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Nature and Effects of Category Captain Arrangements in the Manufacturer-Retailer Relationships[1]

ABSTRACT

The purpose of this paper is: (i) to establish whether so called category captain (CC) arrangements exist in category management (CM) collaborations between Finnish manufacturers and retail chains; and (ii) to investigate the effects of any such arrangements from the perspective of category captains and those who are excluded from CM decision-making. Using data from a survey of a sample of Finnish suppliers, the study reveals that large suppliers have relatively strong control in decision-making with respect to CM and are likely to act as category captains in CM collaboration. In contrast, small suppliers possess weak control in CM decision-making and are easily excluded from CM collaboration. The effects of category captain arrangements are perceived more positively among suppliers who have influ-

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ence in decision-making regarding CM collaboration than among those who are excluded from such decision-making. However, the opinions of suppliers who are excluded from CM collaboration are neutral, rather than being especially negative. If category captain arrangements are to continue successfully, the challenge is to assure excluded suppliers (and retailers) that category captains are genuinely trying to improve the performance of an entire category, rather than pursuing their own self interest.

Key words: *retailing, category management, category captain arrangements, collaboration*

INTRODUCTION AND PURPOSE

Efficient consumer response (ECR) began in the early 1990s in the United States and was characterised by the emergence of new principles of collaborative management along grocery supply chains. Today, there are national and international ECR programs around the world, and retailers and suppliers have invested heavily in ECR training, infrastructure, and processes. With the growth of interest in ECR, hundreds of reports and guides to best practice have been published (Brockman & Morgan, 1999; Harris et al., 1999; Hoffman & Mehra, 2000; Kotzab, 1999; Kurnia & Johnston, 2001; Kurnia & Johnston, 2003; Svensson, 2002). Many logistics and marketing researchers have promoted ECR as a significant strategic and collaborative initiative within the grocery industry. ECR is said to invert traditional models and break down non-productive barriers (Kotzab, 1999).

The best-known business process of ECR is category management (CM) (Dewsnap & Hart, 2004; Gruen & Shah, 2000). CM is a process of managing categories as strategic business units – thus enhancing business results by delivering consumer value (Harris et al., 1999). According to the literature, CM allows a retailer and its suppliers to achieve cost savings, while simultaneously focusing on effective, consumer-oriented marketing and merchandising practices (Dupre & Gruen, 2004; Gruen & Shah, 2000; Kurnia & Johnston, 2003).

Partnerships are said to be the foundation for effective CM (Dewsnap & Hart, 2004; Kurnia & Johnston, 2001; Kurnia & Johnston, 2003). Although retailers can practise CM without input from suppliers, the results are assumed to be enhanced through collaborative pooling of complementary knowledge to meet the needs of consumers. A typical form of CM collaboration involves 'category captain' arrangements – whereby certain suppliers (the 'category captains') take control of the CM process (Desrochers et al., 2003; Gruen & Shah, 2000). Category captains are said to improve the performance of an entire category such that suppliers, retailers, and consumers all benefit. According to Kurtulus and Toktay (2004) many retailers and manufacturers have reported positive benefits from such category captain arrangements. However, the practice runs the risk of allowing certain suppliers to abuse their power by improving their own market share at the expense of the other suppliers within the category (Desrochers et al., 2003; Gruen & Shah, 2000). Category captain arrangements are thus not necessarily as positive as presented in 'ideal' CM models, and empirical studies are needed to shed light on the effects of these arrangements.

The purpose of the present study is therefore to examine such category captain arrangements in the context of Finnish manufacturer–retailer relationships. The specific research questions of the study are as follows:

- In the Finnish context, do category captain arrangements exist in which suppliers take a significant role in the management of the category (including management of the brands of competing suppliers)?
- What are the effects of any such captain category arrangements from the perspectives of: (i) the category captains; and (ii) those who are excluded from CM decision-making?

THEORETICAL BACKGROUND

Category captain arrangements in CM collaboration

ECR, and its demand-side business process of CM, imply a new way of partnership thinking that replaces traditional brand-management practices (Dewsnap & Hart, 2004; Gruen & Shah, 2000; Kurnia & Johnston, 2001). It is argued that suppliers and retailers can serve consumers better, faster, and more cheaply by working together with trading partners (Dupre & Gruen, 2004; Svensson, 2002). Araujo and Mouzas (1998) emphasized that CM is a process whereby suppliers and retailers come together to create and manage strategies and operations on specific product categories – not just on individual brands. Retailers and suppliers have to replace their own traditional organizational structures with a new collaborative structure that integrates category functions and decisions (Nielsen, 1992). According to Dewnshap and Hart (2004) CM is successful when suppliers and retailers work collaboratively to understand consumers and to fulfil their needs via a joint process of category planning.

According to the literature, genuine collaboration between suppliers and retailers is the key to successful CM. This connects the CM concept to the extensive literature on relationship marketing (RM) (Coviello et al., 2002; Hingley, 2005). RM can be understood in terms of a 'marketing strategy continuum' or a 'range of marketing relationships' (Webster, 1992). At one end of the continuum are purely transactional market dealings, in which customers and sellers focus on short-term economic exchange. At the other end, RM emphasizes mutually beneficial, long-term business relationships with cooperative interaction strategies and accrued relationship benefits (such as trust and commitment) (Lindblom, Olkkonen & Tikkanen, 2005).

As previously noted, one form of CM collaboration involves 'category captain' arrangements, in which a chosen supplier or suppliers in a category become partners with the retailer and become a favoured resource that is relied upon to provide input on both the marketplace and category decisions (Desrochers et al., 2003; Gruen & Shah, 2000; Kurtulus & Toktay, 2004). A category captain has responsibility for: (i) category development and growth; (ii) providing information on product trends; and (iii) recommending prices and shelf-space allocations for both its own products and those of its competitors. In short, a category captain's role is to provide input to retailers about management of all category brands (Desrochers et al., 2003; Dewsnap & Hart, 2004). In addition, as Varley (2001) has observed, category captains produce comprehensive assortment plans for retailers that include all products within a category. According to Desrochers et al. (2003), these plans can be quite detailed, including a 'plan-o-gram' for each of the retailer's stores, specifying which brands should be located where, the linear feet of space to be allocated to each brand, which new brands to include, which old brands to reduce or terminate, and recommended pricing and promotional schedules (Kurtulus & Toktay, 2004; Gruen & Shah, 2000).

Retailers might entrust all category decisions to the category captain; alternatively, the category captain might be merely an adviser (a 'co-captain'), in which case all decisions remain with the retailer (Desrochers et al., 2003; Gruen & Shah, 2000). Kurtulus and Toktay (2004) have also stated that some retailers implement the category captain's recommendations in full, whereas some retailers filter the recommendations provided by the category captain and verify their appropriateness before deciding whether to implement them. The arrangements for a category captain can thus be understood in terms of a continuum (from 'strong' to 'weak') – depending on the responsibility accorded to the category captain and on the availability (and ability) of other parties to modify the category captain's recommendations (Desrochers et al., 2003).

In the case of 'strong' category captain arrangements, certain suppliers ('non-captains') are obviously excluded from CM decision-making. These suppliers might have to accept that their brands are effectively managed by their competitors. Kurtulus and Toktay (2004) have studied the impact of category captainship on such suppliers. They concluded that, in some cases, category captains prefer to exclude some of the non-captains' brands from the category. However, the same authors noted that, in practice, competitive exclusion can take various forms – most of which are less extreme than complete exclusion. For example, they might display the non-captains' brands at the bottom of the shelf space allocated to the category; or they might promote two non-captains' brands simultaneously.

Effects of category captain arrangements

Recent surveys have shown that the majority of practitioners who work with CM believe that CM improves turnover, profitability, market share, inventory levels, trading relationships, and consumer understanding (Dewnsnap & Hart, 2004). Moreover, CM is generally considered to yield benefits for all partners within the supply chain, including enhanced value to consumers through improved category benefits and reduced marketing and distribution costs (Brockman & Morgan, 1999; Dupre & Gruen, 2004; Gruen & Shah, 2000; Svensson, 2002). However, Kurnia and Johnston (2003) found that retailers experience more benefits from CM than do manufacturers.

Category captain arrangements is stated to significantly improve the performance of an entire category (Kurtulus & Toktay 2004). In explaining this, it is assumed that category captains have superior information about the consumer market and its trends, including highly trained specialists to analyze this information (Dewsnap & Hart, 2004). On the basis of this knowledge, category captains are able to enhance consumer value and improve the sales and profitability of a whole category (Desrochers et al., 2003). In summary, according to the positive view of category captain arrangements, benefits include more satisfied consumers and enhanced business results for all partners in the supply chain.

In contrast, critical views of category captain arrangements assert that they allow category captains to take advantage of their dominant role to restrict competition and harm consumers (Desrochers et al., 2003). The most prominent criticism is that category captain arrangements can lead to a lack of objectivity and overall dilution of quality in the CM process (Dewsnap & Hart, 2004; Gruen & Shah, 2000). Desrochers et al. (2003) have stated that the primary concerns regarding such arrangements is that category captains control outcomes in the category, receive preferential treatment, and exclude competitors from having input. According to these authors, category captains can disadvantage competitors through advance knowledge of the pricing, merchandising, and promotional strategies of competitors, and by working to gain an advantage for their own products. In an extreme case, a category captain might control the entire CM process. This kind of CM activity is far from the ideal 'win-win-win' collaboration that is envisaged in which all parties – retailers, manufacturers, and consumers – benefit from category captain arrangements (Desrochers et al., 2003; Gruen & Shah, 2000; Kurtulus & Toktay, 2004).

RESEARCH DESIGN AND SAMPLE

In the present study, the basic unit of analysis was the CM relationship between manufacturer and retailer; this was studied from the manufacturer's perspective. The sample consisted of 470 managers in 90 manufacturing firms in the Finnish fast-moving consumer-goods industry. The survey was conducted in May–June 2004. The number of questionnaires sent to each firm was determined by the number of product categories that the firm represented. Of the 470 questionnaires sent out, 91 were returned; of these, 89 were satisfactorily completed for use in the analysis. The response rate of 19% can be considered satisfactory for the present analytical purposes.

The four-page questionnaire was designed to be completed by the person who was most familiar with CM and the characteristics of the manufacturer–retailer interface. Most respondents were therefore from the marketing departments of manufacturer firms – with 26% of the respondents being sales managers, 21% key account managers, 15% category and brand managers, 14% marketing managers, and 24% directors of other designations (managing directors, vice-presidents, and project managers). Of the respondents, 78% were 'large manufacturers' (in terms of market share in a specific category) and 22% were 'small manufacturers' (in terms of market share in a specific category).

Within any given company, individual product categories are managed as individual business units (Dupre & Gruen, 2004; Araujo & Mouzas, 1998; Nielsen, 1992). Therefore, in using the terms 'large manufacturer' and 'small manufacturer', it should be noted that it is possible for a manufacturer that would be considered 'large' in terms of total turnover to be only the second-largest, third-largest, or even smaller in some specific categories. Conversely, a manufacturer that might be considered 'small' in terms of total turnover might be a market leader or the second-largest in a given category; this is especially so in the relatively small and relatively isolated Finnish market. Therefore, in this study, the term 'large manufacturers' refers to companies having the biggest or second-biggest market share in a focal category; the term 'small manufacturers' refers to companies having the third-biggest market share (or smaller) in a focal category. The rationale for this nomenclature is that, in most categories, the two best-selling manufacturers dominate the category (Lindblom, 2003).

It is also possible that the nature of CM strategies for different product categories can vary within the same company. It is therefore appropriate to analyse the relationship between one manufacturer and one retailer in terms of separate arrangements at the category level, rather than analysing the overall relationship between the manufacturer and the retailer as a whole.

Non-response bias, by its very nature, is difficult to assess (Hudson et al., 2004). However, in the present study, no statistically significant differences were found in the frequencies (chi-square test) or the means (*t*-test) of the characteristics of the respondents. Small manufacturers were apparently not as active in responding as larger manufacturers. However, it can be argued that the relatively low proportion of small companies in the present study constitutes a reasonable proportion of the entire 'small company population' in Finland – because smaller companies are not as involved in CM activities as larger manufacturers. Furthermore, the Finnish fast-moving consumer-goods market is highly concentrated in terms of both manufacturers and retailers. Two large retailing groups (S-group and K-group) dominate the grocery market with their 70 percent market share. S-group consists of the cooperative societies and SOK with their subsidiaries. S-group businesses include food and groceries, specialty goods, hotels and restaurants, hardware and agriculture, automobiles and service stations. K-group is a retail-sponsored voluntary chain.

Retail entrepreneurship has been the basis of the K-group's business from the very beginning. K-retail entrepreneurs offer a varied selection to consumers – including groceries, interior-decoration items, household goods, and speciality goods. The third largest retailing group in Finland, Tradeka, is a centrally organised retailing company which owns all of its retail outlets and manages them centrally.

When it comes to the fast-moving consumer-goods manufacturing market, it can be stated that through mergers and acquisitions, the number of manufacturers has decreased during the last ten years (Lindblom, 2003). The relatively small proportion of small companies in the sample does not therefore invalidate the findings of the study, although it is acknowledged that it reduces the possibility of obtaining results of high statistical significance. Furthermore, the fact that the findings were congruent with findings in other studies on CM (both qualitative and quantitative) indicates that the present study is both reliable and valid.

The respondents' opinions of their companies' roles in CM collaboration were measured by asking respondents to choose the best option to describe their particular company from the following three options:

- 1 = 'Our company has exclusive control over CM decision-making in the category I represent' (that is, an exclusive category captain role);
- 2 = 'Our company and its closest competitor(s) have joint control over CM decision-making in the category I represent' (that is, a 'co-captain' or advisory role); and
- 3 = 'Our company has no control over CM decision-making in the category I represent' (that is, excluded suppliers denied a role in CM collaboration).

Responsibility for decisions in each individual CM tactic was measured using Likert-type scales ('extremely weak', 'weak', 'moderate', 'strong', and 'extremely strong'). This was done against four separate variables – (i) respondents' ability to control assortment planning; (ii) respondents' ability to control pricing; (iii) respondents' ability to control promotional activity; and (iv) respondents' ability to control space allocation. For these data, differences among exclusive captains, co-captains, and excluded suppliers were ascertained by ANOVA.

The effects of category captain arrangements were measured against nine variables (product sales, product's market share, product's turnover time, consumer streams, consumer loyalty, product visibility, product shelf space, product location, product launch) employing a five-point scale ('extremely negative', 'negative', 'neutral', 'positive', 'extremely positive'). Differences among exclusive captains, co-captains, and suppliers excluded from CM collaboration were again analysed by ANOVA.

RESULTS

The first objective of the study was to assess whether category captain arrangements actually existed in Finnish CM collaboration – whereby certain suppliers took a significant role in the management of a category, including the brands of competing suppliers. As expected, Table 1 shows that three roles were identified – (i) suppliers who exercised exclusive control over CM decision making (35.6%); those who acted as co-captains (33.3%); and (iii) those who were excluded from CM collaboration (31.1%).

TABLE 1. Respondents' perceptions of companies' roles in CM collaboration

	Total (n = 87)	Large suppliers (n = 66)	Small suppliers (n = 21)
Exclusive captain in a category	**35.6 %**	**45.5 %**	**4.8 %**
Co-captain in a category	**33.3 %**	**36.4 %**	**23.8 %**
Foreclosed from CM collaboration	**31.1 %**	**18.2 %**	**71.4 %**

Pearson's chi-square .000

In addition, an analysis was undertaken of whether there were connections between the respondents' perceptions of their companies' roles in CM collaboration and their companies' sizes (in terms of market share in a product category). The results show that respondents representing large companies (in terms of market share in a category) perceived that their companies took an exclusive category captain position in CM collaboration. This finding is in accordance with theoretical assumptions in previous studies (Desrochers et al., 2003).

According to Kurtulus and Toktay (2004) category captains provide retailers with a detailed plan that includes recommendations as to which brands to stock, where to locate each brand on the shelf, how to display them, how much space to allocate to each brand, which new brands to include and which old brands to exclude, and how to price products in the category. In addition, Desrochers et al. (2003) argued that category captains can effectively control shelf space, merchandising opportunities, and promotional advertising in the category. To assess these assertions empirically, an analysis of variance was made of decision-making responsibilities among exclusive captains, co-captains, and excluded suppliers with respect to the four key decision variables of CM (Table 2).

As can be seen in Table 2, decision-making responsibilities can be summarised as follows.

- With respect to *assortment planning* and *space allocation*, respondents from companies with an exclusive captaincy function had greater decision-making responsibility than

TABLE 2. Respondents' perceptions of companies' decision-making responsibilities (ANOVA)

Dependent variables: Decision responsibility over CM tactics…[a]	Group means[b]				F	p-value
	All suppliers (n = 87)	Exclusive captains (n = 31)	Co-captains (n = 29)	Excluded from CM collaboration (n = 27)		
Assortment planning	3.16 (.94)	3.74 (.58)	3.24 (.79)	2.41 (.89)	21.93	.000
Pricing	2.64 (1.09)	2.94 (1.26)	2.41 (.95)	2.56 (.97)	1.89	.158
Promotional activity	3.33 (1.08)	3.35 (1.17)	3.55 (1.06)	3.07 (1.00)	1.38	.258
Space allocation	2.94 (1.14)	3.55 (.81)	3.24 (.91)	1.93 (.86)	25.56	.000

[a] Managers' perceptions were measured on the following scale: 1=extremely weak, 2=weak, 3=moderate, 4=strong, 5=extremely strong
[b] Figures in parentheses are standard deviations

did respondents from companies that acted as co-captains or from companies that were excluded from CM collaboration. In addition, there was an especially marked difference between excluded suppliers and exclusive captains (or co-captains) with respect to *space allocation*.

- With respect to *pricing* and *in-store promotional activity*, there were no statistically significant differences in decision-making responsibilities among exclusive captains, co-captains, and excluded suppliers.

These results could be alarming for excluded suppliers – because shelf space for supplier brands is seen as a crucial issue for success in a fast-moving consumer-goods business. Indeed, criticism of category captain arrangements has often been based on concern that category captains might abuse their power by improving their own market share at the expense of the other suppliers within the category (Kurtulus & Toktay, 2004). However, on the basis of the present survey it cannot be said that category captains are actually acting in a selfish manner; the results indicate only that it is *possible* for exclusive captains to exert power and act in their own self-interest.

The second objective of the present study was to investigate the effects of the category captain arrangements from the perspectives of: (i) exclusive captains; (ii) co-captains; and (iii) those excluded from CM collaboration. The results presented in Table 3 reveal that exclusive captains, co-captains, and suppliers excluded from CM collaboration had different perceptions of the effects of category captain arrangements. The differences among these three groups were statistically significant on all nine variables that were studied. The mean values of the various variables were significantly higher among exclusive captains and co-captains than they were among those excluded from CM collaboration. For example, with respect to the effect of CM on sales, the mean score was 4.29 for exclusive captains, 4.17 for co-captains, and 3.39 for suppliers who were excluded from CM collaboration. However, in general, the opinions of suppliers who were excluded from CM collaboration were not especially negative; rather, they tended to be 'neutral'. This may indicate that small manufacturers which are more or less foreclosed from CM collaboration seem to have some belief in the CM ideal and the fairness of category captains. However, these neutral attitudes regarding the usefulness of category captain arrangements are likely to be on a very labile basis. Category captains' way to conduct CM will have a great influence on which direction these attitudes of foreclosed manufacturers will develop in the future.

TABLE 3. Perceived effects of category captain arrangements according to respondents' roles in CM collaboration (ANOVA)

Dependent variables: Category captain arrangements' effect on...[a]	Group means[b]			F	p-value
	Exclusive captains (n = 31)	Co-captains (n = 29)	Excluded from CM collaboration (n = 28)		
Product sales	4.29 (.53)	4.17 (.60)	3.39 (.89)	13.47	.000
Product's market share	4.13 (.67)	3.97 (.78)	3.32 (1.06)	7.39	.001
Product's turnover time	4.16 (.74)	4.31 (.76)	3.61 (.86)	6.26	.003
Consumer streams	4.03 (.66)	3.86 (.69)	3.18 (.86)	10.77	.000
Consumer loyalty	3.77 (.85)	3.72 (.84)	3.29 (1.01)	2.56	.083
Product visibility	4.16 (.64)	4.10 (.77)	3.39 (1.23)	6.43	.003
Product shelf space	4.03 (.80)	3.93 (.99)	3.18 (1.16)	6.41	.003
Product location	4.06 (.73)	3.86 (.79)	3.25 (1.04)	7.08	.001
Product launch	3.77 (.81)	3.86 (.95)	2.93 (1.05)	8.63	.000

[a] Managers' perceptions were measured on the following scale: 1=extremely negative, 2=negative, 3=neutral, 4=positive, 5=extremely positive

[b] Figures in parentheses are standard deviations

DISCUSSIONS AND CONCLUSIONS

During the past few years the concept of category management (CM) has received considerable attention as a new cooperative managerial practice between manufacturers and retailers (Dewsnap & Hart, 2004). CM is a process that involves managing product categories as business units and customizing them on a store-by-store basis to satisfy customer needs (Nielsen, 1992). CM is assumed to lead to improved sales and profits, more efficient promotions, more efficient use of space and demographically targeted promotions (Kurnia & Johnston, 2003). However, it has been argued that CM has yet to deliver on many of its presumed benefits. According to Dupre and Gruen (2004), these unmet promises include missed opportunities to increase margins and improve customer satisfaction (see also Gruen & Shah, 2000).

The suppliers who take on a major role in CM processes are often referred to as 'category captains' (Gruen & Shah, 2000). Although the theory of category captain arrangements has been discussed in the ECR literature, little empirical work has been carried out to identify the amount, nature, and effects of such arrangements. The present study addressed aspects of this deficiency. Despite the relatively small number of respondents, the objectives of the study were met. Most of the results were statistically significant. The findings of this empirical analysis are therefore likely to be generalisible – at least in the Finnish fast-moving consumer-goods market (and similar markets). The measures are also likely to be valid because they were based on a firm theoretical background and previous studies on manufacturer–retailer relationships regarding CM.

The present study found that, in the Finnish retailing sector, CM collaboration does include category captain arrangements in which certain suppliers are able to assert significant control over the management of particular categories of goods whereas other suppliers are more or less excluded from the CM decision-making. Large manufacturers (in terms of market share in a category) appear to have assumed the role of category captain. The results of the present study are, in this respect, in accordance with the findings of Desrochers et al. (2003) – who asserted that, in category captain arrangements, large suppliers are likely to take significant responsibility for decision-making, and that smaller suppliers are likely to be largely excluded from CM collaboration. In addition, the present study revealed that the decision-making responsibility of suppliers who are excluded from CM collaboration is generally weaker than that of exclusive captains (or co-captains) with respect to the two key variables of CM-assortment planning and space allocation. These results reflect one of the major presumed drawbacks of CM – that CM activity might pose a serious threat to smaller suppliers. As CM becomes an institutionalised business process within supply chains, smaller suppliers have little choice but to accept that their brands will be managed by their competitors. As Varley (2001) has observed, forcing smaller suppliers out of a given category under CM arrangements enhances the feudal nature of retailing – in that major retailers and suppliers manage a category for their own purposes.

However, to be excluded from CM collaboration is not necessarily a problem. The key question for these suppliers is whether they can trust category captains to act in a fair and objective manner – by making decisions on the basis of consumer needs, rather than on the basis of their own self-interests. If category captains are able to improve the performance of an entire category, category captain arrangements are justified. Retailers and smaller suppliers thus require some assurance that category captains will forego self-interest and provide a category plan that has, as its primary objective, growth in the sales and profits of the whole category. Without such an assurance, CM is unlikely to succeed (Gruen and Shah, 2000).

The present study has also demonstrated that perceptions of the arrangements differ – depending on the role that a given supplier has in CM collaboration. Among category captains, the arrangements are clearly perceived to have a positive effect on business-related results (sales, market shares, and product turnover times), consumer-related results (consumer streams, consumer loyalty), and on product-related and brand-related results. In contrast, excluded (mostly smaller) suppliers take a more neutral view on these effects. However, it should be noted that the opinions regarding the effects of category captain arrangements among suppliers who are excluded from CM collaboration are not especially negative. This might indicate that manufacturers who are more or less excluded from CM collaboration seem to have at least some belief in the 'ideal' of CM and the fairness of category captains. It is also possible that excluded manufacturers have been too optimistic in their responses. Qualitative studies, including face-to-face discussions with managers representing manufacturers who are excluded from CM collaboration, might provide a more thorough understanding of category captain arrangements from their perspective.

This study has several managerial implications regarding CM collaboration between suppliers and retailers. There is a need to develop guidelines that would prevent category captains from acting in an opportunistic manner that reduces competition and limits variety of choice for consumers. To avoid these potential problems, it is important that retailers filter category captains' recommendations before implementing them (Kurtulus and Toktay, 2004). However, it is acknowledged that this is difficult because competitive exclusion can take various subtle forms. Retailers should also appreciate that it is risky to be dependent on only a few large suppliers. As Dupre and Gruen (2004) have argued, an exclusive CM relationship with one large supplier can weaken relationships with other suppliers. This can decrease a retailer's capacity to combine the expertise of several suppliers in producing value for consumers.

This study has approached category captain arrangements from the perspective of manufacturing organizations. The phenomenon could also be studied from the retailers' perspective, or from a dyadic perspective (incorporating the perspectives of both manufacturers and retailers). It would also be interesting to compare the effects of category captain arrangements with the effects of non-category captain arrangements. In addition to interpreting attitudinal data and managers' subjective perceptions collected in surveys, there is also a need to gather and interpret hard data (from retailers' databases) on the prices, costs, and profits that result from category captain arrangements. This would enable more objective assessment of category captain arrangements. Moreover, theoretical/conceptual studies are needed to create clearer frameworks regarding the rationale for, and effects of, category captain arrangements. In particular, there is a need to create a comprehensive framework that takes into account contextual factors and the structural characteristics of manufacturer–retailer relationships and CM collaboration. Finally, as noted above, qualitative studies on CM and category captain arrangements are needed to shed more light on the often ambiguous perspectives of various actors (category captains, excluded suppliers, and retailers) on category captain arrangements and on the relevance of the whole CM activity in manufacturer–retailer relationships in general. ■

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