

Silent Negotiations: The Impact of Gender Norms on Buyer Dependency

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Who are Micro-entrepreneurs (MEs)



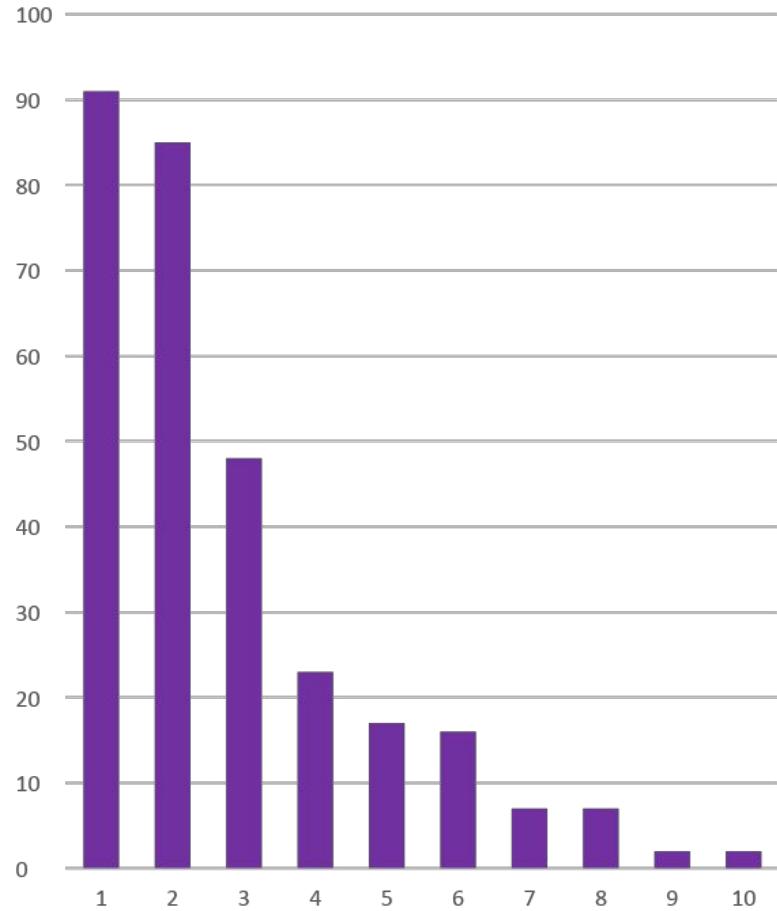
Who are Micro-entrepreneurs (MEs)

- Over 60% of the world's workforce (2 billion people) operate in the informal sector (IMF).
- Many are self-employed micro-entrepreneurs (MEs)
- MEs have fewer than 5 employees, and 90% have none (Gindling & Newhouse 2014).
- MEs are often necessity-driven entrepreneurs.
- ME performance is key to economic development and poverty reduction.



The Challenge: Buyer Dependency in MEs

- MEs often depend on 1-2 supplier resulting to high buyer dependency.
- This leads to several challenges:
 - Limited bargaining power
 - lower decision-making discretion
 - Lack of innovation
 - Supply shortage



Why do micro-entrepreneurs exhibit a preference for working with a small number of suppliers?

Buyer dependency is...

Buyer dependency is defined as the number of upstream agents that a buyer deals with – for purchasing their goods

(Caniëls et al. 2018).

The greater the number of upstream agents the lower the buyer dependency.



"SORRY, WE'RE ALL OUT OF HARPS...
SUPPLY CHAIN ISSUES. HOW ARE
YOU ON A KAZOO?"

Factors driving buyer dependency

- **Informational Transparency** (Srivastava Dabas et al. 2012)
 - Informational transparency and long-term focus build trust with channel partners, increasing buyer dependence on the firm.
- **Supplier Flexibility** (Wagner et al. 2018)
 - Supplier flexibility in providing easy credit, quick delivery, and fast information processing can lead to buyer dependency.
- **Environmental uncertainty** (Ganesan et al. 1994)
 - Markets with uncertainty and diverse options encourage a retailer to develop relationships with multiple channel partners capable of handling the demands of specialized markets.

We however argue...

**That social, specifically gender norms,
have a significant impact on buyer
dependency.**

Social (Gender) Norms are ...

- Social (gender) norms are collective definitions of socially approved conduct
(Pearse and Connell 2016).
- Gender norms dictate how people of a particular gender are expected to behave, reinforcing gendered power relations and inequalities (ALIGN 2018).
- Social (gender) norms are upheld by social sanctions for violations (gossip, shunning, violence) and approval for conformity (Mackie et al. 2015).



Common Gender Norms affecting Buyer Dependency..

- Norms about respectability, decorum, and mobility
- Norms about negotiation and bargaining power
- Norms about the size of social and business networks
- Norms about care work, domestic work, and time use
- Norms about suitability of work for women



Empirical Context

Empirical context

Imbaba, Cairo, Egypt

- Imbaba, with a population of around 700,000, began as a village founded by Sheikh Ismaīl "al-Imbābī" on the Nile.
- The 1930s construction of the Imbaba Bridge modernized the area, and by 1950, it became central to Cairo's urban planning.
- Formal housing projects spurred informal housing expansion developed by migrant communities.



The boundaries of Imbāba – Officially North Giza District



An aerial photograph from the 1950s showing unauthorized houses which were said to be those of the workers in the project of "Laborers' Housing"

Source: [Jadamun](#)

El- Basrawy is one such example

- El Basrawy in al-Munīra al-Gharbiyya was formed by a garbage collector community from Assyout.
- It now has the highest population and Christian density in Imbāba.



Source: [Tadamun](#)

Religious symbols are remarkable icons in the streets of al-Munīra al-Gharbiyya. (Tadamun 2015)

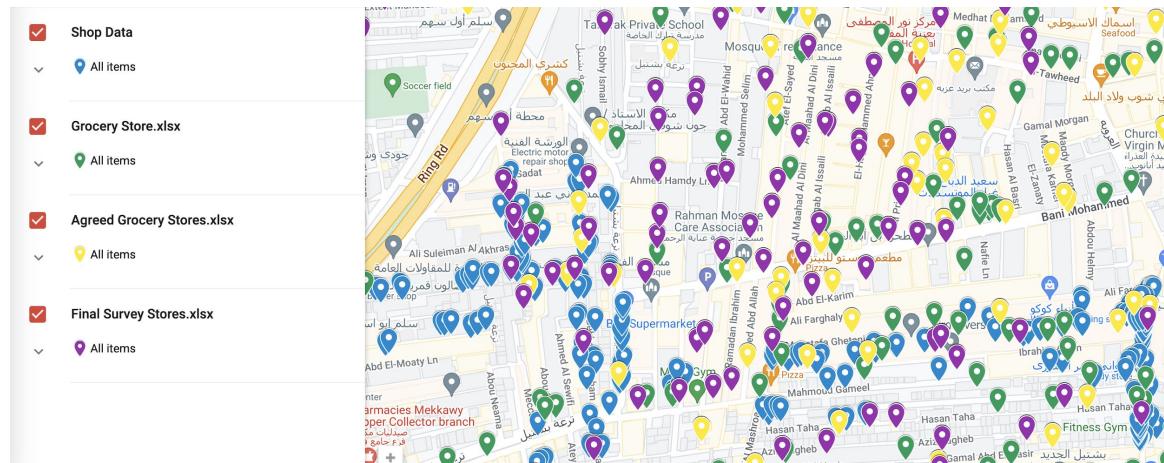
Data collection: Census

- We identified the location, industry and type of activity of 11,012 stores.

Type of Business	Percentage
Grocery	13.88
Hairdresser	5.19
Clothing retail	4.39
Restaurant	3.73
Detergent retail	3.15
Vegetable retail	3.13
Coffee shop	3.12
Carpenter	2.62
Electronics retail	2.38
Stationary retail	2.19
Mobile retail	2.11
Houseware retail	1.9

Data collection: Survey

- 916 store owners agreed to participate in our screener questionnaire.
 - Participants were then screened for willingness to scale up, willingness to take advise, and age of the business, a final sample was reached of 562 ME.
 - Subsequently four waves of data collection have been conducted using a local market research firm.



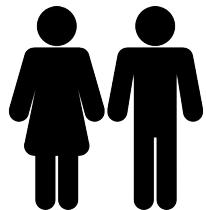
Data Collection: In depth interviews

In progress..



Results

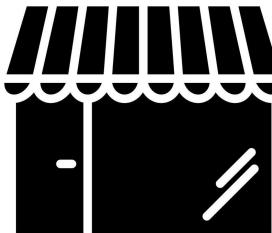
Sample Statistics



32% Female MEs



Avg. age of MEs:
42 years



Avg. age of business:
9 years



Avg. age of ME experience
8 years



Avg. no. of paid employees:
1.27



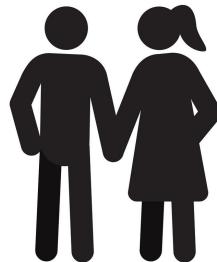
Avg. no. of children:
3.31



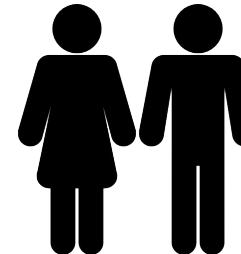
Widowed Women MEs:
64.81%



Widowed Men MEs:
35.19%



Married Women MEs:
29.47%



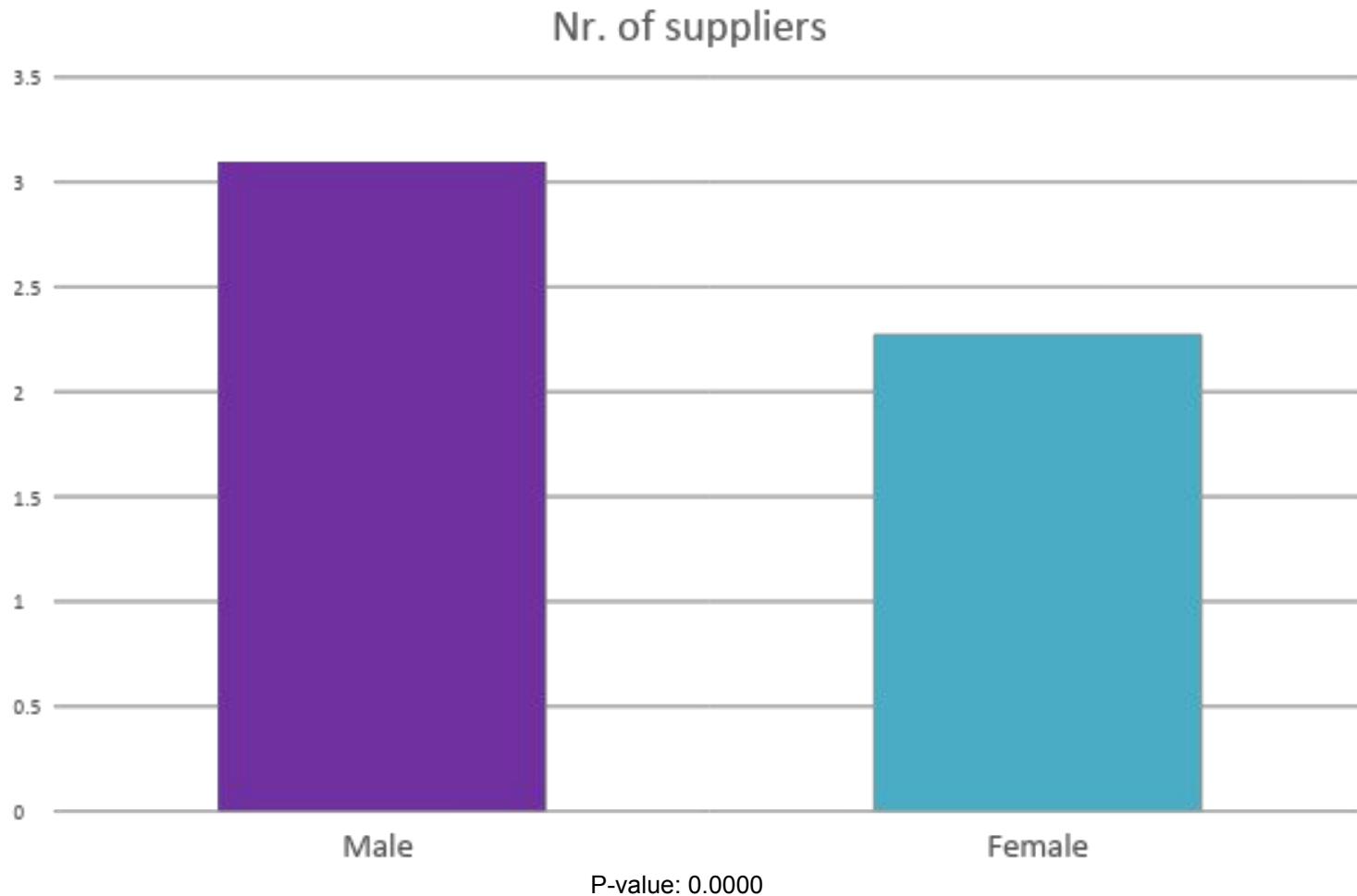
Married Men MEs:
70.53%

Buyer dependency ...

- 77.84% report having one or two suppliers
- 67.21% report having one main supplier.
- 31.88% report having bought ALL their supplies from that main supplier.



Gender (being female) has a negative impact of buyer dependency



Qualitative evidence

“This is my business and my reputation, I have to be very careful of who I am dealing with so that I do not lose my reputation or my business.” (Asmaa)



Qualitative evidence

“We are in ‘closely knit community’, if you do not take care of your reputation ...you will be crushed”. (Rasha)



Qualitative evidence

“When someone (a supplier) comes to harass, I stop dealing with them”.
(Asmaa)



Qualitative evidence

“When you go to a supplier, they know that you need them and since you need them they will ask you for favours. If you do not give in, they will not give you the things you need and want for your shop, so you seek someone else.” (Rasha)



Qualitative evidence

“Suppliers tend to be harsher on women then on men, they tend to shout more at women then on men cause they know a women won’t fight back.”
(Rasha)



Qualitative evidence

- “Women working is not easy, she is constantly harassed and people talking about her.” (Asmaa)
- “It is really hard to deal with men. They can start touching you so I have to say I am like your sister.” (Rasha)
- “A lot of suppliers when they know there is a women running the business they often just come in to harass.” (Asmaa)
- “This is my business and my reputation, I have to be very careful of who I am dealing with so that I do not lose my reputation or my business.” (Asmaa)
- “We are in ‘closely knit community’, if you do not take care of your reputation …you will be crushed”. (Rasha)
- “People judge you by what they see, but since I have been in business for some year now and people have not seen anything bad, they stopped talking about me.” (Asmaa)
- “When someone (a supplier) comes to harass, I stop dealing with them”. (Asmaa)
- “When you go to a supplier, they know that you need them and since you need them they will ask you for favours. If you do not give in, they will not give you the things you need and want for your shop, so you seek someone else).” (Rasha)
- “Suppliers tend to be harsher on women then on men, they tend to shout more at women then on men cause they know a women won’t fight back.” (Rasha)

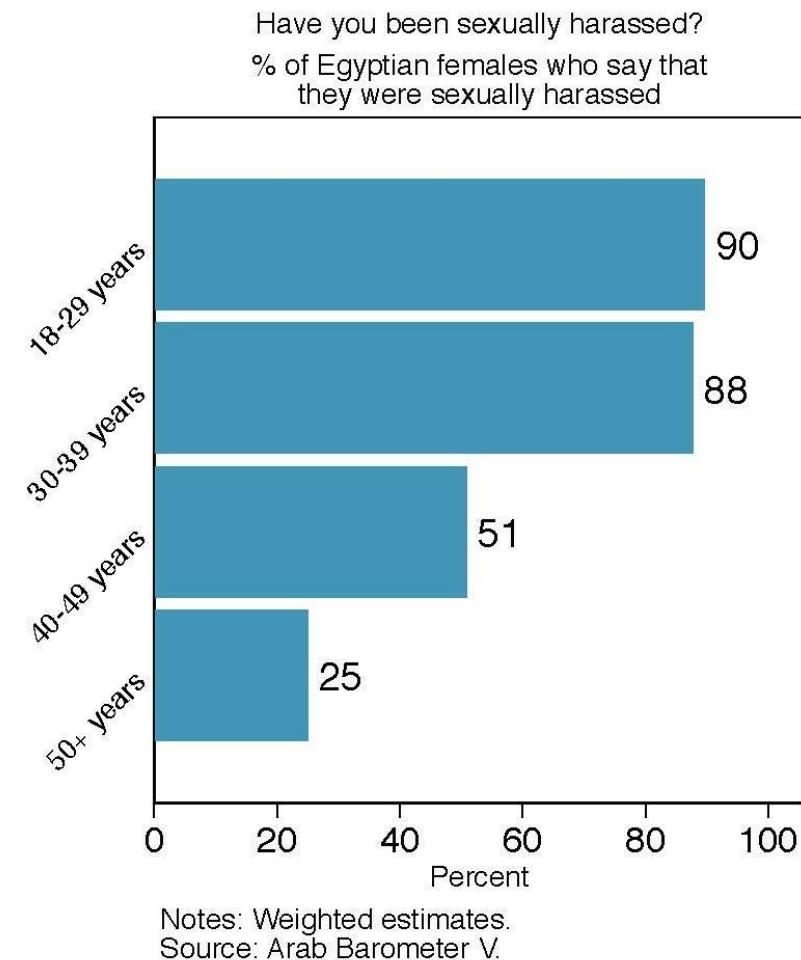
Gender Norms in Egypt

- In Egypt, gender norms expect women to stay at home, and working outside their home often leads to perceptions that justify harassment.
- Women interacting with men outside their family (brother, father, husband) face social judgment and punishment.



We therefore argue that since, all of the suppliers in our sample are males ...

- Female MEs are less likely to expand their supplier network, due to fear of sexual harassment and social sanctions.
- These gender norms (expectations) however relax with
 - Age (O'Keefe & Hyde 1983)
 - Marital status (Bertrand et al. 2016)
 - Having children (number of children) (Bourne & Calás 2013)
 - Financial Hardship (Muravyev et al. 2009)



Results: Process Check

Relaxing Gender Norms: Age

Older females have lower buyer dependency



Qualitative Evidence

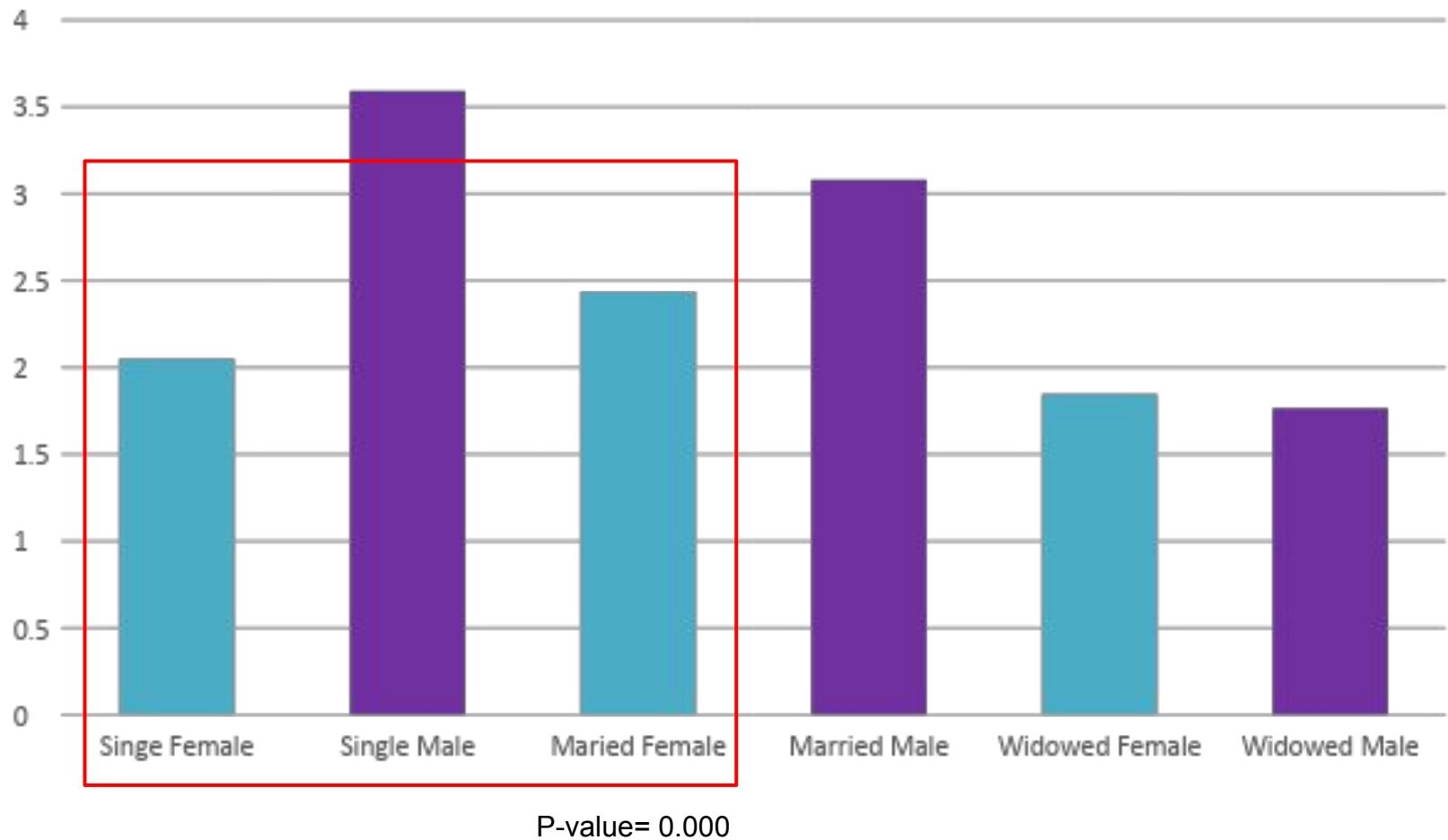
“I would not make my young daughter work in the shop or go to suppliers, cause I need to take care of her reputation.” (Rasha)

“When I was younger, I wasn’t able to deal with men harassing me. I didn’t quite understand what was happening with me.”
(Rasha)

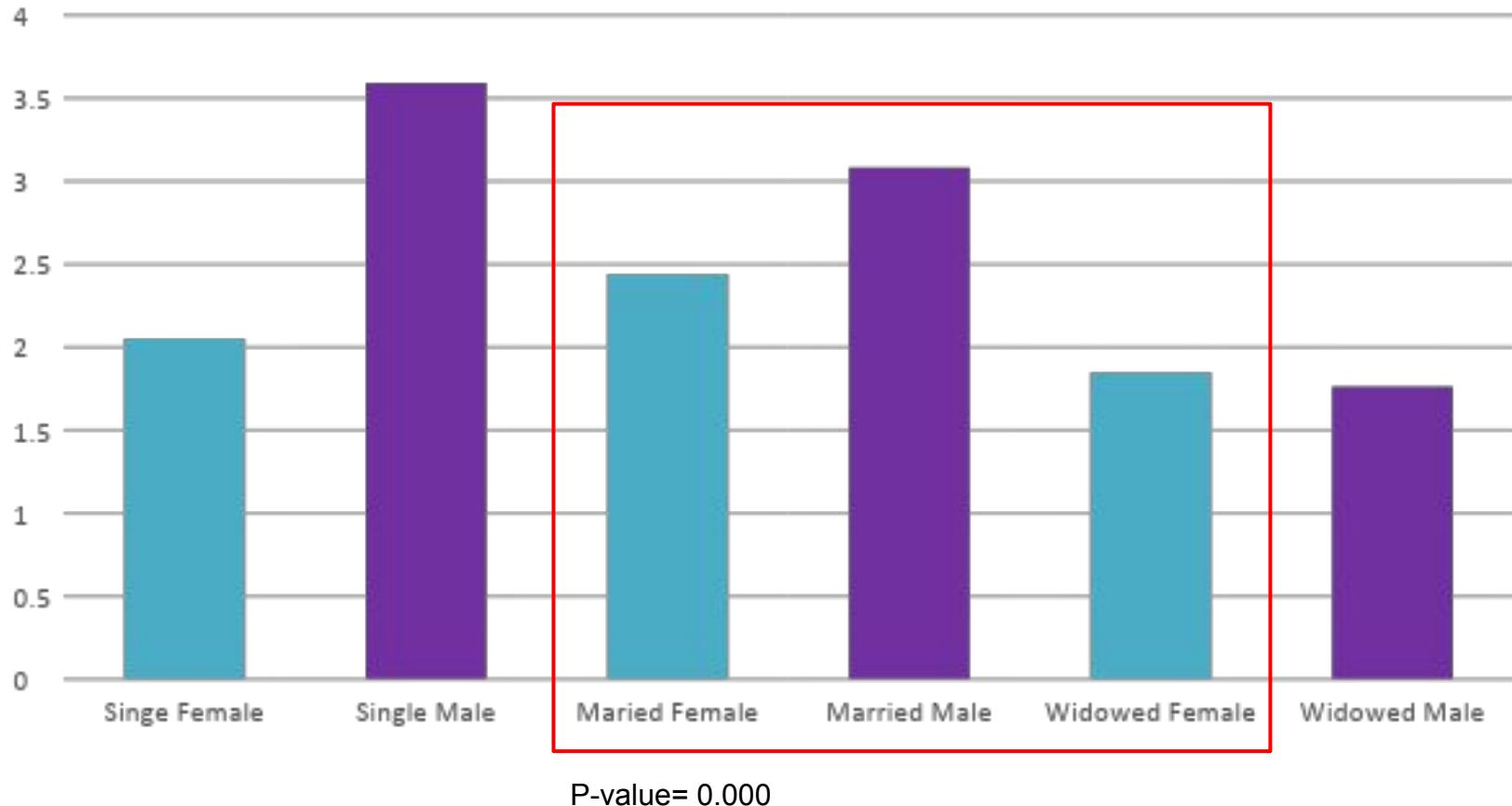


Relaxing Gender Norms: Marital Status

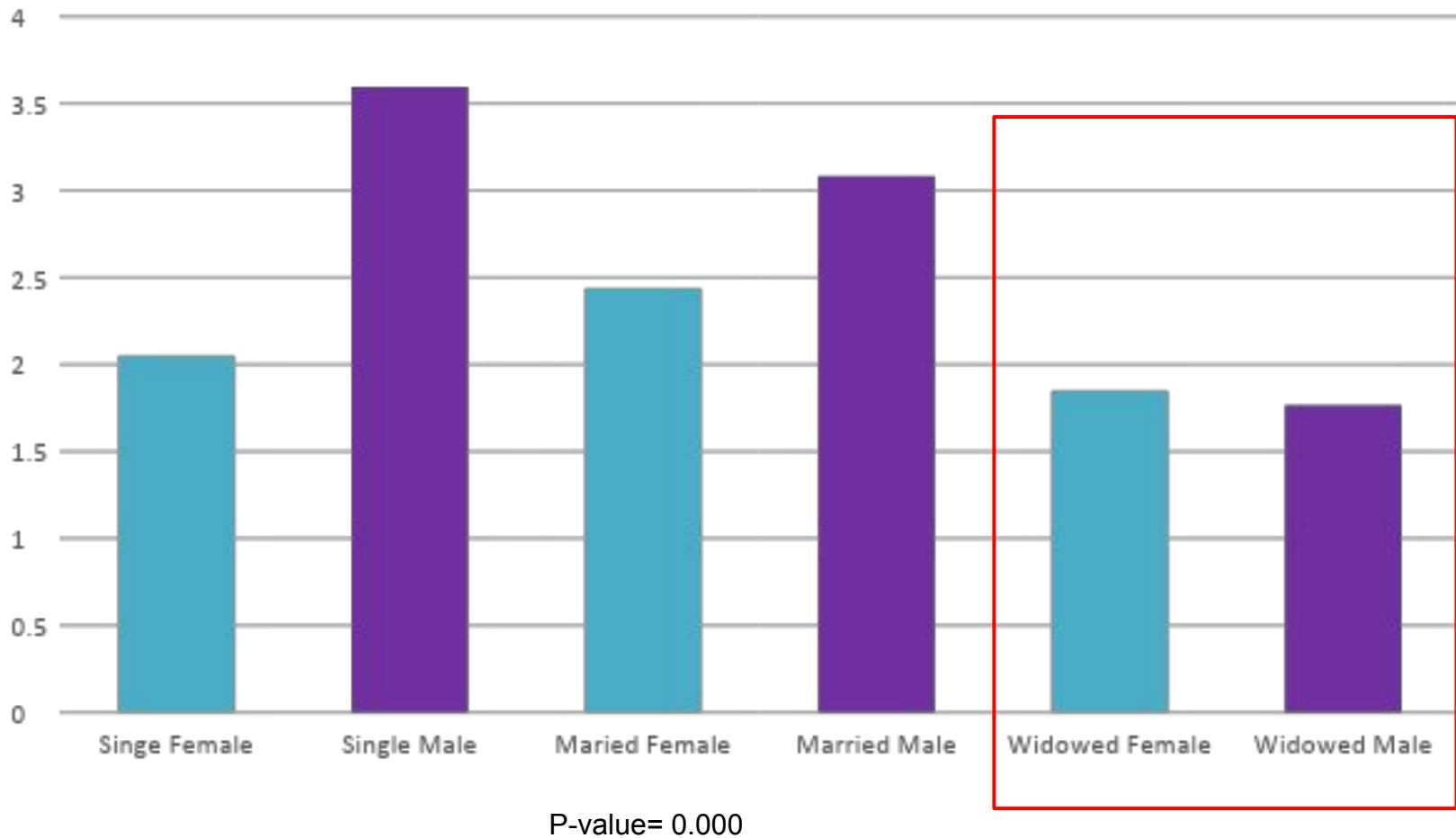
Single females have higher buyer dependency than married females



Widowed females have higher buyer dependency than married females



But widowed females have lower buyer dependency than widowed men



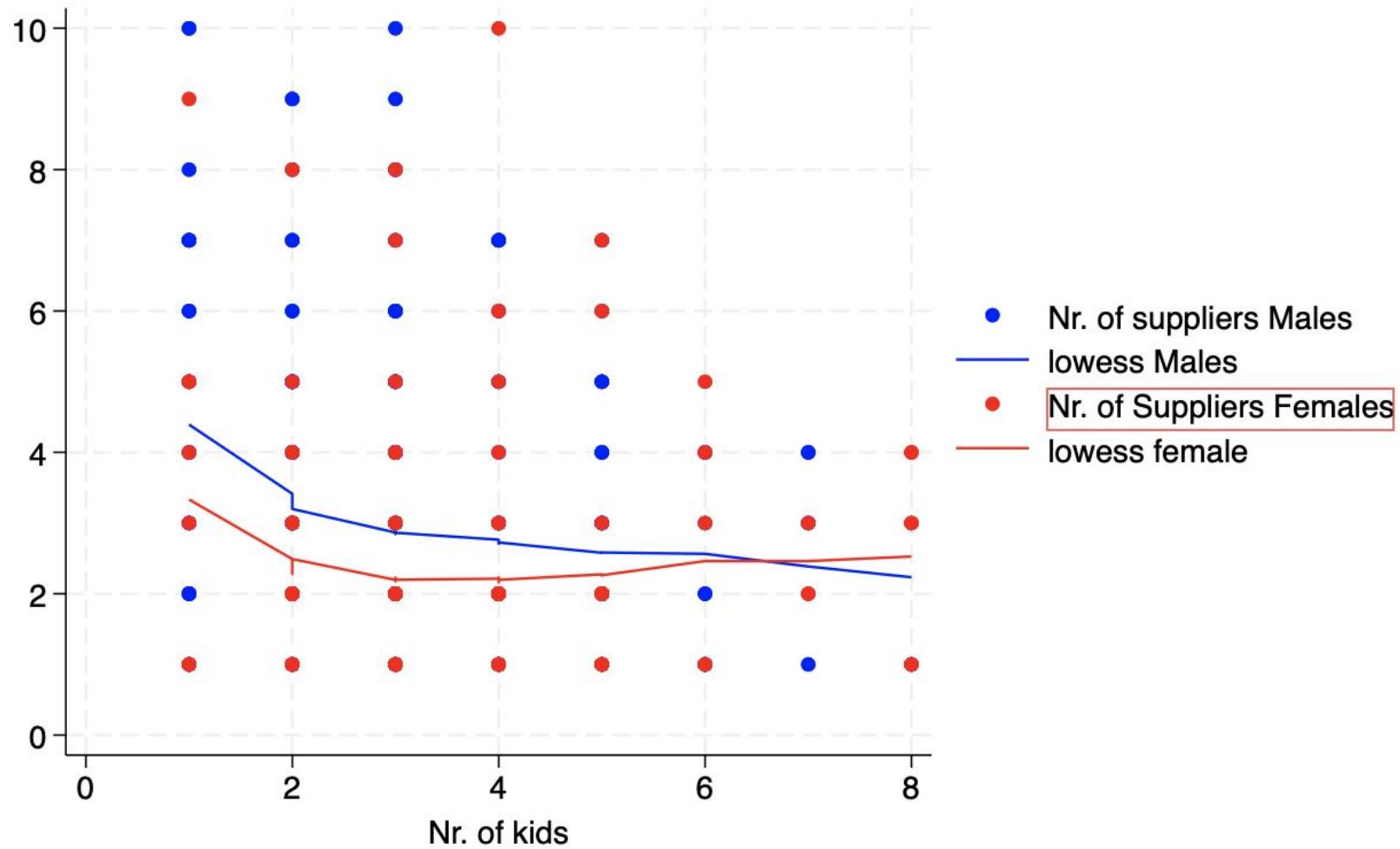
Qualitative evidence

“I have to tell them (suppliers) that my husband will come pick up the supplies tomorrow, even if I know I would do it, in order to avoid them starting to plan something bad.”
(Rasha)



Relaxing Gender Norms: Having Children

For women having more kids reduces buyer dependency



Qualitative Evidence

“Sometimes I have to take my kids with me, so they know I am married and a mother and leave me alone.”
(Rasha)



Relaxing Gender Norms: Financial Hardship

Qualitative evidence

“When people see that we are in financial hardship and they know my husband is ill... people stop saying bad things about me.” (Rasha)

“My husband’s family refused (that she works) at the beginning, but when they see that we go through financial hardship, they see that we do not have another option.” (Asmaa)

Next Steps

Next steps: Addressing Endogeneity

- Establishing causality and testing the mechanisms through lab experiments in the field (Deighton et al. 2021; Lall et al. 2023; Thomas et al. 2010; Zhang et al. 2024).
- Experiment design:
 - making gender norms more salient by showing the experiment group a video of a female ME talking about how gender norms affect her business.
 - The control group would be exposed to a video of a female ME as but there would be no mention of any gender norms.
 - We would then give them two or three business scenarios and ask them to make a decision.



Next steps: Identifying actionable interventions

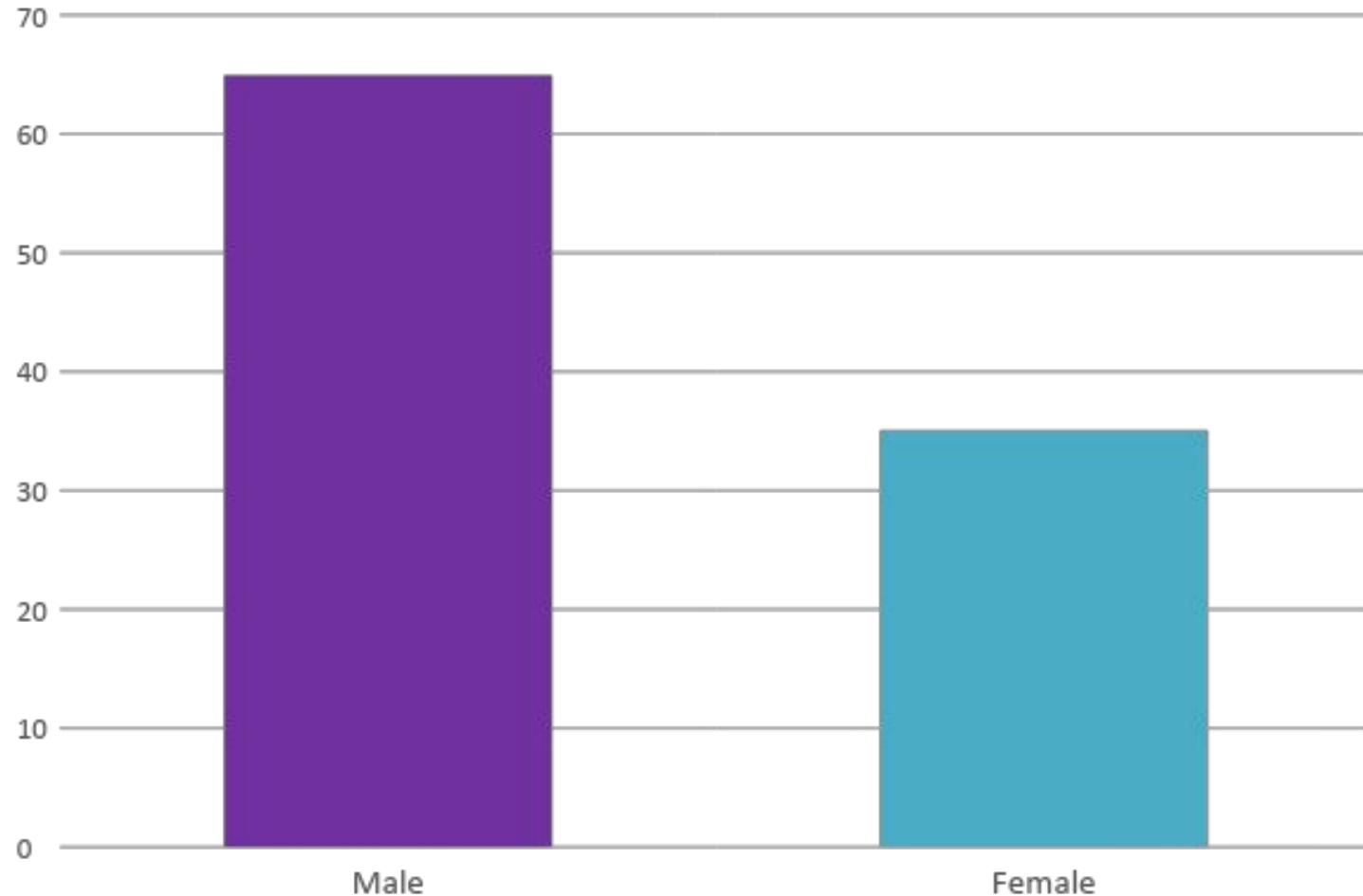
- For FMCG:
 - FMCGs focus on developing female salesforce to target female MEs
- For community-based NGOs:
 - Community group buying for female MEs
- For policy makers and ME training providers:
 - Training on navigating sexual harassment
 - Reading the environment
 - Stay firm and direct the conversation toward her goals.
 - Lighten the atmosphere with a neutral comment and proceed with business
 - Acknowledge the supplier's demeanor and ask open-ended questions to re-engage them.
 - Training on Negotiating in a Hostile Environment
 - Politely steer the conversation back to business and ignore the remarks.
 - Firmly address the comments and assert boundaries.
- Female ME supplier rating app

Contributions

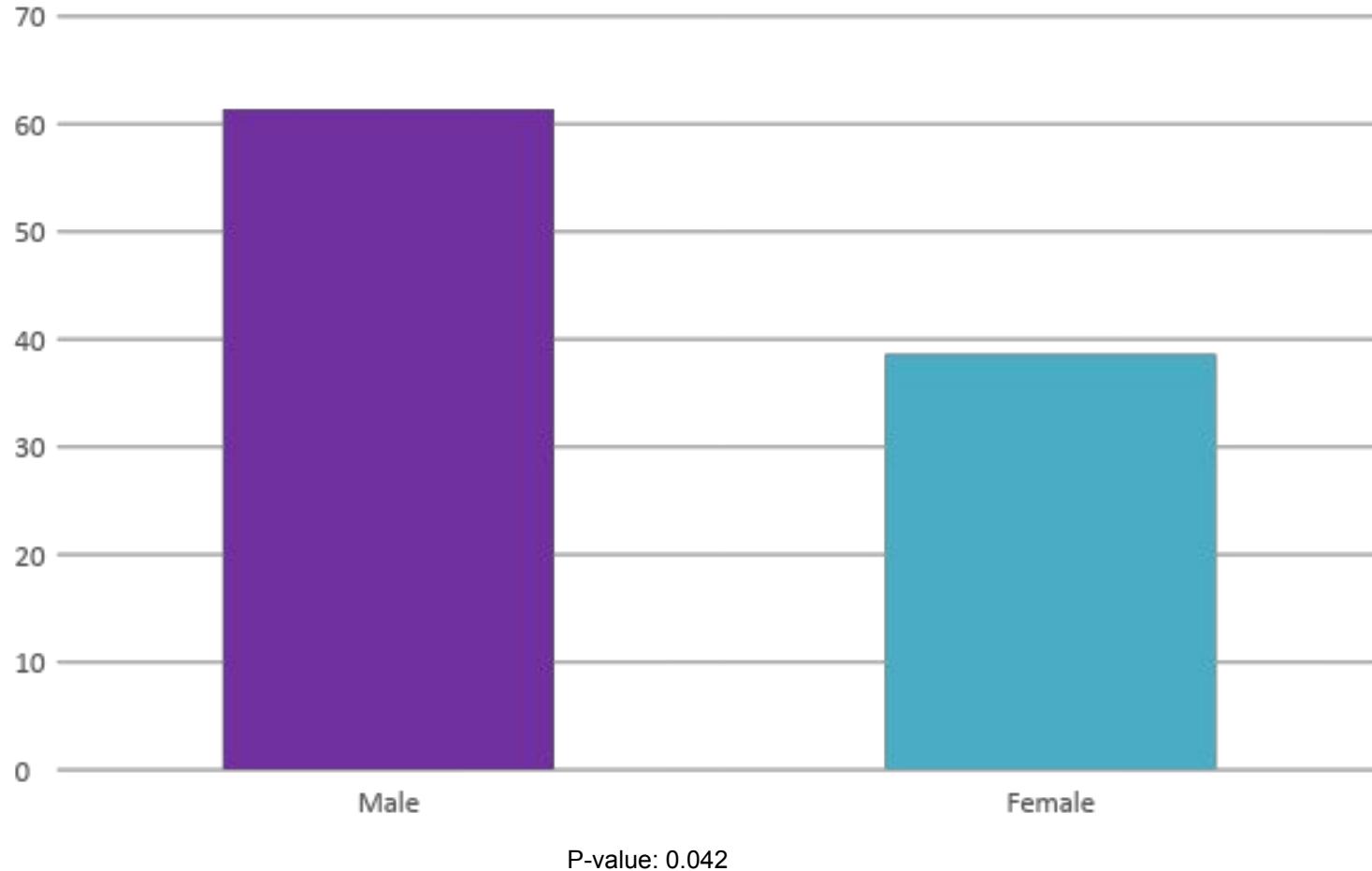
- To our knowledge this is the first study that shows the impact of gender norms on marketing decision making.
- Understanding the gender norms affecting female MEs and the mechanisms to ease these constraints can help policymakers, community-based NGOs, and large MNCs create initiatives to address them.
- Easing social constraints for female MEs can enhance their ability to expand and grow their businesses, especially in contexts where such barriers are widespread.

WE WOULD LOVE
TO HEAR FROM YOU

Do you have one main supplier: Yes

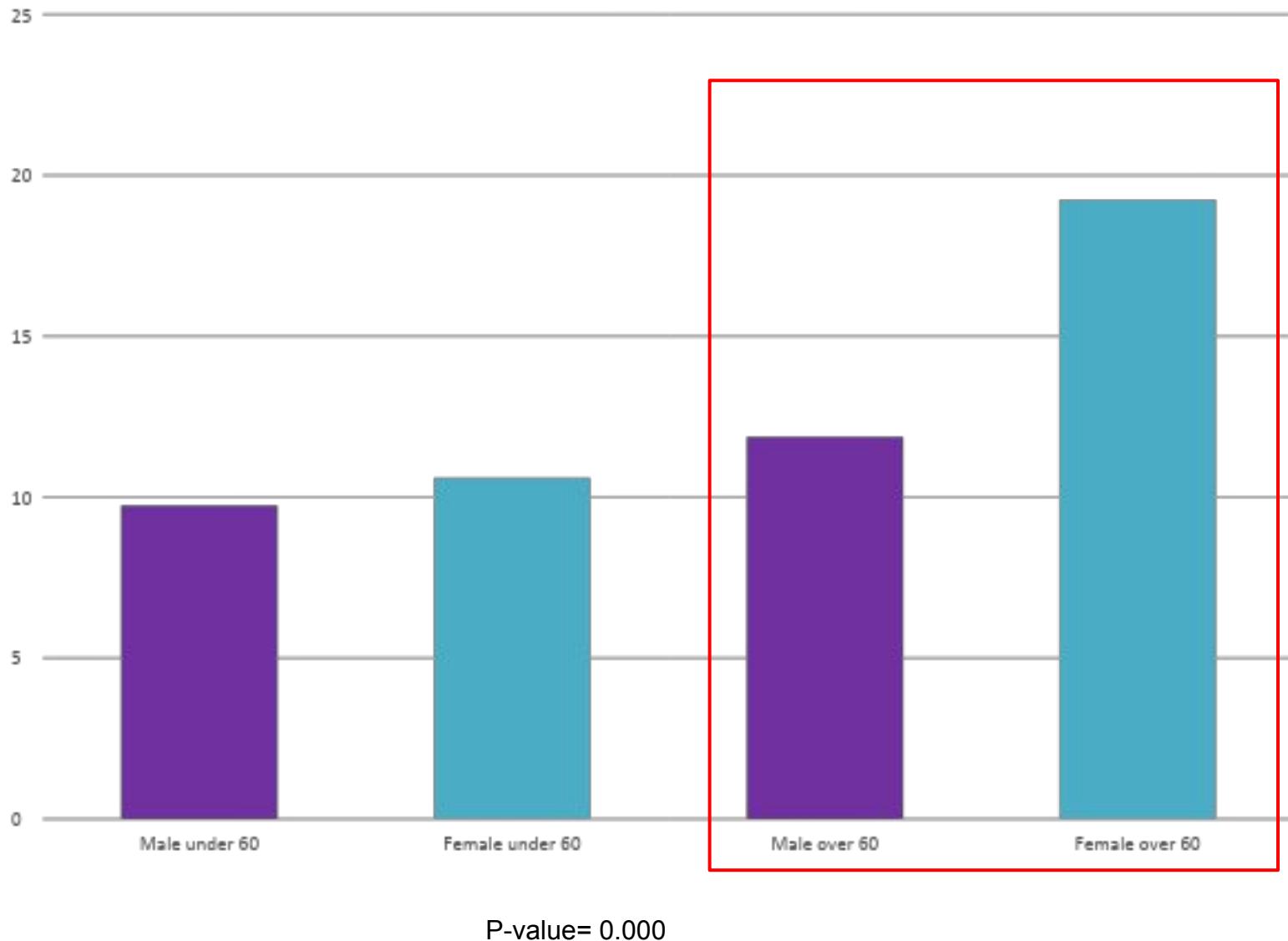


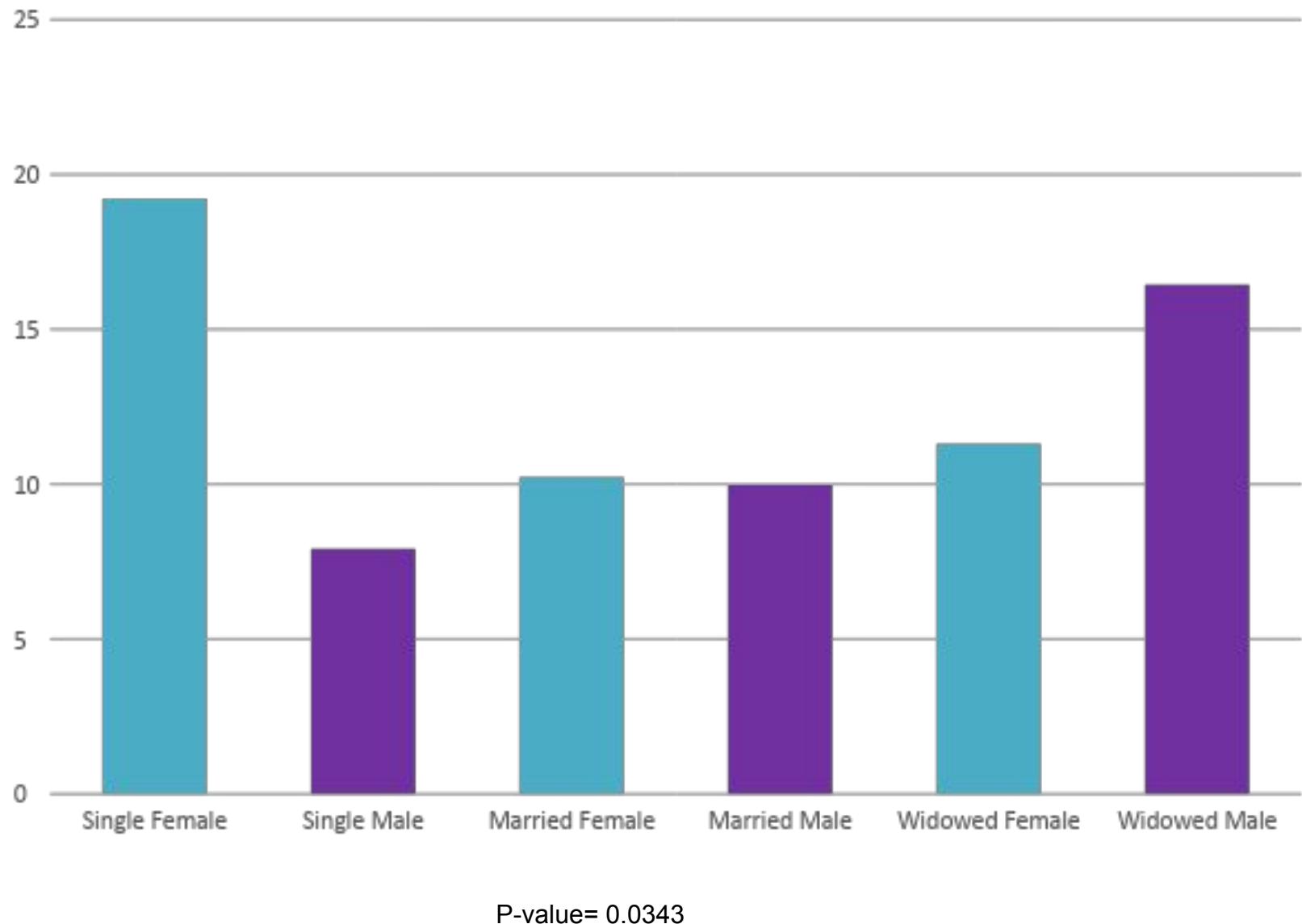
Have you bought ALL your supplies from this main supplier? Yes



Alternative explanation:

Older widowed women start a business cause they do not have kids or a husband to depend on..





What is the actual impact of buyer dependency on performance?

Linear regression – Performance and Innovation

	(1) Reported Monthly Revenue	(2) Reported Monthly Profits	(3) Product Category Innovation
Buyer Dependency	-6837.86*** (669.16)	-6711.14*** (661.21)	-0.03** (0.02)
General individual-specific factors	yes	yes	yes
Business specific factors	yes	yes	yes
R-Squared	0.4266	0.4219	
Adjusted R-Squared	0.3996	0.3948	
Chi Square			0.0000
Pseudo R-Square			0.0467
Observations	319	219	183

“Teach her that the idea of 'gender roles' is absolute nonsense. Do not ever tell her that she should or should not do something because she is a girl. 'Because you are a girl' is never reason for anything. Ever.”

Chimamanda Ngozi Adichie



Age also has a negative impact on buyer dependency

