

## Online Appendix

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Table A1: SUPPLIER CHARACTERISTICS: CORRELATIONS

This table presents Pearson correlation coefficients between independent variables used in regression (17). See Table 3 for variable definitions.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
(1) Mean supplier share	1	0.09	-0.03	0.17	0.09	-0.11	0.12	0.17	-0.01	-0.06	0.05	-0.03	-0.06	0.17	0.00
(2) Mean product substitutability		1	-0.12	-0.05	0.03	-0.05	0.01	-0.05	0.10	-0.06	0.03	0.06	0.09	-0.02	-0.13
(3) Differentiated goods			1	-0.31	-0.11	0.03	-0.05	-0.03	0.06	-0.05	-0.05	0.09	0.00	0.02	0.11
(4) Services				1	-0.16	0.10	-0.15	-0.11	0.16	-0.13	0.05	0.18	-0.06	-0.08	-0.16
(5) Profit margin					1	-0.25	0.23	0.19	-0.10	0.07	0.19	-0.39	-0.06	0.09	-0.05
(6) Constrained						1	-0.62	-0.27	0.15	-0.11	0.02	0.17	-0.03	-0.11	-0.03
(7) Unconstrained							1	0.40	-0.17	0.10	-0.03	-0.14	0.07	0.18	0.06
(8) Investment grade rating								1	-0.13	-0.06	-0.04	-0.07	0.10	0.16	0.03
(9) Liquidity									1	-0.26	-0.02	0.29	0.05	-0.11	-0.10
(10) Leverage										1	-0.04	-0.18	-0.07	-0.02	0.00
(11) Sales growth											1	-0.01	-0.03	-0.03	-0.08
(12) R&D												1	0.14	-0.10	-0.14
(13) Advertising													1	0.02	0.00
(14) Industry share														1	0.21
(15) Industry HHI															1

Table A2: SUPPLIER TRADE CREDIT, SUPPLIER SHARE, AND PRODUCT SUBSTITUTABILITY:  
ALTERNATIVE INDEPENDENT VARIABLES

This table presents the results of estimating the regression of suppliers' trade credit in (17) using some alternative independent variables. Mean supplier share ( $W$ ) is the retailer-purchases-weighted mean supplier share defined in Subsection 6.2.1. Mean product substitutability ( $W$ ) is the retailer-purchases-weighted mean product substitutability, also defined in Subsection 6.2.1.  $\text{Log}(\text{book assets})$  and  $\text{Log}(\text{age})$  refer to the natural logarithms of book assets, Compustat item  $AT$ , and age, respectively. Liquidity ( $\text{cash}$ ) is the ratio of cash, item  $CH$ , to book assets, item  $AT$ . Supplier industry share (2-digit) and (4-digit) are the ratios of the supplier's sales, item  $SALE$ , to total sales in the supplier's 2-digit and 4-digit SIC industries, respectively. Supplier industry HHI (2-digit) and (4-digit) are the Herfindahl indexes of sales concentration in the supplier's 2-digit and 4-digit industries, respectively. See Table 3 for the definitions of the dependent and other independent variables. The sample period is 1996-2009. The sample includes 2,781 observations of suppliers that sell to at least one retailer (NAICS 2-digit industry 44 or 45) that has at least 2 suppliers. The regressions include year fixed effects and are estimated using OLS. Standard errors are clustered by supplier.  $t$ -statistics are reported in parentheses.

SUPPLIER TRADE CREDIT, SUPPLIER SHARE, AND PRODUCT SUBSTITUTABILITY: ALTERNATIVE INDEPENDENT VARIABLES – CONTINUED

	Baseline	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Intercept	0.172 (24.76)	0.172 (23.77)	0.179 (31.90)	0.168 (25.55)	0.173 (25.15)	0.175 (27.83)	0.16 (20.09)	0.166 (23.06)
Mean supplier share	0.029 (2.01)		0.032 (2.19)	0.030 (2.04)	0.031 (2.18)	0.029 (1.96)	0.025 (1.75)	0.026 (1.86)
Mean supplier share (W)		0.026 (1.56)						
Mean product substitutability	-0.687 (-5.15)		-0.687 (-5.07)	-0.651 (-5.04)	-0.714 (-5.40)	-0.657 (-4.68)	-0.585 (-4.59)	-0.685 (-4.75)
Mean product substitutability (W)		-0.618 (-6.28)						
Differentiated goods	0.039 (13.31)	0.040 (13.44)	0.039 (13.42)	0.039 (13.83)	0.039 (12.67)	0.041 (12.95)	0.036 (11.59)	0.042 (13.98)
Services	0.010 (2.25)	0.011 (2.35)	0.009 (2.10)	0.012 (2.57)	0.009 (1.96)	0.012 (2.58)	0.018 (4.20)	0.013 (2.64)
Unconstrained	0.005 (2.10)	0.005 (2.11)		0.006 (2.38)	0.004 (1.98)	0.006 (2.60)	0.004 (1.86)	0.006 (2.26)
Constrained	0.001 (0.16)	0.001 (0.18)		0.001 (0.10)	0.004 (0.70)	0.002 (0.39)	-0.001 (-0.22)	0.002 (0.28)
Hadlock-Pierce index			0.007 (2.28)					
Log(book assets)				0.018 (4.21)				
Log(age)				0.003 (1.18)				
Investment grade rating	0.002 (0.23)	0.003 (0.35)	0.012 (1.33)		0.001 (0.12)	-0.001 (-0.18)	0.001 (0.18)	0.004 (0.57)
Rating present				0.013 (2.59)				
Liquidity	0.014 (0.71)	0.014 (0.67)	0.013 (0.66)	0.017 (0.83)	0.011 (0.54)		0.022 (1.10)	0.016 (0.84)
Liquidity (cash)						0.023 (1.94)		
Leverage	-0.061 (-4.01)	-0.061 (-4.00)	-0.062 (-4.07)	-0.062 (-4.08)	-0.060 (-4.12)	-0.051 (-3.89)	-0.065 (-4.25)	-0.059 (-4.16)
Profit margin	-0.025 (-0.82)	-0.024 (-0.80)	-0.022 (-0.72)	-0.022 (-0.71)	-0.024 (-0.79)	-0.032 (-1.03)	-0.015 (-0.49)	-0.023 (-0.75)
Sales growth	0.035 (3.44)	0.035 (3.33)	0.035 (3.36)	0.038 (3.70)	0.034 (3.23)	0.033 (3.10)	0.038 (3.58)	0.037 (3.49)
Advertising	0.035 (1.49)	0.038 (1.58)	0.031 (1.28)	0.038 (1.61)	0.029 (1.24)	0.030 (1.27)	0.046 (1.85)	0.033 (1.36)
R&D	-0.022 (-0.47)	-0.029 (-0.58)	-0.021 (-0.45)	-0.022 (-0.46)	-0.021 (-0.46)	-0.020 (-0.44)	0.008 (0.16)	-0.009 (-0.20)
Supplier industry share	-0.012 (-1.33)	-0.012 (-1.26)	-0.003 (-0.31)	-0.017 (-1.82)	-0.002 (-0.15)	-0.014 (-1.67)		
Supplier industry share (2-digit)							0.010 (0.25)	
Supplier industry share (4-digit)								-0.018 (-2.59)
Supplier industry HHI	-0.079 (-7.60)	-0.078 (-7.43)	-0.082 (-8.13)	-0.081 (-7.76)	-0.085 (-8.33)	-0.077 (-7.48)		
Supplier industry HHI (2-digit)							-0.101 (-4.06)	
Supplier industry HHI (4-digit)								-0.047 (-4.69)
# Obs.	2,781	2,781	2,781	2,781	2,781	2,781	2,781	2,781
R squared	9.83%	9.80%	9.99%	9.94%	10.02%	9.61%	9.58%	9.65%

Table A3: SUPPLIER TRADE CREDIT, SUPPLIER SHARE, AND PRODUCT SUBSTITUTABILITY:  
ALTERNATIVE SAMPLES

This table presents the results of estimating the regression of suppliers' trade credit in (17) using several subsamples of suppliers. The subsample in column 1 (2, 3) includes 2,691 (2,592; 2,397) suppliers at least 25% (50%, 100%) of whose sales are to retailers. A customer's share of the supplier's total sales is assumed to be proportional to that customer's cost of goods sold. See Table 3 for the definitions of the dependent and independent variables. The sample period is 1996-2009. The regressions include year fixed effects and are estimated using OLS. Standard errors are clustered by supplier. *t*-statistics are reported in parentheses.

	(1) % cust. retailers $\geq$ 25	(2) % cust. retailers $\geq$ 50	(3) % cust. retailers = 100
Intercept	0.175 (28.14)	0.172 (25.81)	0.171 (24.09)
Mean supplier share	0.029 (2.17)	0.024 (1.73)	0.022 (1.52)
Mean product substitutability	-0.605 (-4.59)	-0.625 (-4.52)	-0.597 (-4.56)
Differentiated goods	0.037 (13.75)	0.041 (12.92)	0.041 (12.74)
Services	0.010 (2.00)	0.007 (1.80)	0.004 (0.80)
Unconstrained	0.005 (2.25)	0.004 (1.87)	0.005 (2.18)
Constrained	0.001 (0.19)	0.000 (0.02)	0.000 (0.02)
Investment grade rating	0.003 (0.35)	-0.004 (-0.48)	-0.003 (-0.46)
Liquidity	0.007 (0.39)	0.006 (0.24)	0.008 (0.36)
Leverage	0.056 (3.94)	0.056 (3.41)	0.059 (3.42)
Profit margin	-0.023 (-0.90)	-0.008 (-0.23)	-0.008 (-0.22)
Sales growth	0.035 (3.40)	0.039 (3.19)	0.038 (3.12)
Advertising	0.044 (1.92)	0.046 (1.77)	0.045 (1.77)
R&D	-0.021 (-0.46)	0.023 (0.50)	0.031 (0.68)
Supplier industry share	-0.015 (-1.62)	-0.009 (-0.83)	-0.007 (-0.65)
Supplier industry HHI	-0.082 (-7.71)	-0.074 (-6.50)	-0.073 (-6.20)
# Obs.	2,691	2,592	2,397
R squared	9.28%	10.56%	10.74%

Table A4: RETAILER CHARACTERISTICS: CORRELATIONS

This table presents Pearson correlation coefficients between independent variables used in regression (18). See Table 3 for variable definitions.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(1) HHI of supplier shares	1	-0.07	-0.17	-0.12	0.05	0.06	-0.07	-0.15	-0.17	0.06	0.03	0.04	-0.13	-0.21
(2) Mean product substitutability		1	0.19	0.10	0.13	0.05	-0.20	-0.18	-0.03	0.05	0.12	-0.11	-0.13	-0.17
(3) Service inputs			1	0.15	0.11	0.04	-0.08	-0.17	0.30	-0.11	-0.02	-0.24	0.12	0.05
(4) Differentiated inputs				1	0.07	0.02	-0.05	-0.19	0.08	-0.09	0.02	-0.20	0.19	0.20
(5) Finished inventory					1	-0.02	0.05	-0.01	0.03	-0.04	0.07	-0.05	0.04	0.04
(6) Constrained						1	-0.44	-0.09	0.04	0.07	0.01	-0.07	-0.05	-0.09
(7) Unconstrained							1	0.21	0.08	-0.10	0.06	0.11	0.12	0.15
(8) Investment grade rating								1	0.12	0.03	-0.20	0.12	0.12	0.18
(9) Tangibility									1	-0.08	-0.19	-0.15	0.05	0.05
(10) Sales growth										1	-0.02	-0.02	-0.05	-0.04
(11) Liquidity											1	-0.18	0.03	0.11
(12) Leverage												1	-0.03	-0.08
(13) Industry share													1	0.32
(14) Industry HHI														1

Table A5: RETAILER TRADE CREDIT, HHI OF SUPPLIER SHARES, AND PRODUCT SUBSTITUTABILITY: ALTERNATIVE INDEPENDENT VARIABLES

This table presents the results of estimating the regression of retailers' trade credit in (18) using some alternative independent variables. Mean product substitutability ( $W$ ) is the supplier-sales-weighted mean product substitutability defined in Subsection 6.2.2.  $\text{Log}(\text{book assets})$  and  $\text{Log}(\text{age})$  refer to the natural logarithms of book assets, Compustat item  $AT$ , and age, respectively. Liquidity ( $\text{cash}$ ) is the ratio of cash, item  $CH$ , to book assets, item  $AT$ . Tangibility ( $20\%$  depreciation) is computed similarly to Tangibility, but it assumes  $20\%$  annual depreciation rate of physical capital. Retailer industry share (2-digit) and (4-digit) are the ratios of the retailer's sales, item  $SALE$ , to total sales in the retailer's 2-digit and 4-digit SIC industries, respectively. Retailer industry HHI (2-digit) and (4-digit) are the Herfindahl indexes of sales concentration in the retailer's 2-digit and 4-digit industries, respectively. See Table 3 for the definitions of the dependent and other independent variables. The sample period is 1996-2009. The sample includes 571 observations of retailers that have at least two suppliers. The regressions include year fixed effects and are estimated using OLS. Standard errors are clustered by retailer.  $t$ -statistics are reported in parentheses.

RETAILER TRADE CREDIT, HHI OF SUPPLIER SHARES, AND PRODUCT SUBSTITUTABILITY:  
ALTERNATIVE INDEPENDENT VARIABLES – CONTINUED

	Baseline	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Intercept	0.651 (11.82)	0.647 (10.93)	0.640 (10.43)	0.653 (11.02)	0.668 (13.23)	0.670 (12.70)	0.632 (11.11)	0.667 (12.99)	0.651 (11.53)
HHI of supplier shares	0.091 (3.23)	0.087 (2.52)	0.113 (3.22)	0.101 (2.89)	0.091 (3.23)	0.087 (3.00)	0.118 (4.00)	0.081 (2.43)	0.080 (2.74)
Mean product substitutability	-1.034 (-2.24)		-0.964 (-2.14)	-0.998 (-2.25)	-1.034 (-2.24)	-0.971 (-1.79)	-1.240 (-2.86)	-1.126 (-2.91)	-1.239 (-3.07)
Mean product substitutability (W)		-0.922 (-3.22)							
Proportion finished inventories	-0.019 (-2.02)	-0.012 (-1.55)	-0.065 (-2.84)	-0.026 (-2.00)	-0.003 (-0.45)	-0.012 (-0.91)	-0.021 (-2.42)	-0.003 (-0.44)	-0.005 (-0.62)
Proportion differentiated inputs	1.511 (13.64)	1.487 (13.43)	1.502 (13.54)	1.500 (13.29)	1.513 (13.59)	1.507 (14.02)	1.651 (14.11)	1.537 (15.43)	1.428 (13.94)
Proportion service inputs	-0.992 (-9.57)	-1.000 (-10.24)	-0.994 (-9.58)	-0.989 (-9.45)	-1.011 (-15.18)	-0.999 (-14.22)	-1.042 (-11.61)	-0.998 (-13.83)	-0.973 (-12.84)
Unconstrained	-0.013 (-0.31)	-0.024 (-0.59)			-0.009 (-0.22)	0.008 (0.19)	-0.049 (-1.24)	-0.013 (-0.32)	-0.014 (-0.34)
Constrained	0.035 (1.74)	0.031 (1.49)			0.041 (1.91)	0.056 (2.06)	0.028 (1.69)	0.025 (1.60)	0.036 (1.75)
Hadlock-Pierce index			-0.032 (-2.35)						
Log(book assets)				0.178 (4.75)					
Log(age)				0.034 (1.22)					
Investment grade rating	0.048 (4.07)	0.049 (4.16)	0.044 (3.86)	0.041 (3.65)		0.036 (3.29)	0.040 (2.93)	0.051 (4.74)	0.045 (4.09)
Rating present					0.031 (2.70)				
Tangibility	-0.336 (-10.15)	-0.311 (-7.74)	-0.519 (-6.49)	-0.401 (-6.99)	-0.328 (-9.36)		-0.367 (-12.00)	-0.301 (-9.02)	-0.343 (-10.53)
Tangibility (20% depreciation)						-0.223 (-4.01)			
Liquidity	0.049 (0.69)	0.044 (0.64)	0.165 (0.99)	0.104 (0.76)	0.017 (0.25)	0.179 (2.73)		0.022 (0.33)	0.050 (0.70)
Liquidity (cash)							-0.073 (-1.37)		
Leverage	0.188 (5.82)	0.183 (5.50)	0.574 (6.22)	0.199 (5.40)	0.183 (5.87)	0.159 (5.33)	0.224 (6.24)	0.184 (5.79)	0.194 (5.86)
Sales growth	0.062 (2.61)	0.054 (2.24)	0.163 (3.30)	0.169 (3.44)	0.065 (2.57)	0.058 (2.58)	0.084 (2.93)	0.065 (2.79)	0.063 (2.61)
Retailer industry share	0.061 (3.16)	0.047 (2.27)	0.084 (2.64)	0.46 (2.02)	0.048 (2.72)	0.056 (3.02)	0.069 (3.48)		
Retailer industry share (2-digit)								0.142 (8.35)	
Retailer industry share (4-digit)									0.053 (2.81)
Retailer industry HHI	-0.012 (-0.53)	-0.019 (-0.94)	0.015 (0.29)	-0.026 (-1.03)	-0.015 (-0.64)	-0.009 (-0.38)	-0.035 (-1.42)		
Retailer industry HHI (2-digit)								-0.141 (-2.83)	
Retailer industry HHI (4-digit)									0.024 (1.35)
# Obs.	571	571	571	571	571	571	571	571	571
R squared	78.86%	79.01%	78.91%	79.22%	78.65%	78.65%	76.70%	79.55%	78.73%

Table A6: CUSTOMER TRADE CREDIT, HHI OF SUPPLIER SHARES, AND PRODUCT SUBSTITUTABILITY: ALTERNATIVE SAMPLES

This table presents the results of estimating the regression of customers' trade credit in (18) using alternative samples of customers. In column 1, the sample includes 232 wholesalers, defined as firms having two-digit NAICS code 42, that have at least two suppliers. In column 2, the sample includes 2,705 firms that are neither retailers (NAICS codes 44-45) nor wholesalers, and have at least two suppliers. In column 3, the sample includes 3,508 firms that have at least two suppliers. See Table 3 for the definitions of the dependent and independent variables. The sample period is 1996-2009. The regressions include year fixed effects and are estimated using OLS. Standard errors are clustered by retailer. *t*-statistics are reported in parentheses.

	(1) Wholesalers	(2) Not retailers or wholesalers	(3) All customers
Intercept	0.692 (3.23)	0.193 (7.31)	0.159 (7.23)
HHI of supplier shares	0.048 (2.17)	0.028 (2.67)	0.022 (2.56)
Mean product substitutability	-0.396 (-2.68)	-0.103 (-2.01)	-0.113 (-2.21)
Proportion finished inventories	-0.026 (-1.54)	-0.015 (-1.58)	-0.019 (-2.82)
Proportion differentiated inputs	0.439 (3.22)	0.037 (0.51)	0.115 (2.17)
Proportion service inputs	-0.459 (-3.60)	-0.095 (-5.46)	-0.155 (-11.79)
Unconstrained	-0.079 (-3.91)	0.017 (1.51)	-0.008 (-0.45)
Constrained	0.027 (0.49)	0.040 (1.62)	0.051 (2.02)
Investment grade rating	0.026 (2.73)	0.035 (4.21)	0.082 (14.04)
Tangibility	-0.048 (-0.95)	-0.021 (-0.77)	-0.055 (-2.16)
Liquidity	1.210 (9.33)	0.189 (4.23)	0.346 (8.47)
Leverage	0.123 (2.64)	0.006 (0.28)	0.181 (6.01)
Sales growth	0.057 (2.73)	0.006 (0.39)	0.032 (2.02)
Customer industry share	0.066 (1.87)	0.043 (2.06)	0.127 (7.93)
Customer industry HHI	-0.085 (-1.48)	-0.045 (-1.26)	-0.046 (-1.29)
# Obs.	232	2,705	3,508
R squared	70.09%	64.34%	70.68%

Table A7: RETAILER TRADE CREDIT, HHI OF SUPPLIER SHARES, AND PRODUCT SUBSTITUTABILITY: HIGH AND LOW INTEREST RATE SUBSAMPLES

This table presents the results of estimating the regression of customers' trade credit in (18) for two subsamples: below-annual-median and above-annual-median non-trade-credit interest rates. Non-trade-credit interest rate is defined as the ratio of interest expense to the sum of beginning-of-year short-term and long-term debt. See Table 3 for the definitions of the dependent and independent variables. The sample period is 1996-2009. The regressions include year fixed effects and are estimated using OLS. Standard errors are clustered by retailer.  $t$ -statistics are reported in parentheses.

	Below-median interest rate	Above-median interest rate
Intercept	0.111 (1.29)	0.859 (10.80)
HHI of supplier shares	0.098 (2.11)	0.186 (3.12)
Mean product substitutability	-1.760 (-3.59)	-2.411 (-4.79)
Proportion finished inventory	-0.010 (-0.72)	-0.020 (-1.35)
Proportion differentiated inputs	2.343 (13.46)	1.456 (8.51)
Proportion service inputs	-0.034 (-0.21)	-1.808 (-11.68)
Unconstrained	-0.004 (-0.06)	-0.012 (-0.19)
Constrained	0.014 (0.45)	0.053 (1.79)
Investment grade rating	0.036 (1.94)	0.007 (0.39)
Liquidity	0.055 (0.49)	0.047 (0.45)
Leverage	0.238 (4.96)	0.084 (1.81)
Tangibility	-0.078 (-1.63)	0.021 (0.43)
Sales growth	0.109 (3.19)	0.079 (2.21)
Retailer industry share	0.053 (1.79)	-0.008 (-0.26)
Retailer industry HHI	0.002 (0.06)	-0.019 (-0.55)
# Obs.	285	286
R squared	80.15%	71.86%

Table A8: SUPPLIER TRADE CREDIT, SUPPLIER SHARE, AND PRODUCT SUBSTITUTABILITY:  
INCLUDING HIGHER-ORDER TERMS

This table presents the results of estimating the regression of suppliers' trade credit in (17), while augmenting the regressions by the quadratic and cubic terms of mean supplier share and of mean product substitutability. We multiply the square of mean product substitutability by 100 and its cube by 10,000. See Table 3 for the definitions of the dependent and independent variables. The sample period is 1996-2009. The regressions include year fixed effects and are estimated using OLS. Standard errors are clustered by supplier. *t*-statistics are reported in parentheses.

	Baseline	(1)	(2)	(3)
Intercept	0.172 (24.76)	0.171 (24.78)	0.170 (24.54)	0.166 (24.24)
Mean supplier share	0.024 (1.75)	0.022 (1.66)	0.023 (1.72)	0.022 (1.61)
Mean supplier share <sup>2</sup>		0.031 (1.03)		0.031 (1.03)
Mean supplier share <sup>3</sup>		-0.128 (-0.44)		-0.130 (-0.45)
Mean product substitutability	-0.731 (-6.19)	-0.752 (-6.37)	-0.661 (-5.43)	-0.674 (-5.57)
Mean product substitutability <sup>2</sup> × 100			-0.125 (-2.34)	-0.123 (-2.29)
Mean product substitutability <sup>3</sup> × 10,000			0.076 (1.42)	0.077 (1.45)
Differentiated goods	0.039 (13.31)	0.038 (12.93)	0.039 (13.25)	0.039 (13.37)
Services	0.010 (2.25)	0.010 (2.28)	0.010 (2.32)	0.010 (2.34)
Unconstrained	0.005 (2.10)	0.005 (2.16)	0.005 (2.14)	0.005 (2.12)
Constrained	0.001 (0.16)	0.001 (0.16)	0.001 (0.16)	0.001 (0.16)
Investment grade rating	0.002 (0.23)	0.002 (0.23)	0.002 (0.23)	0.002 (0.24)
Liquidity	0.014 (0.71)	0.014 (0.73)	0.014 (0.72)	0.014 (0.74)
Leverage	-0.061 (-4.01)	-0.062 (-4.04)	-0.062 (-4.09)	-0.062 (-4.06)
Profit margin	-0.025 (-0.82)	-0.025 (-0.81)	-0.025 (-0.80)	-0.025 (-0.83)
Sales growth	0.035 (3.44)	0.035 (3.46)	0.036 (3.52)	0.035 (3.49)
Advertising	0.035 (1.49)	0.035 (1.47)	0.034 (1.45)	0.034 (1.45)
R&D	-0.022 (0.47)	-0.022 (0.47)	-0.022 (0.47)	-0.022 (0.46)
Supplier industry share	-0.012 (-1.33)	-0.012 (-1.36)	-0.013 (-1.39)	-0.013 (-1.40)
Supplier industry HHI	-0.079 (-7.60)	-0.079 (-7.64)	-0.079 (-7.62)	-0.080 (-7.67)
# Obs.	2,781	2,781	2,781	2,781
R squared	9.83%	9.98%	10.13%	10.21%

Table A9: RETAILER TRADE CREDIT, HHI OF SUPPLIER SHARES, AND PRODUCT SUBSTITUTABILITY: INCLUDING HIGHER-ORDER TERMS

This table presents the results of estimating the regression of retailers' trade credit in (18), while augmenting the regressions by the quadratic and cubic terms of the Herfindahl index of supplier shares and of mean product substitutability. We multiply the square of mean product substitutability by 100 and its cube by 10,000. See Table 3 for the definitions of the dependent and independent variables. The sample period is 1996-2009. The regressions include year fixed effects and are estimated using OLS. Standard errors are clustered by retailer. *t*-statistics are reported in parentheses.

	Baseline	(1)	(2)	(3)
Intercept	0.651 (11.82)	0.668 (12.03)	0.661 (11.92)	0.636 (11.41)
HHI of supplier shares	0.139 (4.95)	0.127 (4.51)	0.141 (5.02)	0.129 (4.58)
HHI of supplier shares <sup>2</sup>		-0.045 (-1.34)		-0.022 (-0.71)
HHI of supplier shares <sup>3</sup>		0.200 (0.96)		0.244 (1.10)
Mean product substitutability	-2.057 (-8.05)	-1.960 (-7.42)	-2.541 (-8.98)	-2.477 (-8.70)
Mean product substitutability <sup>2</sup> × 100			0.582 (2.21)	0.418 (1.68)
Mean product substitutability <sup>3</sup> × 10,000			0.211 (0.65)	-0.097 (-0.42)
Proportion finished inventory	-0.019 (-2.02)	-0.019 (-2.00)	-0.018 (-1.93)	-0.019 (-2.00)
Proportion differentiated inputs	1.511 (13.64)	1.466 (13.41)	1.478 (13.45)	1.481 (13.45)
Proportion service inputs	-0.992 (-9.57)	-0.972 (-9.32)	-0.979 (-9.52)	-1.022 (-9.96)
Unconstrained	-0.013 (-0.31)	-0.013 (-0.31)	-0.013 (-0.31)	-0.013 (-0.31)
Constrained	0.035 (1.74)	0.036 (1.80)	0.036 (1.81)	0.035 (1.74)
Investment grade rating	0.048 (4.07)	0.049 (4.12)	0.047 (3.99)	0.050 (4.18)
Liquidity	0.049 (0.69)	0.049 (0.68)	0.048 (0.68)	0.049 (0.69)
Leverage	0.188 (5.82)	0.182 (5.63)	0.189 (5.81)	0.192 (6.02)
Tangibility	-0.336 (-10.15)	-0.331 (-9.87)	-0.325 (-9.73)	-0.332 (-10.03)
Sales growth	0.062 (2.61)	0.061 (2.55)	0.060 (2.55)	0.062 (2.64)
Retailer industry share	0.061 (3.16)	0.060 (3.14)	0.060 (3.15)	0.062 (3.26)
Retailer industry HHI	-0.012 (-0.53)	-0.012 (-0.53)	-0.012 (-0.54)	-0.012 (-0.53)
# Obs.	571	571	571	571
R squared	78.86%	79.01%	79.15%	79.22%