The Role of the Intermediary in International Business Relationships

- Theoretical framework -

by

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1. Introduction

1.1 International Business Relationships

This thesis is about international business relationships wherein the products exchanged are industrial ones. Industrial products can be of many different types: from unique, made only for one customer, to standardised. They can be purchased sporadically or frequently and require more or less investments. Webster (1979, p. 6-9) for example offers the following possible product categories: construction; heavy equipment; light equipment; components and subassemblies; raw materials; processed materials; maintenance, repair and operating supplies; and services. Thus, almost everything can be categorised as an industrial product. Therefore, it is the nature of the customer that gives the industrial character to the relationship (ibid., p. 9). The customer can use the product as equipment, i.e., something with which to produce own goods and services or as a component in own products, or as supplies needed in the production process, e.g. fuel. Referring again to Webster (ibid.) these are called industrial customers. The customer can also be an organisation, such as a hospital, which uses the product when it “produces” its services. Another type of customer is the distributor who buys the product and sells it without doing anything with it. In this study distributors will not be viewed as customers due to the fact that their character of involvement in the business relationship is different from that of those customers who use the product in the production. Furthermore, Webster (ibid., p. 16-17) points out that "...the product is not a physical entity per se. Rather the product is an array of economic, technical, and personal relationships between buyer and seller." Thus, every industrial business relationship can be described as being both unique and complex.

The complexity can be even more extreme if the business relationship is international. In international business relationships there is often one more party, some kind of intermediary, directly involved. Examples of intermediaries involved in international business relationships are the manufacturer’s sales force, distributors, agents and wholesalers (see e.g. Keegan, 1989, p. 443). The usual way to explain the existence of an intermediary is to say that the intermediary is needed to bridge over the gap between the seller and the buyer. The gap can consist of both place- and time-related factors, such as geographical distance and separation of production and consumption in time, and of technological differences between the seller and
the buyer (Aldemon, 1957, p. 211-217; Stern & El- Ansary, 1992, p. 3-9). In international business relationships especially the gap may involve psychical factors (Hallen & Wiedersheim-Paul, 1979; Hallen & Wiedersheim-Paul, 1984). Thus, the fact that at least three parties are more or less involved in the same business relationship increases the complexity.

1.2 The Business Relationship from the Intermediary’s Perspective

The intermediary may perform many different types of tasks within the business relationship. Tasks such as carrying inventory, selling, physical distribution, after-sale service and extending credit to customers (Stern & El-Ansary, 1992, p. 11). These tasks, and the intermediary’s involvement, can differ depending upon the situation. It is important to note that the specific character of an intermediary lies in the fact that its role is not necessary for the business relationship as a whole. The seller and the buyer can always choose to have direct dealings with each other, taking over some or all of the tasks of the intermediary (ibid.). It is thus possible that the intermediary does not perform any specific tasks while still existing within the business relationship.

This means that the role of the intermediary can be more or less central for the business relationship. Especially in cases where the seller and the buyer do not have direct contacts with each other the intermediary is in a position to be able to influence the character of the business relationship. The other two parties are dependent upon the intermediary’s performance. But also in cases where the seller and the buyer have direct contacts with each other the intermediary can impact the business relationship as a whole. Thus, the intermediary plays an important role in the business relationship (Cunningham & Turnbull, 1982, p. 310; Hägg & Johanson, 1982). Not only because of specific tasks performed, but also because of the positive or negative impact on the business relationship as a whole. The role of the intermediary can, then, be crucial for the existence of the business relationship.
1.3 Business Relationships Viewed as Triads

Business relationships are usually studied as if they were dyads: for example, between manufacturer and distributor (e.g. Anderson & Narus, 1984; 1990), between manufacturer and a foreign customer who uses the product for his production (e.g. Håkansson, 1982; Turnbull & Valla, 1986). The impact of the intermediary on the business relationship seen as a whole is usually not treated explicitly. Either the existence of the intermediary is ignored, i.e. it is assumed to exist inside the seller/buyer dyad and thus belong to one of the parties, usually the manufacturer/seller, or the intermediary is treated as the other party in the business relationship, i.e. as the customer. This is often the case when the relationship between a manufacturer and a distributor is studied.

In this thesis a different approach is applied. The business relationship will be seen as a whole where three separate parties are involved. This means that the intermediary will be regarded as a party of its own. Thus, the business relationship can be defined as though it were a triad between the seller, the intermediary and the customer. A triad, in turn, can be defined in many different ways. Here it will be defined as a case where the seller, the intermediary and the buyer have direct contacts with each other. These contacts may be more or less frequent, and the parties may be more or less dependent on the contacts. As opposite to the triadic cases will be seen cases where all contacts between the seller and the buyer pass via the intermediary. This situation could be described as a chain of dyads. To view the role of the intermediary from a triadic perspective offers possibilities to understand this role in another way than can be done if all situations are treated as if they were chains of dyads.

The fact that more than two parties are involved in the same business relationship can cause problems for the business relationship seen as a whole. This is the basic assumption underlying this thesis, or as Simmel (1908 in Wolff, 1950, p. 136) has expressed it:

"It may also be noted how extraordinarily difficult and rare it is for three people to attain a really uniform mood - when visiting a museum, for instance, or looking at a landscape - and how much more easily such a mood emerges between two."
2. Structure and Action

2.1 One Phenomenon, Seen through Different Perspectives

A phenomenon can be viewed through different perspectives. One example is distinguishing between a "structural" approach and an “action” approach (Cuff, Sharrock & Francis, 1990, p. 141). The question here is whether business relationships should be seen from the structural point of view or from the actor’s point of view. The approach chosen for this thesis is both the structural and the actor/action. A business relationship can be said to exist between the persons doing business with each other as well as, between the business enterprises where these persons work. In a business relationship there are always at least two individuals involved: one from the selling party and one from the buying party. This dichotomy of business relationships is discussed, for example, by Håkansson (1982) and Turnbull & Valla (1986).1

What does it mean to view business relationships as structural phenomena? A business relationship as a structural phenomenon is something which can be said to exist outside of the individuals involved in it, and thereby possible to study objectively. The business relationship is presumed to be stable, at least as far as it is possible for an outsider to study it and see the structure, i.e., to discern the parties involved in the business relationship. The focus is on the structure, not on the specific individuals involved in the business relationship. Thus, while each party can consist of one or ten individuals, these are seen as representatives of the party they belong to and are not visible as individuals. This means that their activities can be said to be constrained by the structure.

If one instead applies the “action” approach, the business relationship cannot be said to exist without the individuals. This means that a business relationship does not exist per se. It is the individuals who constitute the business relationship; if one individual leaves the relationship it is not possible for another to take over the same relationship. Thus, to study the business relationship requires studying the specific individuals involved in the relationship. "What is being done, by whom and with what purpose are all matters which persons, “social actors”, make sense of in producing their own actions and in responding to the actions of others.” (Cuff, Sharrock & Francis,

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1 In the interaction model, the parties are described both as consisting of organisations and individuals. See for example page 24 in Håkansson (1982) and page 5 in Turnbull & Valla (1986)
Reality is not external to individuals, instead it is the subjective world of the actor (Tumer, 1978, p. 393). Thus, according to this approach, studying a business relationship means also studying the perception of the individuals. The business relationship may look different depending on which individual is focused due to the fact that individuals usually perceive things in different ways. This means that there does not exist one common business relationship. If this way of thinking is applied at business-enterprise level, every business enterprise can be said to have its own perception of what is relevant for its activities. This has been called the context of the business enterprise (Snehota, 1990). The role of the business enterprise is given by the context (ibid., p. 146).

Here the focus is on one specific party/position, i.e., the intermediary, in a structure, i.e., the business relationship. This means that the "structural" approach is used as a starting point in the meaning that it is assumed that there exists a formal structure consisting of three parties/positions: the seller, the intermediary and the buyer, who all together form the business relationship. However, it is still the individuals who act within the business relationship structure according to their perception of the situation. For example, while new individuals who become involved in the relationship learn the "rules" for performance from those already involved in it, they also "teach" their teacher. Thus, it is not possible to separate the two perspectives (Berger, 1987, orig. 1963); the business relationship constrains the behaviour of the individuals at the same time as the individuals constitute the business relationship.

With the focus on a specific party and its activities, the concept of the role is of interest. The use of this concept makes it possible to view the intermediary both as an individual and as a collection of individuals. The next section will be devoted to a review of the role concept. Later the concept will be applied to the role of the intermediary in a business relationship.
2.2 The Concept of Role

“...The only aspect of role theory that is unique is its language - its terms and concepts - for the domain of study and perspective of role are shared with various disciplines of behavioral science.” (Biddle & Thomas, 1966, p. 17) This means that the concept of role has been used in many different types of areas and studies. It has been used to study occupational roles, such as teacher and nurse. Another example of an area is the institutional roles, such as roles in the family. In these cases role is defined as something existing outside of the individual, i.e., as some kind of structurally given demands (Levinson, 1959). Biddle and Thomas (ibid., p. 29) point out that there is one common interpretation regarding the concept of the role, namely, that it "...pertains to the behaviors of particular persons.” In this case it is the individual role conception and/or individual role performance which defines the role (Levinson, 1959).

This means that the concept of role has been used both at the structural level and at the actor level. For example, when studying roles it is possible to focus "...on the behavior of a given individual, sometimes on a specific aggregate of individuals, and sometimes [...] particular groupings of individuals who display given behaviors.” (Biddle & Thomas, ibid., p. 3) Levinson (1959) points out that when the concept of the role is used in a study, the actual meaning of it must be defined clearly. A look at the definitions in some dictionaries illustrates the variety of ways to interpret it. Role can be:

- “an actor’s part in a play, film etc.”²
- "a person’s or thing’s characteristic or expected function"²
- “the duty or purpose of a person or group in a particular activity or area of life"³
- “The behaviour that an individual feels it appropriate to assume in adapting to any form of social interaction; the behaviour considered appropriate to the interaction demanded by a particular kind of social position.”⁴

In their review of the nature and history of role theory, Biddle and Thomas (1966, pp. 3-19) discuss the common-language meanings and those selected in role theory. According to them, there are two main interpretations used in common language:

1. A part or character performed by an actor in a drama.
2. A part or function taken or assumed by any person or structure.” (pp. 11-12)

The different meanings used by role theorists can be classified in three categories:

1. A behavioral repertoire characteristic of a person or a position.
2. A set of standards, descriptions, norms, or concepts held (by anyone) for the behaviors of a person or a position.
3. A position. “ (pp. 11-12)

As can be seen in the three categories above the concept of the position is nearly linked with the concept of the role. “The notion of position is among the most widely used concepts in role theory, and most writers in the field have followed the example set by Linton (1936) in defining role in relationship to a position.” (Biddle & Thomas, 1966, p. 28) “Position is a collectively recognized category of persons for whom the basis for such differentiation is their common attribute, their common behavior, or the common reactions of others toward them.” (ibid., p. 29) Role can be seen as the dynamic aspect of the position (Linton, 1936), and thus, "... involves function, adaptation, process.” (Levinson, 1959, p. 172) This means that usually someone is said to occupy or have a position, but to perform the role or roles the position involves (Levinson, 1959). One difference between the two concepts is that the "...various roles in a group can be of equal worth whereas different status positions are, by definition, differentially valued." (Brown, 1988, p. 51) Thus, “If roles help us to know who we are, our [...] position helps us to know how good we are.” (ibid., p. 59)

When the concept of the position is focused, one position can be said to involve one role or many different roles. For example, a professor can perform the role as the professor. In this case the position of the professor is seen to involve one role. The role is then a collective expression of what the professor does in

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5 For a review of the concept of position see e.g. Henders, 1992.
6 Some authors, e.g. Linton, use the concept of status instead of position. With status Linton means “The place in a particular system which a certain individual occupies at a particular time ...” (Linton, 1947, p. 368)
general (Linton, 1936). And refers "... to predictable patterns of behaviour associated with not so much partidar individuals [...] but with the positions occupied by those individuals." (Brown, 1988, p. 5 1) It is also possible to think that every position involves an array of roles (Merton, 1957). Merton calls this a role-set, which, if we continue with the example of the position of the professor, involves an array of roles that relate the professor to the students and to other professorial colleagues, members of the staff and postgraduates. Thus, the members of an individual’s role-set comprise all the relationships this individual has when he/she occupies a particular position. This means that, when the starting point is the position, role can be understood in two different ways. "Every individual has a series of rôles deriving from the various patterns in which he participates and at the same time a rôle, general, which represents the sum total of these rôles and determines what he does for his society and what he can expect from it." (Linton, 1936, p. 114)

When the focus is on the individual, instead of the position, it can be said that every individual has several positions, i.e., multiple status (Linton, 1945, pp. 77-82), and that each of these involves a role. For example, one person can have the position of the teacher, mother, daughter, customer in a shop, and chairman. Each of these positions involves an associated role which is activated depending on the situation. “No role exists without a paired reciprocal role which is a part of a different position.” (Bates, 1955-56, p. 3 17) Thus, a role is something that never occurs in isolation. The implicit meaning of the word role is that there are other roles, for example the role of a teacher is defined with relation to the role of a pupil, and vice versa.

The use of the role approach in the study of social behaviour has been criticised because of its "... incapacity to Capture and to comprehend the problem of social change ..." (Forsen, 1978, p. 208). The background to this critic is the way in which one views the world. The author points out that by using a concept like role it is assumed that the world is seen to be a social structure which is made up of social positions linked together in different ways. Every position involves various kinds of roles. This means that individuals are seen to be passive. They go in and out of the positions and perform the roles tied to the positions. It is assumed that the individuals adapt to the expectations which are coupled with each role and behave according to what the role prescribes. This means that the position is seen as something which persists in the same way. The whole structure (system of positions) can change depending on which
positions are included in it, but positions/roles as such are seen to be the same because of the movement and adaptation of individuals. The author points out that the structure is not presumed to be impacted by the individuals involved, hence according to him the role approach is ahistorical and the value of the role concept is questioned.

When roles are seen from the individual perspective, they do not exist without the individual. The focus is then on the individual conceptions of the roles and the actual behaviour of the individuals (Levinson, 1959). This emphasises the importance of the situation wherein the interaction takes place, rather than the position (Berg et al., 1975). Role definition made at the individual level stresses the individual’s ability to impact the structure. For example Hornarrs (1951, p. 124) makes the following statement: "... if the real behavior of enough persons in enough such positions over a long enough time departs far enough from the role, the role itself will change." This means that the role, seen as a general role, may be influenced by the role performance.

In this thesis the concept of the role will be treated as the dynamic aspect of a position. The starting point is one position, the intermediary, and role can be seen as a general role, i.e. a role which is defined by structurally given demands, as well as a specific role which depends upon the perception and behaviour of the specific individuals involved. Intermediaries and roles will be discussed further under 3.2.

3. Different Ways of Viewing a Business Relationship

3.1 The Triad

It can be said that a triad exists "... when three individuals are observed to interact on successive occasions. These three are seen to come together repeatedly or to be in communication often, conversing, exchanging products, and so on." (Thibaut & Kelley, 1959, p. 191) Triads, at the individual level, exist as long as "... all of its members are dependent upon its continued existence." (ibid., p. 192) The difference between a dyad and a triad lies in whether or not the existence of the relationship per se is dependent on the specific individuals (ibid., pp. 192-193). If one of the parties in a dyad leaves,
the relationship per se ceases to exist; if one of the three members leaves the triad, the relationship can still exist albeit in a dyadic form.

The same way of discussing triads can be applied at the business-enterprise level. Figure 1 illustrates two opposite ways of viewing a situation where three parties are involved. In the first case, (a), every party has contact with every other party, forming a kind of triad. In the second case, (b), the party in the middle mediates the contacts between the other two parties, forming a structure which consists of a chain of dyads. This case could also be viewed as if it were a triad inasmuch as there are three parties. The figure illustrates two extreme situations where the relationships between the parties are supposed to have the same strength. However, some relationships may be stronger than others. This means that a case similar to that of case (a), can actually be more like case (b) if the contact between two of the parties is neither so frequent nor important for the parties involved. This is discussed further in the second part of the thesis.

Figure 1. Two different ways to view a business relationship where three parties are involved.

Here the purpose is to delimit and specify a phenomenon. This means that only the positions of the seller, the intermediary and the buyer will be considered. In order to understand and explain what a three-party business relationship is, a study of the connected relationships impacting the one in focus is needed.
3.1.1 Triad as a Unitary Phenomenon

In three-party relationships where all three parties are in frequent contact with each other and perceive that every other party is important for the business relationship seen as a whole, one could say that the parties have their focus on the whole. These kinds of triads can be compared to systems and groups.

What does it mean if a business relationship is viewed as a system consisting of three parties? A phenomenon is usually called a system when perceived as "... a set of elements, of parts, that are connected to each other by at least one discriminable, distinguishing principle." (Jordan, 1969 in Emery, 1981, p. 24) With such focus on the whole and the specific connections between the parties, it is assumed that there exists a boundary which makes it possible to say which parties belong to the system and which do not. Within a system every party has a specific position. This can be expressed as follows: "The object does not participate in the system by an inherent quality but by its positional value in the system." (Angyal, 1941 in Emery, 1981, p. 31) According to the system view, in a business relationship the intermediary has its specific position and specific tasks to perform. When a business relationship is compared to a social system, it must be compared to a social system.

A social system is always an open system. "That a system is open means, not simply that it engages in interchanges with the environment, but that this interchange is an essential factor underlying the system’s viability, its reproductive ability or continuity, and its ability to change." (Buckley, 1967, p. 50) This means that a business-relationship triad is not an isolated phenomenon with clear boundaries. The boundaries are drawn by the Observer according to his/her purposes. (ibid., p. 41)

The business relationship can also be compared to a group consisting of three parties. Group is one central concept for many sociologists and social psychologists, and it can be defined in many different ways. Brown (1988, pp. 1-3), for example, discusses five different ways of defining a group. First, a group can be said to exist when the parties have experience of a common fate. Second, the starting point when deciding whether a group exists or not is the existence of some formal or implicit social structure, where the status and role relationships are central. Third, it is possible to define groups by looking at face-to-face interaction. Fourth, the group is defined through people’s self-categorisation, i.e. the parties involved decide
whether they belong to a group or not. And fifth, it is not enough that the parties involved define themselves as members of a group - there must be other actors who consider the group as a group and regard themselves to be outsiders. These definitions show that the boundaries of the group can be more or less clear. A specific feature which characterises small groups, i.e., groups where the parties are able to discern who the other participants are, is that, when the members of a group are interested in maintaining the group as a unit, they will probably co-operate rather than compete (Barnard, 1958, orig. 1938; Homans, 1961). This co-operation leads to differentiation of tasks within the group. Thus, one can say that there is a tendency for the parties in a group to specialise in different areas. This applied to business-relationship triads can mean that the intermediary’s tasks can be both specific and unique.

The purpose of the discussion above concerning systems and groups is to show that the role of the intermediary has a somewhat different character if the intermediary is seen to be a party in a system or in a group. What are the similarities between the concept of system and the concept of group, especially small group? One similarity is that both of the two concepts focus on the whole. One example of a whole could be a business relationship. This means that it is supposed that there exists some kind of boundaries around the whole. The system approach focuses on the function of the parties within the whole. This kind of approach is often applied when intermediaries are discussed in the literature about export and distribution (e.g., Alderson, 1957; Keegan, 1989; Root, 1987; Stern & El-Ansary, 1992). Every party, for example the intermediary, has a position in the system and performs specific tasks coupled to this position. Usually it is presumed that the tasks are performed in a specific order. For example the manufacturer produces the goods which then go through the intermediary to the customer. The underlying assumption is that "... if there is a change in the relationship of one part to any or all of the others, there is a change in the system. It then either becomes a new system or a new state of the same system." (Barnard, 1958, p. 78, orig. 1938) This means that it is assumed that the whole is impacted by changes within the system.

Also the group approach focuses on the whole, but in a different way. The tasks of the parties and their order in time are not of primary concern, as is the case in the system approach. Every party is nonetheless supposed to contribute to reach the common goal (Thibaut & Kelley, 1959). If one of the
parties within the group disappears or if the relationship between two or more parties in the group changes this will not necessarily have an impact on the outcome. In a group the positions can be said to be defined in relation to the whole, not the other positions, as is the case in the system approach. This stresses the specialty and uniqueness of the contribution of the group members.

Both concepts, the system and the group, can be applied on the structural level and on the individual level. In business settings on individual level it is usually a question of an artificial system/group: the individuals usually have contact with each other solely within the frame of the business relationship. There may however exist business relationships where the individuals perceive that the business is not their main concern. When "...the frequency of interaction between two or more persons increases, the degree of their liking for one another will increase." (Homans, 1961, p. 186), business relationships where the social relationship is the most important reason for continued exchange can emerge.

To sum up, in a business-relationship system, the intermediary has a specific position. This position is defined in relation to the other two positions: the seller and the buyer. There are specific tasks coupled with the position which the intermediary is supposed to perform at a specific point of time. In a business-relationship group, the intermediary has a unique position in the sense that its tasks need not be clearly defined. The group has its specific purpose and what exactly the intermediary does is not important. Thus, its task performance can be said to be unique. This means that when the three-party relationship is seen as a unitary phenomenon, i.e., a phenomenon which can be regarded as a kind of whole with more or less clear boundaries, attention must be given to the way in which to view the phenomenon - either as a system or as a group -, as this has consequences for how the role of the intermediary may be characterised.
3.1.2 A Chain of Dyads

A business relationship, where the intermediary mediates all the contacts between the seller and the buyer, can be compared to series consisting of dyadic exchange relationships between the parties. In series it is presumed that one dyadic exchange precedes another in the meaning that it impacts other dyadic exchanges connected to it. In business settings the possible dyadic combinations are the relationship between the seller and the intermediary and the relationship between the intermediary and the buyer. The common feature for series is that the parties are seen as separate actors, each with a unique position. This position is defined solely on the basis of the parties it has exchange relationships with. The difference compared to the system approach is that it is not assumed that there exists a whole.

This serial approach underlies the industrial network approach (see e.g., Håkansson, 1987; Håkansson, 1989; Johanson, 1989; Johanson & Mattsson, 1987; Johanson & Mattsson, 1988). The network consists of directly and indirectly connected relations to the focal actor or focal relationship. Thus, relations, and not actors or groups, are seen as the basic unit of social structure (Wellman & Berkowitz, 1988). Dyadic relationships and how they are impacted by a third party have been studied within the industrial network approach particularly by Blankenburg and Johanson (1992), Laage-Hellman (1989) and Smith and Laage-Hellman (1992).

The nature of the serial, and thus network, approach is the non-existence of boundaries. "Looked upon from the outside, networks of exchange relationships, [...] are endless." (Snehota, 1990, p. 127) This means that every actor, whether it be a business enterprise or an individual, can be regarded as an intermediary: it always stands between at least two other actors. This, in turn, means that in series/networks there do not exist a specific intermediary position per se. What exists is the mediating function, which can be said to be both one aspect of every actor and an inherent dimension of series.
3.2 The Roles of the Intermediaries in Business Relationships

Thus far the discussion has mainly been focused around the three positions in the business relationship. In this section the starting point will be one of these positions: the position of the intermediary. In international business relationships the intermediary can be named for example distributor, agent or subsidiary. This means that, if we looked for a business enterprise called intermediary, we would probably not find any. The use of the word "intermediary" indicates a need to focus on the specific character of some entities in business settings. This character involves something different from selling and buying, even though these two activities may be included. In other words, when an entity can be characterised as an intermediary, it is supposed to perform an "intermediary role". In the following, different ways to define this role will be discussed.

As mentioned previously, position can be seen as something occupied by someone and role as the behavioural aspect of the position. Thus, there is a connection between the tasks of the intermediary, i.e. work that the intermediary is supposed to do, and the role. The tasks may vary between different business relationships and also between different points of time in one relationship. The position of the intermediary can be said to involve one specific role which can be seen as a collection of its tasks. Another way to view the connection between the tasks and the role is to say that the intermediary performs several roles each of them involving specific tasks.

3.2.1 The Role as Expectation

The implicit meaning of the word intermediary is that it is located between two other parties. This means that these two parties are assumed to be separated in time, and often also in place, and the intermediary is presumed to perform tasks geared to bridging over the gap between the two parties. This could be called a role demand (Levinson, 1959). Role demand is a kind of general expectation concerning the behaviour of those occupying a certain position. Thus, one way to view the role of an intermediary is to see it as

(1) a general role which involves mediating between two parties.
In a three-party business relationship the seller, the intermediary and the buyer may have different views concerning the role of the intermediary. This is discussed further in the third part of this thesis. Both the seller and the buyer have certain expectations concerning the role of the intermediary. When building their opinions, they use their own perceptions of how intermediaries usually perform their roles, i.e., of a general intermediary role, and how this intermediary has performed its role before. The intermediary, besides its own perception of a general intermediary role, uses its experience as an intermediary both in this and in other business relationships when forming its opinion concerning its own role as intermediary. Thus, the role of the intermediary may have different contents depending on which party is focused. This means that

(2) in a three-party business relationship there may exist three different roles.

The discussion above stresses the close connection between the concepts of position and role, i.e., how someone who occupies a specific position (in a structure) is expected to behave in a certain way. The role of the intermediary can be viewed in a different way if the role is instead seen as performance (action) of a certain intermediary in a certain business relationship.

3.2.2 The Role as Performance

As discussed before it is possible to view the three-party business relationship in two different ways: either as a unitary phenomenon or as a serial phenomenon. Which of the two approaches is chosen has consequences for how the role of the intermediary is defined. It is obvious that none of the parties is located in the middle in a unitary phenomenon, and the role of the intermediary is defined rather from its tasks than from its position in the business relationship. The tasks may be characterised as specific performed in many or all of the intermediary's business relationships, or they may be unique, performed only in one specific relationship. Thus, the role of the intermediary can be seen as

(3) a specific role with specific tasks where mediating between two parties is not the main task.
When the serial approach is used, it can be seen that there does not exist a specific position which could be regarded as an intermediary involving an “intermediary role”. In a series every party is always located between at least two other parties. This means that mediation is an aspect of every social situation. Thus, it can be said that there exists a

(4) mediating role performed by every party.

Finally, when role is seen as performance a somewhat different situation may arise:

(5) the position of the intermediary exists in the focal business relationship but the intermediary’s role is performed vis-à-vis another business relationship.

The conclusion is that “the role of the intermediary” can be defined in several different ways, and that, if one looks solely at the separate dyadic exchanges which take place between the parties, there is a risk that something important will be overlooked concerning the role of some intermediaries. Thus, a study of the role of the intermediary which also considers the possibility that some business relationships can be more like a triad than a dyad, could reveal the different roles intermediaries may have. Thus, I propose that an increased understanding of international business relationships can be achieved, when “the party in the middle” is studied as a party of its own together with the seller and the buyer parties of business relationships.
References


