-interest by suppliers. Further research could explore the boundaries for this effect. In combination though, the high percentage of variance explained in gratitude ($R^2 = .59$) affirms the importance of benefit value and motives in determining gratitude in channel partner programs.

Prior research on the conditions for indebtedness is more rare. In contrast with prior predictions (Greenberg 1980), we did not find that perceived program value effectively predicted indebtedness. Despite the different context, it seems relevant to note that Tsang (2007) also did not find that higher value increased self-reported gratitude in response to a favor. Therefore, further research should clarify the importance of favor value. However, in line with prior

psychology research (Greenberg and Frisch 1972), this study shows that the motives for benefit provision help determine the level of indebtedness felt by program participants. That is, the perception of benevolent motives increases indebtedness, in line with Greenberg's (1980) predictions. Yet in contrast with gratitude, ulterior motives also increase indebtedness. Perhaps these ulterior motives make the exchange nature of the relationship more salient to the partner and thus trigger different relationship norms and expectations (Clark and Mills 1979) such that resellers then perceive an implied expectation to repay the supplier (Watkins et al. 2006).

In our study, motives have a direct effect, in line with theorizing in psychology literature pertaining to obligation and indebtedness (Gouldner 1960). In addition, these findings are notable in light of Morales's (2005) assertion that indebtedness relates more to personal benefits than does gratitude, and they provide empirical support for her claim that *perceived* motives are what matter, independent of a benefactor's *actual* motives.

In a business-to-business context, perceived ulterior and benevolent motives coexist, exerting different effects. We presume that in marketing relationships, suppliers and sellers frequently have multiple, possibly competing motives. For example, a salesperson may seek to increase sales—and thus her or his commission—while also searching to find a solution that pleases the customer. Nascent literature on ambidexterity at the individual level highlights a similar apparent paradox (Jasmand et al. 2012). We recognize that some salespeople, and especially experienced ones (on average, the salespeople in our sample had 8 years of experience in the sales function), likely know that their suppliers have their own agenda but still might want the best for their partners. The correlation between ulterior and benevolent motives in our sample is .35 ($p < .01$). Thus the two constructs, though related, are independent for practical purposes.

Motives seem to play an important role in channel partner programs, which may be even more complicated than previously established.

As a third contribution, we highlight entitlement as an important source of heterogeneity with regard to the drivers of gratitude and indebtedness. In a channel partner program, entitlement decreases the positive effect of perceived program value on partner gratitude. Entitled channel partners expect to receive benefits from the supplier; even when they value them highly, they are less grateful than partners who feel less entitled. Entitlement relates to indebtedness in a different way, which further differentiates between gratitude and indebtedness. Our results show that partners with a heightened sense of entitlement are more prone to interpret suppliers' ulterior motives as a sign of an *exchange* relationship and to feel indebted. Entitlement thus indirectly and negatively affects the relational and performance outcomes of partner programs. Psychological entitlement constitutes part of a narcissistic personality; in a channel partner context, partners develop a sense of entitlement when they receive special treatment in the early stages of the relationship (Boyd and Helms 2005; Wetzel et al. 2013). Additional research should investigate ways firms might grant special attention to new partners, without increasing their entitlement. One way to facilitate and manage communication in these relationships is the use of new forms of communication, such as social media (Rapp et al. 2013). Therefore, researchers need to identify ways to combat feelings of entitlement in business-to-business relationships.

Limitations and Further Research

Although we draw our data from professional salespeople across multiple channel partner firms and geographies, our study is based on one channel partner program, operated by one supplier in the high-tech sector. The model likely would generalize to similar partner programs,

but the generalizability of our findings to other industries may be limited. Further research should aim to replicate our findings across an array of programs to establish their validity in a broader range of channel partnerships and program designs. In addition, because we employed a survey as our main method of data collection, we cannot distinguish between person-specific effects, such as dispositional tendencies to be skeptical of seller programs, from construct-specific effects, such as the effects of perceived ulterior motives. Future research should test and extend our conceptual framework using different study designs and methods of data collection, to shed light on this distinction.

Although our experimental study provided further evidence of a buffering effect of gratitude in a consumer context, applications of our complete conceptual model to consumer markets require further testing. Because our results are the first to illustrate buffering effects of gratitude in a marketing setting, further research should replicate this effect and test its robustness across different scenarios, which may reveal some boundary conditions and explain additional heterogeneity.

This research also highlights the potential negative effects of indebtedness on reseller sales effort and commitment. In our post hoc analysis of objective sales data with a smaller sample of resellers, this effect did not reach statistical significance. This could be due, at least partially, to the small sample size ($n = 51$), but an additional “gap” also might exist between the attitudinal outcomes and more objective outcomes, similar to the frequently observed gap between consumer intentions and behavior (e.g., Bagozzi and Dholakia 1999). Especially in our research context, where closing a sale can take multiple calls, we simply might not see these effects as clearly in the objective performance data. Therefore, further research should study this

issue in more detail and seek to replicate the negative effects of indebtedness in different contexts, especially using objective performance data.

Our longitudinal approach effectively addresses concerns about common method bias and responds to calls for more longitudinal research to investigate the effects of gratitude over time (Palmatier et al. 2009). Additional research should continue to clarify the developments of different member segments, such as newcomers or experienced program members, and the impacts of gratitude and indebtedness along differing relationship trajectories.

In examining the drivers of gratitude and indebtedness, we have focused on perceived program value, perceived program motives, and the influence of entitlement. Although the R-square values for gratitude and indebtedness (average = .49) were substantial, other significant drivers still could exist. Additional research might try to identify other influential program factors and consider multiple partner programs. Furthermore, in our sample, satisfaction with the rewards did not contribute additional explanatory power, but other reward-related factors, such as selection or perceived reward value, may influence gratitude and indebtedness. Another factor to research as a potential trigger of indebtedness or gratitude is benefit framing. Inferred motives help determine the occurrence of gratitude or indebtedness; further research should clarify which aspects might be influenced when program providers communicate its benefits in certain ways.

Finally, we shed light on the moderating role of entitlement; further research should continue to refine the entitlement construct and other narcissistic tendencies, investigate subtleties with regard to trait versus state entitlement (cf. Haisley and Loewenstein 2011), and uncover ways that firms might grant special attention to new partners without increasing their entitlement. Such efforts could help clarify the overall impact of entitlement in channel partner programs.

Managerial Implications

For marketers, our research provides additional evidence of the importance of gratitude; some researchers suggest a smaller role of gratitude in structured relationship programs (e.g., Palmatier et al. 2009), but our results highlight its impact, even in a formal channel partner program. With our sample of worldwide channel partner salespeople, we affirm that gratitude appears culturally neutral, with robust effects. Thus program managers can confidently invest in program features that invoke gratitude, across the globe; other investments that do not trigger gratitude to a comparable extent, or which do not contribute to gratitude additionally such as the rewards in our post-hoc analysis, may be less culturally universal and less global in their impact. Yet managers also must realize the strict reciprocity can produce negative effects, so they need to manage their channel partner programs—and possibly all partner relationships—in a way that is conducive to gratitude but unlikely to cause feelings of indebtedness.

In terms of program-related implications, our results align with evidence that suggests avoiding any communication about expected repayments (Watkins et al. 2006). Rather, managers should carefully avoid any impression that they have mainly ulterior motives for providing these programs and also avoid explicitly or implicitly asking their partners to return any favors provided. For example, communications with channel partners should include explicit statements, such as “There is absolutely no obligation,” to frame the situation appropriately and reduce any sense of indebtedness.

Because the long-term returns on high-quality programs will be low when entitlement is high, managers should work to identify their most entitled partners. In general, the most successful sellers are those who feel entitled and act like *prima donnas* (Davis 2013), and our post hoc analysis confirms that exclusive resellers feel more entitled than multivendor partners.

Therefore, managers should focus on their best, most exclusive resellers and conduct partner surveys to identify any overly inflated expectations. In dialogue with these partners, the supplier could encourage them to reflect on their behavior and share concrete expectations, while stressing the relational character of the relationship rather than focusing on bottom-line results (Davis 2013).

In addition, interactions with top performers may include recognition of their achievements, to mitigate the negative effects of entitlement by increasing the sense of deservingness (Davis 2012; Feather 2003). Finally, managers must acknowledge their own behaviors that encourage entitlement expectations. Instead of simply praising top performers for their achieved performance, program managers might periodically highlight and give feedback about partners' invested effort. Business-to-consumer relationship programs, such as loyalty programs, periodically send members updates about their point balances. In addition, a differentiation is often made between status-related tier points and earned points. Channel partner programs could adopt similar practices, with a special focus on the effort a partner has exerted in performing behaviors (e.g., training completion, sales) to achieve the earned points. This focus on effort and achievement could reduce psychological entitlement, in that it lowers the emphasis on credentials, status, and hierarchy, all of which are closely related to entitlement.

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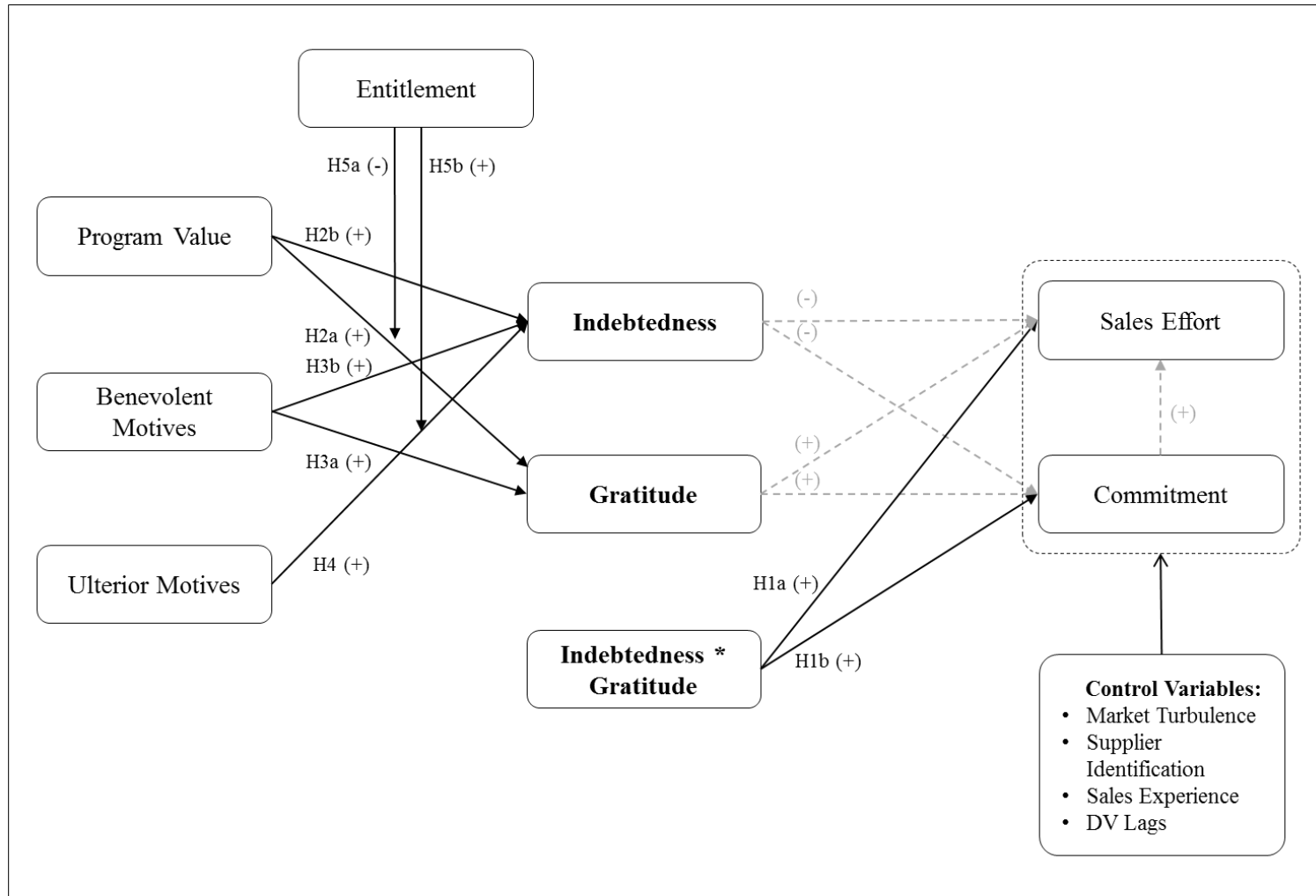
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Figure 1: Conceptual Model



NB: Dashed arrows represent non-hypothesized relationships.

Figure 2a: Effects of Indebtedness on Sales Effort at Different Levels of Gratitude

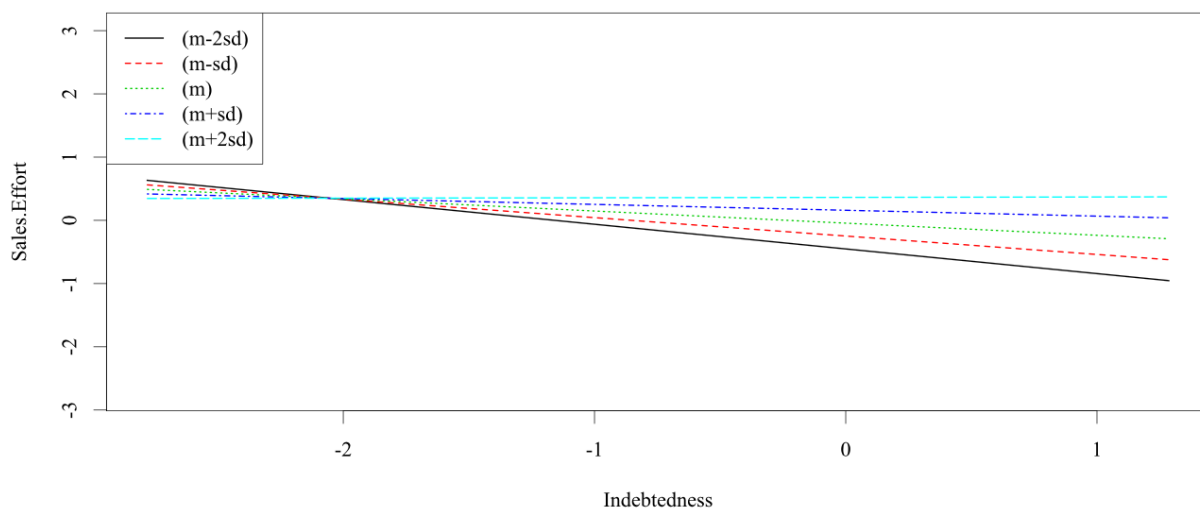


Figure 2b: Marginal Effect of Indebtedness on Sales Effort at Different Levels of Gratitude

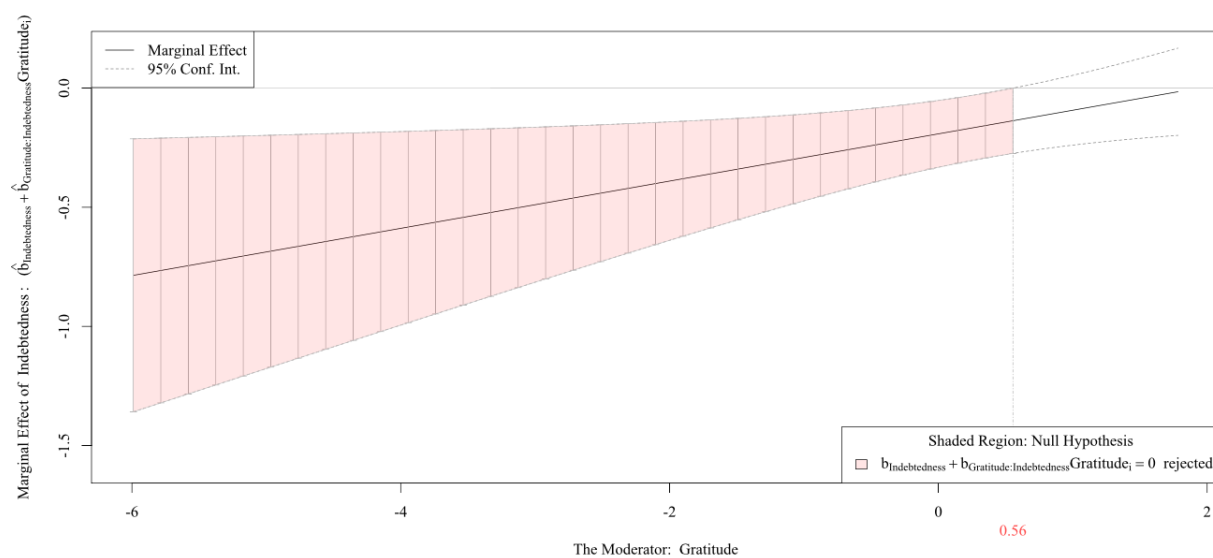


Figure 3a: Effects of Indebtedness on Commitment at Different Levels of Gratitude

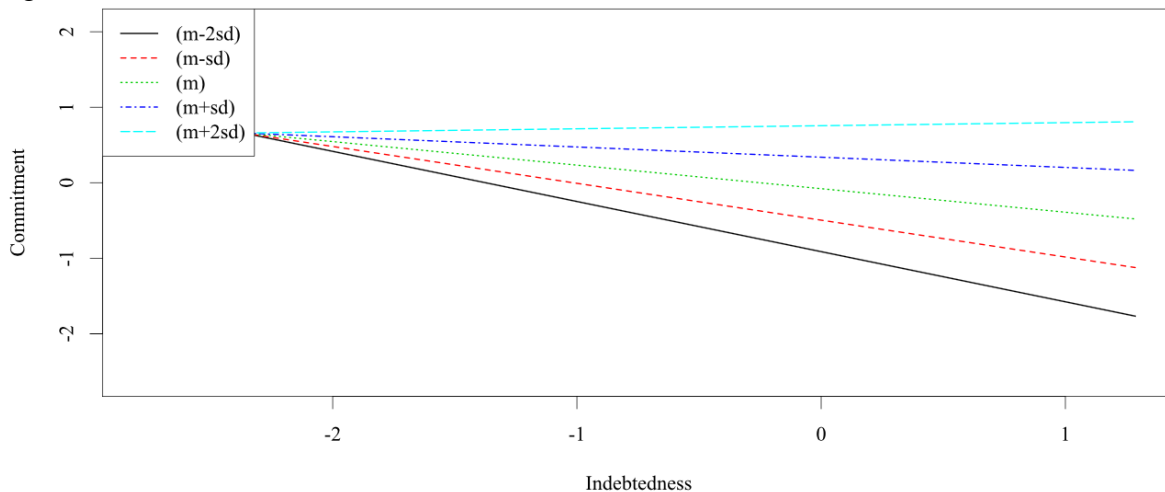


Figure 3b: Marginal Effects of Indebtedness on Commitment at Different Levels of Gratitude

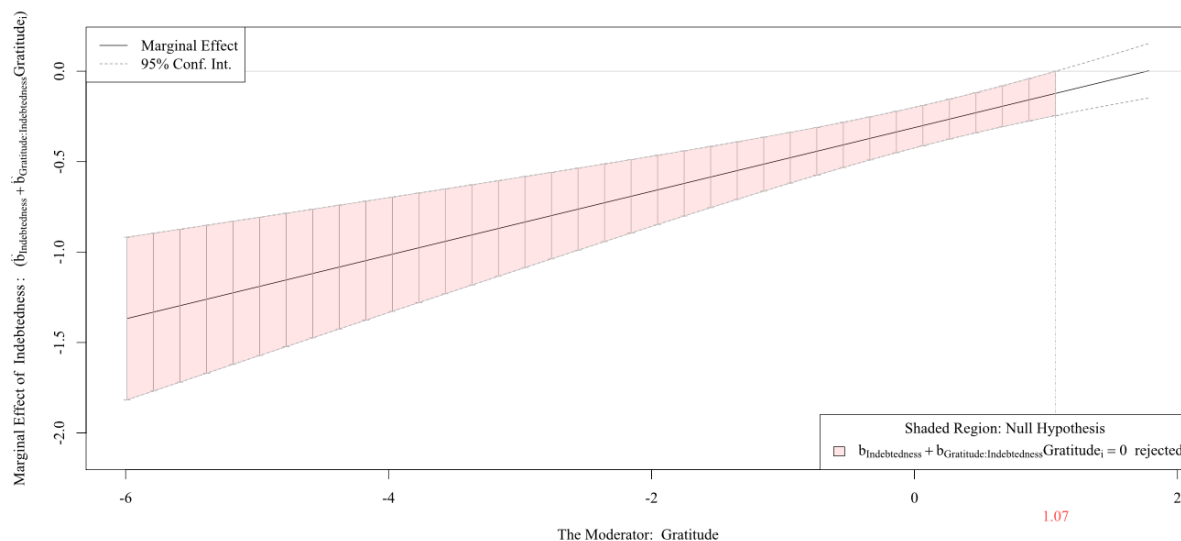


Figure 4a: Effects of Program Value on Gratitude at Different Levels of Entitlement

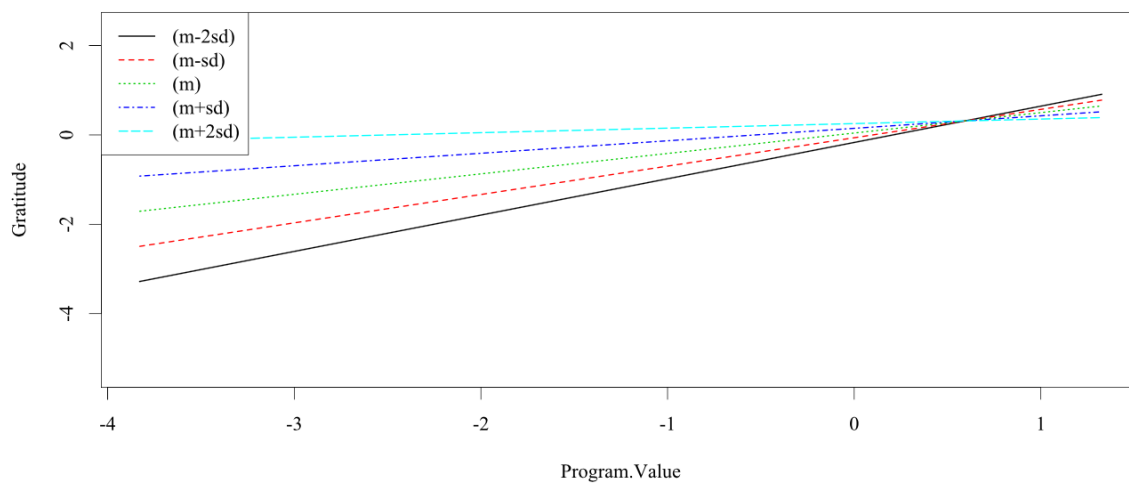


Figure 4b: Marginal Effects of Program Value on Gratitude at Different Levels of Entitlement

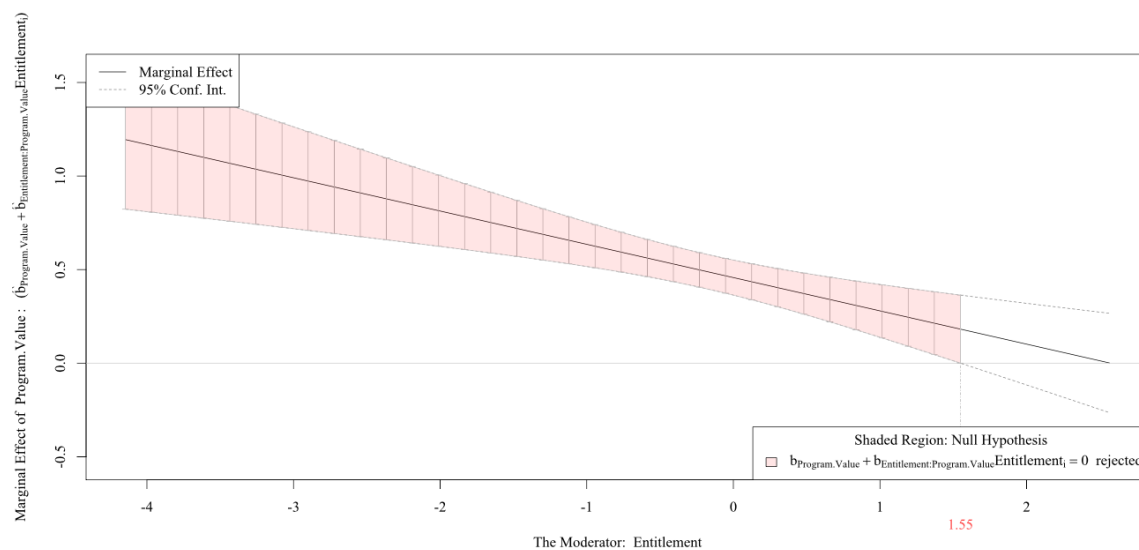


Figure 5a: Effects of Ulterior Motives on Indebtedness at Different Levels of Entitlement

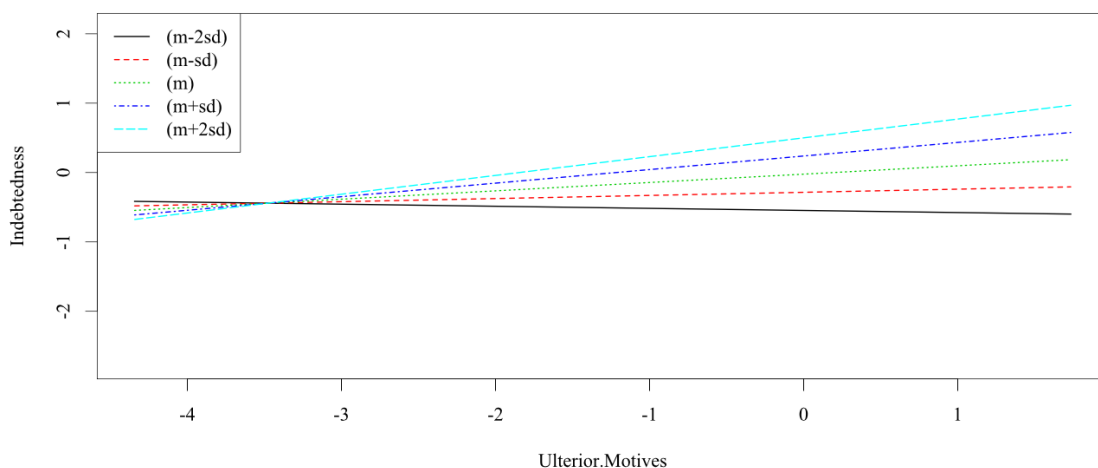


Figure 5b: Marginal Effects of Ulterior Motives on Indebtedness at Different Levels of Entitlement

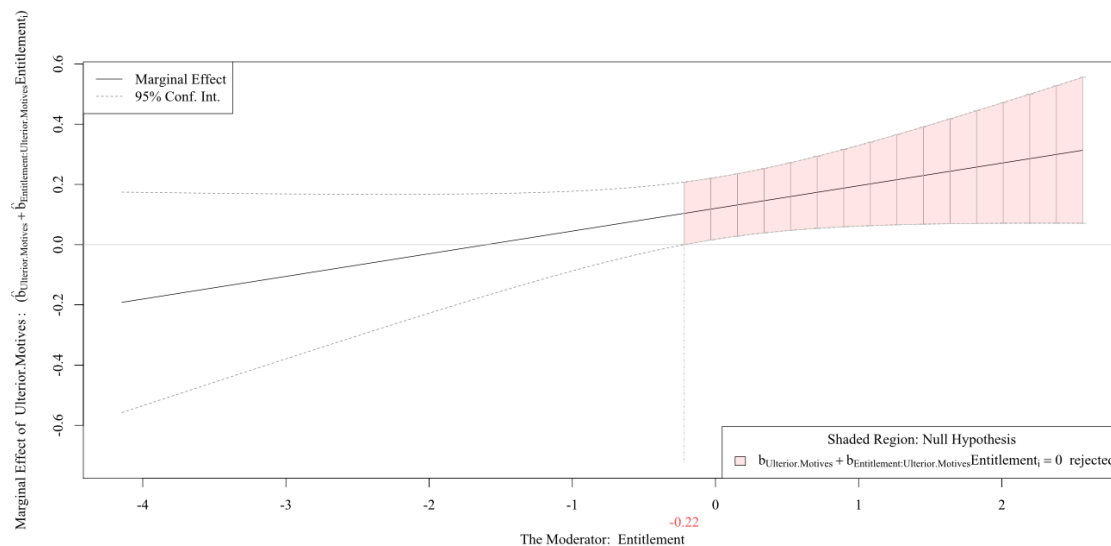


Figure 6: Post-Hoc Analysis of Gratitude and Indebtedness Effects on Actual Sales

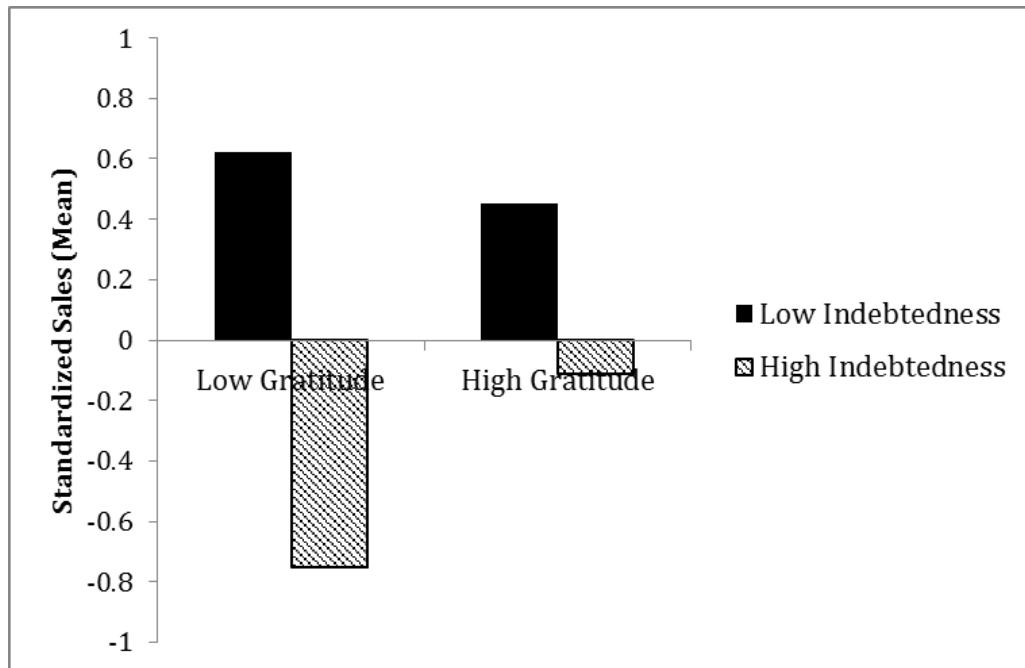


Table 1: Correlations of the Constructs in the Field Study

	Benevolent Motives	Commitment Lag	Commitment	Entitlement	Gratitude	Indebtedness	Market Turbulence	Program Value	Sales Effort	Sales Effort Lag	Sales Experience	Supplier Identification	Ulterior Motives
Benevolent Motives	1.00												
Commitment Lag	0.40	1.00											
Commitment	0.43	0.53	1.00										
Entitlement	0.38	0.24	0.35	1.00									
Gratitude	0.66	0.40	0.49	0.31	1.00								
Indebtedness	0.53	0.28	0.13	0.44	0.45	1.00							
Market Turbulence	0.53	0.34	0.37	0.33	0.39	0.39	1.00						
Program Value	0.61	0.37	0.65	0.24	0.71	0.30	0.42	1.00					
Sales Effort	0.16	0.26	0.33	0.05	0.22	-0.13	0.08	0.25	1.00				
Sales Effort Lag	0.10	0.19	-0.18	-0.16	0.02	-0.07	0.04	-0.12	0.37	1.00			
Sales Experience	-0.09	0.03	0.27	-0.34	0.03	-0.28	-0.03	0.14	0.35	0.13	1.00		
Supplier Identification	0.60	0.49	0.46	0.44	0.54	0.65	0.55	0.44	0.10	-0.04	-0.10	1.00	
Ulterior Motives	0.35	0.13	0.17	0.31	0.29	0.33	0.13	0.26	0.15	-0.10	-0.15	0.35	1.00

Table 2: Field Study Results for Sales Effort and Commitment

Constructs	Sales Effort		Commitment	
	β	t-values	β	t-values
Gratitude	0.20	2.31	0.42	6.76
Indebtedness	-0.19	2.30	-0.31	6.06
Commitment	0.27	3.49		
Gratitude * Indebtedness	0.10	1.93	0.18	5.24
Supplier Identification (control)	0.06	0.64	0.29	4.57
Market Turbulence (control)	-0.05	0.66	0.11	2.30
Sales Experience (control)	0.16	2.81	0.16	4.07
Commitment lag (control)			0.30	5.87
Sales Effort lag (control)	0.42	6.40		
R Squared		0.37		0.55

Table 3: Field Study Results for Gratitude and Indebtedness

Constructs	Gratitude		Indebtedness	
	β	t-values	β	t-values
Program Value	0.46	5.63	-0.05	0.65
Ulterior Motives	0.04	0.63	0.12	1.69
Benevolent Motives	0.33	3.39	0.41	4.41
Entitlement	0.11	1.80	0.26	4.43
Entitlement * Program Value	-0.18	3.46		
Entitlement * Ulterior Motives			0.08	1.77
R Squared		0.62		0.37

Appendix 1: Construct Measures in Field Study

Construct Measures in Field Study	
Constructs/Measures (Scale Sources)	Avg. Item Loadings
Program Value (adapted from Mimouni-Chaabane and Volle 2010, two new items added)	
My overall evaluation of the (NAME) training program is good	0.85
All in all, I am satisfied with the (NAME) training program	0.82
Knowledge gained from the (NAME) training enables me to better serve my customers (new)	0.83
Knowledge gained from the (NAME) training is useful to perform my job (new)	0.88
Ulterior Motives (adapted from Rifon et al. 2004)	
(SUPPLIER) provides the (NAME) program to persuade me to sell their products	0.80
(SUPPLIER) provides the (NAME) program because ultimately they only care about their own profits	0.84
(SUPPLIER) provides the (NAME) program mostly because they want to increase their sales	0.86
Benevolent Motives (adapted from Rifon et al. 2004)	
(SUPPLIER) provides the (NAME) program because ultimately they care about their resellers	0.92
(SUPPLIER) has a genuine concern for the welfare of their resellers	0.93
(SUPPLIER) provides the (NAME) program because they truly want to support their resellers	0.92
Entitlement (adapted from Boyd and Helms 2005, one new item added)	
I feel that (SUPPLIER)'s employees should cater to my every whim	0.80
In this modern age of technology, I should be able to ask a salesperson any question and have it answered instan	0.82
As a valuable customer, I have earned the right to deal exclusively with my supplier's most talented staff membe	0.89
I feel that (SUPPLIER) should go the extra mile for me (new)	0.89
Gratitude (Palmatier et al. 2009, based on McCollough et al. 2002)	
I feel grateful to (SUPPLIER) for providing (NAME) training	0.91
I feel thankful to (SUPPLIER) for providing (NAME) training	0.92
I feel appreciative to (SUPPLIER) for providing (NAME) training	0.91
Indebtedness (based on Tsang 2006 and Watkins et al. 2006)	
I feel indebted to (SUPPLIER) for providing (NAME) training	0.95
I feel obligated to (SUPPLIER) for providing (NAME) training	0.96
I feel I owe something to (SUPPLIER) for providing (NAME) training	0.91
Commitment (Mogran and Hunt 1994)	
My relationship with (SUPPLIER):	
...is one that I am very committed to.	0.94
...is very important to me.	0.96
...is one that I really care about.	0.92
...is worth my effort to maintain.	0.94
Sales Effort (adapted from Brown and Peterson 1994)	
Please rate how your overall effort in the sales task compares to the other salespeople in your company: (1- "Among the least in the company"; 7 - "Among the most in the company")	0.91
Please rate how your number of hours worked compares to the other salespeople in your company: (1- "Among the least in the company"; 7 - "Among the most in the company")	0.92
Please rate how your number of calls made compares to the other salespeople in your company: (1- "Among the least in the company"; 7 - "Among the most in the company")	0.84
Supplier Identification (control, Bhattacharya, Rao, and Glynn 1995)	
When someone criticizes (SUPPLIER), it feels like a personal insult.	0.77
I am very interested in what others think about (SUPPLIER).	0.88
When I talk about (SUPPLIER), I usually say 'we' rather than 'they'.	0.83
(SUPPLIER)'s successes are my successes.	0.91
Market Turbulence (control, Joshi and Sharma 2004)	
Customers' preferences for product features have changed quite a bit over time.	0.82
We are witnessing demand for our products from customers who never bought them before.	0.89
New customers tend to have product-related needs that are different from those of our existing customers.	0.62
Sales Experience (control)	
I have been working in sales for (please round to nearest full year):	N.A.

Notes: All items are measured using seven-point scales anchored by 1 = "strongly disagree" and 7 = "strongly agree" unless otherwise noted.