

A qualitative and quantitative study for evaluating customers from a supplier perspective based on preferred customer antecedents:

Development of a maturity model for
assessing key accounts

Antoine Meyer

*Msc Business Administration, University of Twente
Purchasing & Supply Management*

Faculty of Behavioural, Management and Social Sciences (BMS)

Master thesis

13.05.2019

1st Supervisor: Dr. Aldis Sigurdardottir
2nd Supervisor: Prof. Dr. Holger Schiele

Abstract

The aim of this research is to explore new preferred customer criteria to subsequently rate the importance of every criterion in order to develop a maturity model that is able to assess buying firms from a supplier perspective based on a score.

With regard to the research design of this study, new criteria are explored through qualitative research by conducting semi-structured interviews with sales managers who are selling products that are sold on a regular base to the same existing business-to-business customer. These criteria are rated through quantitative research in order to highlight differences among them. This type of mixed method is considered as explorative sequential design method.

The findings of the study show that criteria identified through qualitative interviews slightly differ from the findings from the theory. Further, the findings from the quantitative data collection give a clear indication that criteria differ in terms of their importance.

In terms of limitations, the small sample size of the qualitative research is addressed. Further, the model developed of this study is applicable throughout a wide set of industries which limits its application abilities in terms of only one specific industry.

With regard to practical implication, suppliers and key accounts can profit from this research. On the one hand, suppliers are able to systematically evaluate and compare their customers in order to decide which customer to assign with preferred customer status. On the other hand, buyers are able to see what type of criteria are valued from suppliers in order to systematically improve in these points.

Preface

This dissertation aims to finalize my studies in order to obtain a Master of Science in Business Administration specialized in Purchasing & Supply Management.

Before starting with the official research, I would like to thank some people who supported me throughout the stages of this project. First of all, I would like to thank Dr. Aldis Sigurdardottir for supporting and advising me throughout the stages of my final assignment. Thank you for sharing your constructive critics and your suggestions with me. Secondly, I would also like to thank Prof. Dr. Holger Schiele for providing me with great feedback on my thesis idea. Last but not least, I am expressing special thanks to all participants of this study who truly contributed in making this research a great piece of work for science.

Finally, I would also like to thank my parents for the strong emotional and financial support throughout my studies.

Enschede, 13th of May 2019

A handwritten signature in black ink, appearing to read 'J. Meyer', with a stylized, flowing script.

Table of content

1. Purchasing as a strategic function: reduced supplier base as an enabler for systematic customer evaluation from a supplier perspective.....	1
2. The concept of reversed marketing: purchasers proactively approaching suppliers to meet supply objectives.....	4
2.1 Reversed marketing: theory development and explanation in the context of purchasing.....	4
2.2 Reviewing existing models on key account assessment and classification.....	7
3. Gaining competitive advantage by obtaining preferred customer status.....	11
3.1 Definition and origins of the preferred customer: raising dependency of buyers on their suppliers.....	11
3.2 Customer attractiveness and supplier satisfaction as preconditions and drivers of preferential resource allocation.....	12
3.3 Supplier innovativeness, benevolent pricing and reduced lead times as the main benefits of preferential treatment.....	14
4. Proposed theoretical framework: preferred customer antecedents as measures to evaluate customers.....	16
4.1 Literature review on preferred customer antecedents: overlapping factors in the literature as groundings for the theoretical framework.....	16
4.2 The unclear distinction between customer attractiveness and supplier satisfaction as the main theoretical finding.....	22
4.3 Overview final theoretical framework: grouping antecedents into four categories.....	24
5. Research methodology: sequential exploratory design as a mixed-method approach for testing and quantifying the proposed framework.....	25
5.1 Qualitative data collection: testing the model through semi-structured interviews.....	26
5.1.1 The perspective of 10 sales professionals on relevant antecedents in different industries.....	26
5.1.2 Data analysis: identifying new and existing antecedents through inductive and deductive coding.....	28
5.1.3 Adjusted theoretical model: new and relevant antecedents added and omitted.....	33

5.1.4	Ensuring trustworthiness of the qualitative study through validity and reliability check by Shenton.....	35
5.2	Quantitative data collection: highlighting differences among antecedents.....	39
5.2.1	Using an ordinal scale to rate antecedents from the adjusted theoretical framework.....	39
5.2.2	Quantitative data analysis: interpreting scale results.....	41
6.	Final maturity model: relevant antecedents with corresponding level of importance as evaluators for customers from a supplier perspective.....	46
6.1	Maturity model development: using the phase approach of de Bruin et al.....	46
6.2	Positioning matrix development for visual comparison of all key accounts.....	49
7.	Discussion, implications, limitations, recommendations for future research and conclusion.....	51
7.1	Discussion section.....	51
7.2	Managerial implications for suppliers and purchasers.....	53
7.3	Limitations of the research and recommendations for future research.....	54
7.4	Conclusion.....	55
8.	References.....	57
	Appendix I: Interview guide preferred customer antecedents.....	64
	Appendix II: Survey questions for rating preferred customer antecedents.....	66
	Appendix III: Preliminary interview results matrix.....	68
	Appendix IV: Maturity model for assessing key accounts from a supplier perspective.....	69
	Appendix V: Overview sheet of the excel tool as a score summary of all key accounts.....	71
	Appendix VI: Positioning matrix for visual key account comparison.....	72
	Appendix VII: Findings & application guide for maturity model and positioning matrix.....	73

List of figures and tables

Figures

Figure 1: The concept of reversed marketing.....	4
Figure 2: Diamond of loyalty.....	7
Figure 3: The pyramid of Curry and Curry.....	8
Figure 4: The concept of preferred customer ship.....	18
Figure 5: Sequential exploratory design method.....	25

Tables

Table 1: Literature review on preferred customer antecedents.....	24
Table 2: Qualitative sample overview.....	30
Table 3: Qualitative data analysis.....	30
Table 4: Adjusted theoretical framework.....	34
Table 5: Chronology of research design.....	38
Table 6: One-sample statistics.....	41
Table 7: Category mean values.....	42
Table 8: Comparing means of the two largest groups.....	43
Table 9: Descriptive statistics product classifications.....	44

1. Purchasing as a strategic function: reduced supplier base as an enabler for systematic customer evaluation from a supplier perspective

The present global scenario pictures a situation in which the overall number of suppliers is reduced and the right supplier selection has become a crucial task for modern purchasing. Suppliers are evaluated based on multiple criteria and the selection process has become crucial in order to establish an efficient supply chain system.¹ As a result, purchasers continuously evaluate the performance of their suppliers in order to develop them or to ultimately phase them out.²

Nevertheless, purchasing used to play a passive role within organizations in the past until managers and academics started to give more attention to purchasing in the 1980s while several changes and purchasing trends occurred later during the 90s.³ The idea of purchasing as a strategic role, started to emerge when professionals linked purchasing processes to corporate strategic planning.⁴ The authors Chen et al. (2002) define the term strategic purchasing as the way to plan, evaluate, implement and control routine sourcing decisions.⁵ All purchasing functions and activities are integrated and consistent with the long-term objective of the organisation.⁶

Shortly after purchasing started to gain recognition as a strategic function, an alternative view on buyer-supplier relationships emerged at the end of the 90s. Traditionally, suppliers were proactively trying to sell their ideas to buyers whereas the new concept of reverse marketing implies that purchasers proactively approach the suppliers to meet supply objectives.⁷ This idea was firstly elaborated by Schiele (2010) who explains that suppliers are assigning preferred customer status to buyers enforcing them to proactively work towards suppliers in order to receive preferential resource allocation.⁸ Obtaining a preferred customer status as a buyer can lead to increased performance through better innovation, quality and benevolent pricing through the supplier.⁹ The current literature

¹ See C.-T. Chen, Lin, and Huang (2006), p. 289; Ho, Xu, and Dey (2010), p. 16; as well as Spekman (1988), p. 76.

² See Araz and Ozkarahan (2007), p. 585.

³ See Ellram and Carr (1994); Trent and Monczka (1998), p. 3.

⁴ See Mol (2003), p. 45; as well as Carr and Smeltzer (1999), p. 44.

⁵ See I. J. Chen, Paulraj, and Lado (2004), p. 506.

⁶ See Pearson and Carr (2002), p. 1033.

⁷ See Blenkhorn and Banting (1991), p. 187; as well as Biemans and Brand (1995), p. 30.

⁸ See Schiele (2010), p. 2.

⁹ See Schiele (2010), p. 5; as well as Ellis, Henke, and Kull (2012), p. 1261.

provides tactics and criteria on how to obtain preferred customer treatment.¹⁰ However, the current literature does provide numerous frameworks for assessing suppliers but it lacks a unified framework for assessing buying firms from a supplier perspective. Overall only little research in purchasing from a supplier perspective has been conducted, which supports the importance of this study. Therefore, this research aims to review current antecedents and criteria on how to become a preferred customer in order to empirically develop a framework that is able to assess buying firms based on preferred customer criteria. As a result, the following research question has been formulated:

Preferred customer antecedents: Through what criteria and with which level of importance can suppliers evaluate their customers in order to systematically assign preferred customer status?

The outcome of this research includes both, relevant contributions to the existing literature and practical implication for managers. Whereas only little amount of models in the field of key account assessment, such as the Diamond of Loyalty from Simon Knox (1989) or the pyramid of Curry (2002) are present in the literature, this study aims to develop the first model that assesses purchasing firms from a supplier perspective based on preferred customer criteria.¹¹ Further, the research also identifies different weights per criteria and gives suppliers the opportunity to systematically evaluate their and compare customers. Suppliers can then decide, based on the score of the evaluation, which buyer they provide with preferential resource allocation. The study as well provides implications for purchasers. Due to the fact that some criteria are weighted higher than other, buying firms can systematically improve in high weighted criteria in order to increase the probability of obtaining preferred customer status.

The research question will be answered by first elaborating the concept of reverse marketing in order to reflect existing and relevant models in that field. Then, the idea of preferred customer status will be highlighted to propose a framework for assessing buying firms based on preferred customer criteria. Conducting in-depth qualitative interviews will empirically test the model and possibly enrich the framework with new criteria that have not been identified in the literature yet.

¹⁰ See Nollet, Rebolledo, and Popel (2012), p. 1190; as well as Pulles, Schiele, Veldman, and Hüttinger (2016), p. 134.

¹¹ See Knox (1998), p. 732.

Subsequently, the results from the qualitative data collection will be rated through an ordinal scale in order to highlight differences in terms of importance among the antecedents. Creswell and Creswell (2017) define this type of mixed-method approach as a sequential exploratory design method.¹² In this type of research method, qualitative results build upon the quantitative data collection in order to be linked in the final part of the study.¹³

¹² See Creswell and Creswell (2017), p. 226.

¹³ Hesse-Biber (2010), p. 458.

2. The concept of reversed marketing: purchasers proactively approaching suppliers to meet supply objectives

2.1 Reversed marketing: theory development and explanation in the context of purchasing

The concept of reverse marketing was firstly introduced in 1988 by Leenders and Blenkhorn who experienced this type of aggressive purchasing in the US and Japan.¹⁴ According to Blenkhorn and Banting (1991), reverse marketing is described as "(...) a reversal of buyer-supplier roles", whereas the purchaser acts proactively in order to persuade the supplier to serve the buyer's organization needs.¹⁵

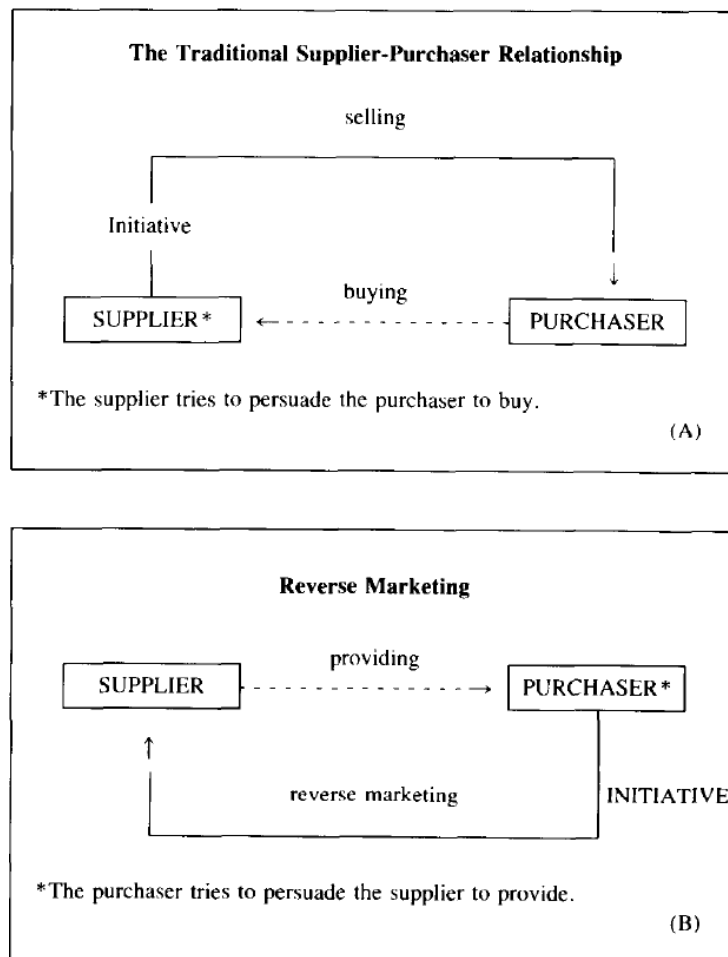


Figure 1: The concept of reversed marketing.¹⁶

¹⁴ See Biemans and Brand (1995), p. 30.

¹⁵ Blenkhorn and Banting (1991), p. 187.

¹⁶ Blenkhorn and Banting (1991), p. 187.

Hence, the buyer takes the initiative rather than the seller.¹⁷ Previous and traditional approaches suggested that suppliers have to take the initiative and approach the buyer.¹⁸ The phenomenon of reversed marketing is as well recognized in the existing literature under the term of "proactive procurement" and "market-driven procurement".¹⁹ According to Ellram (1991), a partnership relationship between counterparties "(...) may occur in reverse marketing if it is mutually beneficial for the buyer and the seller to share risks and rewards".²⁰

While Oumlil and Williams (1989) consider proactive purchasing as a long-term strategy that deserves "(...) consideration on a continuing basis", Blenkhorn & Banting (1991) describe the goal of reverse marketing as the satisfaction of both, short term and long-term supply objectives.²¹

Still, the concept of reverse marketing requires purchasers to adopt a certain marketing mentality to manage the relationship.²² While marketing departments have to understand consumer behaviour, purchasing departments have to understand the behaviour of their suppliers.²³ The concept of reverse marketing requires purchasers to build strong ties with their vendors and to convince "(...) a reluctant vendor to become a supplier (...)".²⁴ A relevant precondition for proactively building relationships with vendors requires purchasers to research supplier opportunities and to be able to systematically segment and evaluate alternative suppliers. The right use of research data can yield an advantageous approach to market identification.²⁵ Further, purchasers using the concept of reverse marketing should be able to think in terms of the whole organization and how purchasing decisions can fit in the organizational framework and how decisions can influence and impact other organizational departments.²⁶ Accordingly, Peter Banting (1990) describes the concept of reverse marketing in his book review as a form of aggressive supply strategy.²⁷ While Blenkhorn & Leenders (1991) identified 11 steps in the reversed marketing concept, Biemans & Brand (1995) segmented these processes in four different

¹⁷ See Larson and Kulchitsky (1998), p. 75.

¹⁸ See Blenkhorn and Banting (1991), p. 187.

¹⁹ Biemans and Brand (1995), p. 30.

²⁰ Ellram (1991), p. 3.

²¹ Oumlil and Williams (1989), p. 290; as well as Blenkhorn and Banting (1991), p. 188.

²² See Oumlil and Williams (1989), p. 290.

²³ See Oumlil and Williams (1989), p. 291.

²⁴ Blenkhorn and Banting (1991), p. 188.

²⁵ See Oumlil and Williams (1989), p. 291.

²⁶ See Blenkhorn and Banting (1991), p. 188.

²⁷ See Banting (1990), p. 129.

core stages, representing a more clustered and condensed approach.²⁸ The first stage, dealing with the analysis and purchasing strategy selection (1), includes a market and SWOT analysis in order to develop the right purchasing strategy. The first step is followed by planning the reversed marketing effort (2). The activities in the second stage include the development of a tactical marketing plan and the integration of other departments in the process.²⁹ The cross-functional integration of other departments is defined in the literature of Blenkhorn & Banting (1991) as the "creative approach".³⁰ The implementation of the action plan, which is characterized as the third step, includes practical steps such as the contract negotiation with the chosen supplier. Once the supplier has been chosen, the fourth step implies to evaluate and control the contracting partner.³¹

Overall, the current literature describes the rewards of reverse marketing as many. According to Blenkhorn & Banting (1991), the use of reverse marketing can help purchasers to save between 5 to 30 per cent of purchasing costs. Since reverse marketing supports cross-functional communication, it also enhances the idea of supply function.³²

Biemans & Brand (1995) and Blenkhorn & Banting (1988) make a distinction between profile characteristics of a purchaser using traditional marketing and reverse marketing approaches. The authors report that traditional purchasers are mainly short term oriented and reactive while purchasers with a reverse marketing orientation seem to proactively serve long-term supply needs as well. Further, traditional purchasers rely more on routine approaches and have an adversarial view towards the supplier. The reverse marketing oriented purchaser focuses more on cooperative relationships with the supplier and is able to generate more creative approaches.³³

Overall, the concept of reverse marketing is defined and explained in the same way among the current literature but no recent publications on this subject were provided. Proactive procurement can be seen as an alternative way of allocating resources in order to meet short term and long-term supply objectives if purchasers are able to effectively use their marketing skills. The concept of reverse marketing emphasizes proactive purchasing behaviour and is one of the ingredients of the preferred customer status, which will be elaborated in the next chapter.

²⁸ See Blenkhorn and Banting (1991), p. 188; as well as Biemans and Brand (1995), p. 32.

²⁹ See Biemans and Brand (1995), p. 33.

³⁰ Blenkhorn and Banting (1991), p. 189.

³¹ See Biemans and Brand (1995), p. 189.

³² See Blenkhorn and Banting (1991), p. 188.

³³ See Biemans and Brand (1995), p. 32; as well as Blenkhorn and Banting (1991), p. 189.

2.2 Reviewing existing models on key account assessment and classification

Classifying key accounts based on their loyalty through the model of Knox

Based on the existing literature, the necessity arises to assess current models that build on the concept of reversed marketing. The literature only provides little amount of relevant models, which are able to assess purchasers from a supplier perspective.

The most common model developed by Simon Knox (1998) called the "Diamond of loyalty" is one of the few models that assess the purchasing companies from a seller and supplier perspective. The theory builds upon the three principles of loyalty management: most customers buy on a portfolio basis (1); all customers are not created equal (2); loyalty is retention with attitude (3). Based on these principles, Simon Knox (1998) classifies existing customers within four different groups. Loyal customers wish to be involved in the relationship while habitual buyers usually reorder the same products without making differences in their choices. Switching behaviour is encouraged when products become out-of-stock and purchasers are forced to look for substitute alternatives.³⁴ The "stream of subsequent purchases is lost until the competitor makes a similar mistake".³⁵

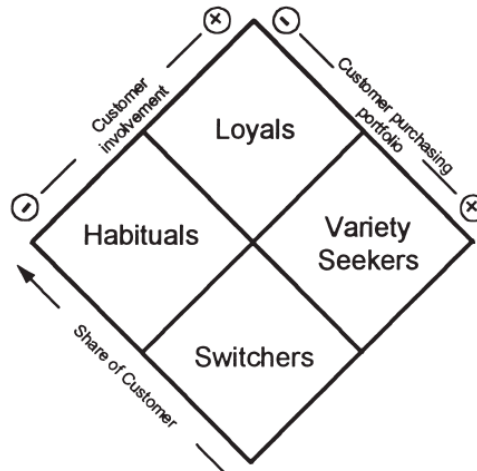


Figure 2: Diamond of Loyalty.³⁶

Both, switchers and variety seekers usually purchase from a wide product portfolio and are less profitable for the seller but both purchasing styles have different purchasing

³⁴ See Knox (1998), p. 732.

³⁵ Knox (1998), p. 733.

³⁶ See Knox (1998), p. 733.

motivations. While variety seekers purchase products for different occasions, switchers pay more attention to discounts and price deals.³⁷

Hence, the model classifies the purchasers into different categories and allows suppliers to compare the purchasers based on their different behaviours. Compared to the model this study aims to create, the diamond of loyalty is unable to measure the key accounts based on specific criteria and it might be problematic to compare purchasers falling in the same group.

Classifying key accounts based on profitability through the pyramid of Curry

Next to the model of Simon Knox, the researchers Curry and Curry (2002) have as well established a slightly different classification of customers. Curry (2002) classifies its customers based on a pyramid whereas customers can be grouped within eight different categories. The idea of the model is to help companies to be able to get an overview and analyse the profitability of different accounts.³⁸

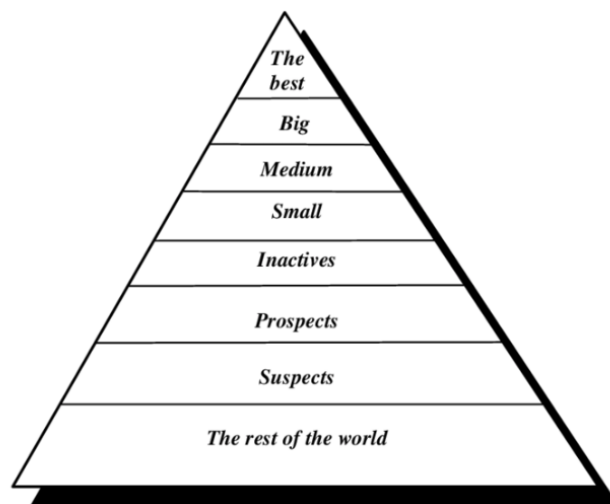


Figure 3: The pyramid of Curry and Curry.³⁹

Compared to the model of Simon Knox, the research of Curry (2002) focuses on customer profitability rather than customer loyalty. Nevertheless, the model of Curry (2002) as well categorizes the customers rather than assigning specific scores. Accordingly, the same limitation as in the model of Knox (1998) can be observed since it might be difficult to

³⁷ See Knox (1998), p. 733.

³⁸ See Curry and Curry (2002), p. 13.

³⁹ See Curry and Curry (2002), p. 12.

compare customers classified in the same category. This underlines the necessity of creating a model that is able to systematically evaluate customers based on a score - this highlights differences among key accounts even if performance differences are low.

Analysing key accounts through absolute/ relative attractiveness by McDonald

The model of McDonald provides an understanding of the key account development process and how key account management can be systematically implemented.⁴⁰ The main difference among the other models is the fact that McDonald does not only consider the absolute attractiveness of customers in terms of their profitability, but the relative attractiveness as well. The relative attractiveness of a customer is described as the access to new potential customers the supplier can possibly have access to.⁴¹

Account Portfolio Analysis for strategy development by Renato Fiocca

The account portfolio analysis developed by Renato Fiocca (1982) emerged even before the concept of reverse marketing was introduced in the literature. Fiocca's model follows a two-step approach by first classifying the strategic importance of every account with "(...) the difficulties in managing it" and by measuring the customer attractiveness as well as the relationship between seller and buyer.⁴²

The elements used in the first step try to identify whether the customer can be considered as an "important account", which is recognized in the modern literature under the term of "preferred customer".⁴³ Hence, Fiocca (1982) identified a set of factors, which are supposed to identify the strategic importance of every account. Consequently, the study also developed a set of criteria that is able to assess the difficulty in managing the account. Therefore, the seller in the first step evaluates the purchaser on a general level and then decides which accounts to analysis in detail in step two of the model.⁴⁴

In the second step, the customer is analysed based on its attractiveness and the stage of the present buyer-seller relationship in order to be placed in the account portfolio matrix. The analysis of the purchasers reveals the account's long-term and short-term potential by

⁴⁰ See McDonald, Millman, and Rogers (1997), p. 737.

⁴¹ See McDonald et al. (1997), p. 737.

⁴² Fiocca (1982), p. 54.

⁴³ Fiocca (1982), p. 54.

⁴⁴ See Fiocca (1982), p. 55.

identifying the product positions and the customer attractiveness. Due to the fact that the model assesses purchasing firms by classifying them into a portfolio matrix, it is seen as a similar model this study aims to develop.⁴⁵ While Fiocca (1982) focuses on evaluating purchasers based on their future potential by classifying them into different categories, the model of this study aims to evaluate customer attractiveness criteria as well as supplier satisfaction criteria by assigning specific scores to individual accounts. Through this measure, the actual performance of purchasers is precisely evaluated rather than the accounts potential.

⁴⁵ See Fiocca (1982), p. 55.

3. Gaining competitive advantage by obtaining preferred customer status

3.1 Definition and origins of the preferred customer: raising dependency of buyers on their suppliers

Purchasing has developed towards a strategic function within organizations and supplier selection and management has as well gained substantial importance for firms. Nollet et al. (2012) mentions that there has been a dynamic shift between buying and selling firms according to the raising dependency of buyers on their suppliers.⁴⁶ Due to the fact that buying firms want to ensure to get the most attention from the best suppliers to stay competitive, the researcher Schiele (2012) makes use of the term "preferred customer".⁴⁷ Especially in 2011, several events such as the flood in Thailand and the Tsunami in Japan lead to the disruption of supply chains and to shortcuts in production. Schiele (2012) points out that the scarcity of materials during that time resulted in an increasing bargaining power of suppliers. Due to the disruption of production processes and the scarcity of products, suppliers had to select among their customers.⁴⁸ This explains why Pulles et al. (2016) highlight that some buying firm were provided with better resources than their competitors meaning that the resource allocation to buying firms is a selective process from a supplier perspective.⁴⁹ Even though suppliers should be treating their customers equally, some buying firms receive better treatment than others, which results in a preferred customer status.⁵⁰ Buying firms who are able to obtain this status, can therefore achieve easier competitive advantage through better resource allocation by their suppliers.⁵¹ Preferential resource allocation through the supplier can be achieved in several ways. First, suppliers can dedicate its most qualified personnel to new product development. Second, the supplier customizes the product according to the buyer's wishes. Third, the supplier offers innovations to the firm as first among other customers. Ultimately, suppliers also "(...) ensure privileged treatment when constraints in production capacity result in bottlenecks", which can be linked to scarcity of products that has been previously addressed.⁵²

⁴⁶ See Nollet et al. (2012), p. 1186.

⁴⁷ Schiele, Calvi, and Gibbert (2012), p. 1179.

⁴⁸ See Schiele (2012), p. 44.

⁴⁹ See Pulles et al. (2016), p. 129.

⁵⁰ See B. Vos, Voordijk, Dewulf, and Bemelmans (2015), p. 178.

⁵¹ See Pulles et al. (2016), p. 129.

⁵² Schiele (2010), p. 6.

3.2 Customer attractiveness and supplier satisfaction as preconditions and drivers of preferential resource allocation

The current literature identified two main drivers of the preferred customer status. First, Pulles et al. (2016) address customer attractiveness as one of the main preconditions of obtaining preferential resource allocation.⁵³ Traditionally, the focus was more on supplier attraction but the phenomenon of attractiveness has shifted from the supplier to the customer in recent years and has been highlighted through the concept of reverse marketing already. This can be explained through the increasing responsibilities of suppliers and the consolidation of suppliers in business-to-business markets.⁵⁴

The researcher Baxter (2012) describes a preferred customer status and higher supplier involvement as "(...) the result of greater customer attractiveness", supporting the fact that customer attractiveness is a precondition for obtaining preferential resource allocation.⁵⁵ According to Pulles et al. (2015), a customer is perceived being attractive to a supplier when the supplier expects positive outcomes toward the relationship. These expectations are based on the perceived value of the buyer from the supplier perspective.⁵⁶

Hüttinger et al. (2012) provide a more detailed description of the term attraction. The authors consider customer attraction as the "(...) expected value, perceived trust and perceived dependence (...)".⁵⁷ Ellegaard et al. (2002) mention that if customer attractiveness is present, the supplier will increase his effort in the relationship and therefore its commitment will increase as well.⁵⁸ These propositions are line with the suggestion of Schiele et al (2012) who imply customer attractiveness as the main construct leading to the initiation, continuation and development of exchange relationships.⁵⁹

Secondly, Pulles et al. (2016) address supplier satisfaction as the second main precondition of obtaining preferred customer treatment. The authors define satisfaction as "(...) the perceived feeling of equity or fulfilment when the outcomes are actually achieved in the relationship".⁶⁰ Supplier satisfaction is achieved when the buyer creates a form of

⁵³ See Pulles et al. (2016), p. 131.

⁵⁴ Schiele, Calvi, et al. (2012), p. 1178.

⁵⁵ See Baxter (2012), p. 1250.

⁵⁶ See Pulles et al. (2016), p. 131.

⁵⁷ See Hüttinger, Schiele, and Veldman (2012), p. 1198.

⁵⁸ See Ellegaard, Johansen, and Drejer (2003), p. 352.

⁵⁹ See Schiele, Veldman, Hüttinger, and Pulles (2012), p. 137.

⁶⁰ Pulles et al. (2016), p. 131.

fulfilments with regard to the investments of the supplier in the relationship.⁶¹ Consequently, Nollet et al. (2012) divide supplier satisfaction in two levels: operational and strategic. The value creation for supplying firms can therefore be achieved through profit, purchase volume on an operational level and innovation, market access on a strategic level.⁶² Schiele et al. (2012) classify customer attractiveness as the first step (1), while supplier satisfaction is seen as the second step (2) in order to reach preferential resource allocation through preferred customer status (3). This step process is linked to the social exchange theory (SET) and explained through the cycle of preferred customer ship.⁶³

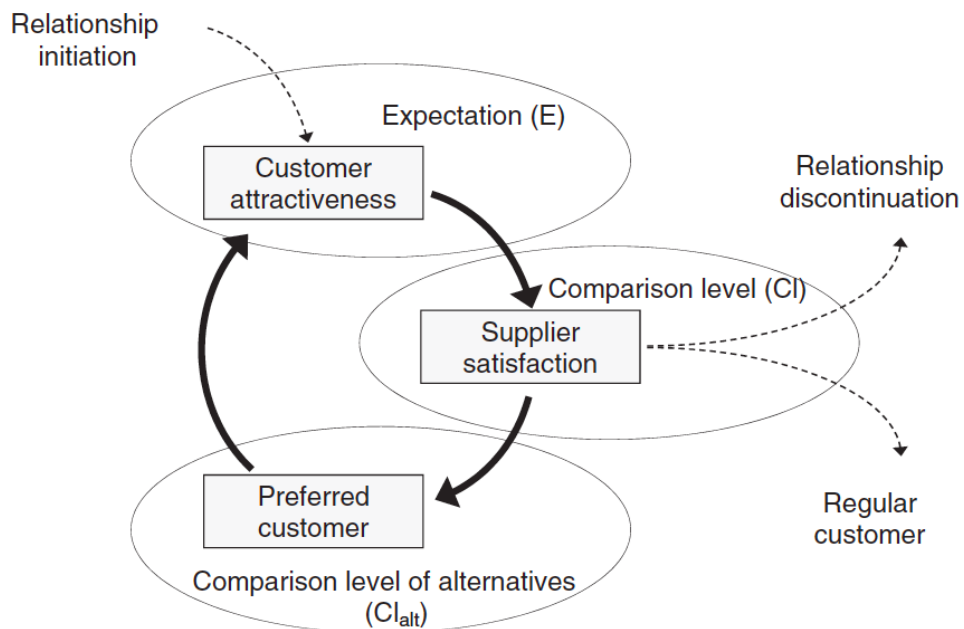


Figure 4: the concept of preferred customer ship.⁶⁴

Due to the fact that attractiveness and satisfaction can be derived from the SET, the necessity emerges to explain this concept. According to Pulles et al. (2016), the SET includes every tangible and intangible exchange process between parties.⁶⁵ Schiele et al. (2012) add that the Social Exchange Theory aims to investigate in the "(...) social processes that govern the relationships between individuals and groups".⁶⁶

⁶¹ See Pulles et al. (2016), p. 131.

⁶² See Nollet et al. (2012), p. 1189.

⁶³ Schiele, Calvi, et al. (2012), p. 1179.

⁶⁴ See Schiele, Veldman, et al. (2012), p. 142.

⁶⁵ See Pulles et al. (2016), p. 131.

⁶⁶ Schiele, Veldman, et al. (2012), p. 136.

The core idea of the SET is represented in the relational interdependence between exchange partners that is developed over time in a business-to-business context. According to Schiele et al. (2012), the theory builds upon three core elements pointed out in the cycle of preferred customer ship. First, expectations (1) relate to the initiation or start of the relationship whereas the comparison level (2) is considered as the second core element of the cycle.⁶⁷ In a different study, Schiele and Calvi (2012) explain that the expectations define the comparison level that is used as a reference to evaluate the buyer. The comparison level (2) is the standard used to measure the performance outcome of the relationship leading to supplier satisfaction. At the third stage, the comparison level of alternatives (3) decides whether the relationship should be continued and actors are as well influenced through the availability of business alternatives.⁶⁸ Consequently, social outcomes as well as economic outcomes are judged in order to be compared to alternatives.⁶⁹ Whereas the cycle of preferred customer ship is an on-going process, Schiele and Calvi (2012) highlight that preferred customer status has a positive influence on customer attractiveness. This implies that relationships where the supplier assigns preferred customer status to the buyer, the supplier might be willing to expand and enforce the relationship even more.⁷⁰ Overall, Hüttinger points out that the three constructs of customer attractiveness (1), supplier satisfaction (2) and preferred customer status (3) explain when supplier's customers are awarded with preferential treatment.⁷¹

3.3 Supplier innovativeness, benevolent pricing and reduced lead times as the main benefits of preferential treatment

The advantages of being treated as a preferred customer are numerous. Hüttinger et al. (2012) highlight benefits in the fields of innovation, production allocation, risk reduction and price benefits.⁷²

⁶⁷ See Schiele, Veldman, et al. (2012), p. 138.

⁶⁸ See Schiele, Veldman, et al. (2012), p. 1180.

⁶⁹ See Schiele, Calvi, et al. (2012), p. 140.

⁷⁰ See Schiele, Calvi, et al. (2012), p. 141.

⁷¹ See Hüttinger et al. (2012), p. 1194.

⁷² See Hüttinger et al. (2012), p. 1204.

Schiele and Vos (2015) empirically identified in their research that a preferred customer status results in a higher supplier contribution in innovation. This requires close collaboration between exchange partners resulting in higher buyer dependency on its supplier. The supplier contribution to new product development is influenced to the degree the buyer enjoys preferential treatment.⁷³ Even though the study of Schiele (2012) highlights that past research implies that preferred customer status might result in higher prices, the research of Hüttinger et al. (2012) points out contrary results by mentioning benevolent pricing as a second advantage of preferential treatment.⁷⁴ Hüttinger et al. (2012) consider the fear of high supplier prices in an established and strategic relationship as a constraint for buyers to fully integrate the supplier in its internal processes.⁷⁵ Accordingly, the research of Schiele et al. (2011) empirically tested that the pricing-barrier is eliminated when buyers are assigned preferred customer status.⁷⁶ Accordingly, Christiansen & Maltz (2002) as well as Ellis, Henke and Kull (2012) point out that the early supplier integration as a preferred customer leads to early access to new technology ultimately leading to better innovation.⁷⁷ Further, the reduced lead times and the reduced inventories are highlighted as a consequence of preferential treatment. Due to close working relationships, buyers and sellers are able "(...) to reduce obsolescence and mitigate risks" resulting in shorter lead times and more accurate deliveries.⁷⁸ Additionally, Nagati & Rebolledo (2013) add that preferred customer status also enhances the information exchange between both parties.⁷⁹

⁷³ See Schiele and Vos (2015). p. 140.

⁷⁴ See Schiele (2012), p. 49; as well as Hüttinger et al. (2012), p. 1201.

⁷⁵ See Hüttinger et al. (2012), p. 1199.

⁷⁶ See Schiele, Veldman, and Hüttinger (2011), p. 3.

⁷⁷ See Christiansen and Maltz (2002), p. 189; as well as Ellis et al. (2012), p. 1261.

⁷⁸ Christiansen and Maltz (2002), p. 188.

⁷⁹ See Nagati and Rebolledo (2013), p. 181.

4. Proposed theoretical framework: preferred customer antecedents as measures to evaluate customers

4.1 Literature review on preferred customer antecedents: overlapping factors in the literature as groundings for the theoretical framework

The current literature provides several studies that directly and indirectly research antecedents or enablers of customer attractiveness, supplier satisfaction and preferred customer status. Still, most studies differ in their research approaches. Some papers have defined antecedents of customer attractiveness only by dividing the criteria in different categories.⁸⁰ On the other hand, few studies focus on the antecedents of supplier satisfaction while some studies try to identify relevant enablers of the preferred customer status as a whole.⁸¹ In order to be added to the theoretical framework provided in table 4, each antecedent requires the support of at least two sources from the literature. With reference to the research of Wolcott (2002), an extensive literature review will be conducted to make sure that the role of theory will not be underplayed.⁸²

First, the antecedent that was found in most articles relates to the growth opportunity, which is defined as "(...) the suppliers ability to grow together with the buying firm and generate new potential business".⁸³ This antecedent can be found in the research of Tanskanen & Aminoff (2015) and as well in the study of Schröer et al. (2014) that points out mutual growth in the relationship.⁸⁴ This suggestion is supported by La Rocca et al. (2012) who identify growth potential as a crucial factor for making the customer more attractive to suppliers.⁸⁵ Further, Kumar & Routroy (2016) consider the "Manufacturer's assurance in providing future business opportunities to the supplier" as a preferred customer enabler as well.⁸⁶ Overall, growth opportunity from a supplier perspective seems to be recognized as an attractive factor among the studied literature for enforcing and enabling buyer-supplier relationships.

Accordingly, three studies highlight the importance of the industry the buyer is operating in. Tanskanen & Aminoff (2015) consider the future of the industry of the buyer as a

⁸⁰ See Tanskanen and Aminoff (2015), p. 135; as well as La Rocca, Caruana, and Snehota (2012), p. 1245.

⁸¹ See Essig and Amann (2009), p. 109; as well as C.V and Routroy (2016), p. 1179.

⁸² See Wolcott (2002), p. 99.

⁸³ Schröer, Hüttinger, and Schiele (2014), p. 703.

⁸⁴ See Tanskanen and Aminoff (2015), p. 135; as well as Schröer et al. (2014), p. 703.

⁸⁵ See La Rocca et al. (2012), p. 1245.

⁸⁶ C.V and Routroy (2016), p. 1179.

relevant antecedent.⁸⁷ The same criterion is enforced by Pulles et al. (2015) who define the buyer's presence in growth markets as an important antecedent as well.⁸⁸ Older studies, such as the research of Fiocca (1982), also pointed out the growth rate of the customer's industry as a source for increasing customer attractiveness.⁸⁹ With reference to the literature, the future of the customer's industry affects the decision making of suppliers in terms of preferential treatment.

With regard to opportunities that could emerge from new supplier buyer relationships, the study of Tanskanen & Aminoff (2015) and the study of La Rocca et al. (2012) highlight the possible access to new people or partners that can emerge through an existing relationship with a buyer. Whereas Tanskanen & Aminoff (2015) defined the access to new partners as a driver of customer attractiveness, the same suggestion is supported by La Rocca et al. (2012) who consider the buyer as a useful bridge to new people, other companies and institutions.⁹⁰ Hence, the antecedent suggests that suppliers are being attracted to buyers who are able to provide access to new possible business partners.

The fourth antecedent that was found to be overlapping in the majority of the sources relates to the innovativeness of the customer. Tanskanen & Aminoff (2015) define the capability to innovate as a crucial driver for buyer attractiveness.⁹¹ La Rocca et al. (2012) underline this proposition by stating that outcomes of interactive relationship result in innovation. Therefore, the authors consider innovativeness of the customer as a source of customer attractiveness.⁹² Accordingly, Pulles et al. (2015) also mention the customer's ability to innovate as an antecedent but the authors categorize the criteria under the phenomenon of supplier satisfaction.⁹³ While Vos et al. (2016) as well consider innovation capability as a source of supplier satisfaction, Kumar & Routroy (2016) mention the "responsiveness achieved in transferring returns on supplier innovation" as a preferred customer enabler as a whole.⁹⁴ The antecedent of innovation capability is a studied criterion in the current literature but it is unclear whether it is a source of customer attractiveness or supplier satisfaction.

⁸⁷ See Tanskanen and Aminoff (2015), p. 135.

⁸⁸ See Pulles et al. (2016), p. 134.

⁸⁹ See Fiocca (1982), p. 57.

⁹⁰ See Tanskanen and Aminoff (2015), p. 135; as well as La Rocca et al. (2012), p. 1245.

⁹¹ See Tanskanen and Aminoff (2015), p. 135.

⁹² See La Rocca et al. (2012), p. 1245.

⁹³ See Pulles et al. (2016), p. 134.

⁹⁴ See F. G. S. Vos, Schiele, and Hüttinger (2016), p. 4618; as well as C.V and Routroy (2016), p. 1179.

Next to the four previously mentioned antecedents, the forecasts accuracy of buying firms was found to be a studied antecedent among the literature as well. Tanskanen & Aminoff (2015) highlight in their study that good forecasts strongly impact the attractiveness of the buyer.⁹⁵ This idea is supported by La Rocca et al. (2012) who recognize forecasting under the following definition: "Customer makes it possible to allow for planning orders", which corresponds to a similar definition of the term forecasting.⁹⁶ Additionally, Ramsay & Wagner (2009) add that reliable and precise forecast of future demand can lead to preferred customer status.⁹⁷ Therefore, with reference to the literature, buyers should be able to provide accurate forecasts in order to receive better or preferential resource allocation.

Regarding the sales volume of suppliers, the studies of La Rocca et al. (2012) and Pulles et al. (2016) clarify the necessity to consider the antecedent of purchasing volume. While the first authors underline the guarantee of large volume purchases as a mechanism for increasing customer attractiveness, the research of Pulles et al. (2015) points out that customers accounting for a large share in turnover of the suppliers can reach higher supplier satisfaction.⁹⁸ The importance of the mentioned criterion is as well supported in the research of Kumar & Routroy (2016) who define the ordered quantity and frequency of customers as a preferred customer enabler.⁹⁹ Also Ramsay & Wagner (2009) consider the sales volume from a supplier perspective as a relevant source of supplier value.¹⁰⁰ Overall, the literature suggests buyers to account for a large share in supplier turnover if customers wish to obtain preferential treatment.

In terms of revenue elements, the literature does not only address the importance of the purchase volume; it highlights the price margins generated by each customer as well. The relevance of margins is elaborated in the research of La Rocca et al. (2012) who suggest that attractiveness of the customer increases if the customer accounts for higher margins.¹⁰¹ This opinion is supported by Pulles et al. (2016) who consider the customer's high prices as a relevant factor as well.¹⁰² Further, Ramsay & Wagner (2009) mention the antecedent of "Revenue elements", explaining that buying firms who require huge discounts are being

⁹⁵ See Tanskanen and Aminoff (2015), p. 135.

⁹⁶ La Rocca et al. (2012), p. 1245.

⁹⁷ See Ramsay and Wagner (2009), p. 131.

⁹⁸ See La Rocca et al. (2012), p. 1245; as well as Pulles et al. (2016), p. 135

⁹⁹ See C.V and Routroy (2016), p. 1179.

¹⁰⁰ See Ramsay and Wagner (2009), p. 130.

¹⁰¹ See La Rocca et al. (2012), p. 1245.

¹⁰² See Pulles et al. (2016), p. 135.

considered less attractive.¹⁰³ Additionally, Fiocca (1982) highlights the customer's contribution margin as a source of customer attractiveness.¹⁰⁴ Overall, the sales margin the supplier is able to achieve through a certain customer is recognized as a relevant antecedent in the literature. Nevertheless, it is unclear whether it is a source of customer attractiveness or supplier satisfaction.

Next to sales margins, the literature addresses the importance that buyers should accept to share the risks with their suppliers. According to Ramsay & Wagner (2009), customers who are willing to share risks with their supplier, show that new developed products or innovation are perceived being attractive by the buyer.¹⁰⁵ The idea of risk sharing is as well supported by Kumar & Routroy (2016) who define a risk sharing mechanism as an overall preferred customer enabler.¹⁰⁶ Also Pulles et al. (2015) address risk sharing in their research. Compared to the two previous studies, the researchers address a slightly different criterion that relates to the compensation from the buyer to the supplier for taking the risks. With reference to the literature, the necessity emerges to point out risk sharing from a supplier perspective as important criteria for attaining preferred customer status. Even though Pulles et al. (2015) address risk compensation as an antecedent, it can also be described as a form of risk sharing.¹⁰⁷

Further, it was found in different studies that the payment process could as well influence preferential treatment from suppliers. On the one hand, Tanskanen & Aminoff (2015) have defined fast and reliable payments of buyers as a source of customer attractiveness.¹⁰⁸ On the other hand, Kumar & Routroy (2016) highlight the prompt payments of outstanding bills as an enabler of preferred customer status as a whole.¹⁰⁹ The antecedent is as well supported by the research of Essig & Amann (2009) who identified the payment habit of the buyer as a relevant source of supplier satisfaction.¹¹⁰ Similar to other antecedents and based on dissimilarities in the literature, it is unclear whether fast and reliable payments should be classified as a source of customer attractiveness or supplier satisfaction.

Further, the operative excellence of buyers seems to have a significant importance in the eyes of suppliers. Next to the research of Schrör et al. (2014), Vos et al. (2016) identified

¹⁰³ See Ramsay and Wagner (2009), p. 134.

¹⁰⁴ See Fiocca (1982), p. 57.

¹⁰⁵ See Ramsay and Wagner (2009), p. 131.

¹⁰⁶ See C.V and Routroy (2016), p. 1179.

¹⁰⁷ See Pulles et al. (2016), p. 134.

¹⁰⁸ See Tanskanen and Aminoff (2015), p. 135.

¹⁰⁹ See C.V and Routroy (2016), p. 1179.

¹¹⁰ See Essig and Amann (2009), p. 109.

the operative excellence of buyers as a relevant antecedent.¹¹¹ Still, both sources show dissimilarities with regard to the classification of the criterion and it is unclear whether operative excellence is a source of customer attractiveness or supplier satisfaction.

Apart from performance-based criteria, the current literature provides several antecedents that are based on the behaviour and the relation with the buying firm. These few criteria are recognized under different terms such as behaviour-based attractiveness, relational behaviour, relational fit or overall trading relations.¹¹² Schrör et al. (2014) define "relational behaviour" as the behaviour of the buyer towards the supplier regarding the relational focus of exchange by capturing the facets of exchange behaviour.¹¹³ With reference to Vos et al. (2016), relational behaviour consists of openness, reciprocity, the buyer's reliability & support and as well the involvement of the buyer in the processes of the supplier.¹¹⁴

The most frequently used relational criterion among the studied literature refers to the trust between buyer and supplier and the trustworthiness of the buyer. The study of Pulles et al. (2015), classify trustworthiness under customer attractiveness and trust as a source of supplier satisfaction.¹¹⁵ Vos et al. (2016) enforce the proposition of Pulles et al. (2016) by classifying trust as a source of supplier satisfaction as well.¹¹⁶ In contrast, Tanskanen & Aminoff (2015) surprisingly consider trust as being part of customer attractiveness and trustworthiness is defined by Ramsay & Wagner (2009) as a preferred customer enabler as a whole.¹¹⁷ Hence, the review of the literature shows that trust and trustworthiness are two different criteria that are perceived differently among studies - one needs to be classified as a source of supplier satisfaction while trustworthiness is considered as being an antecedent for customer attractiveness. Based on the notion that the theoretical framework aims to assess buying firms in an established relationship, trustworthiness, which is the step before establishing trust, will be excluded from the framework to simplify dissimilarities that emerged from the literature. Due to the fact that trustworthiness of the buyer needs to be present at least to a small degree before or at the moment both parties enter in a relationship, the assessment of trustworthiness has become obsolete in this case.

¹¹¹ See Schrör et al. (2014), p. 703; as well as F. G. S. Vos et al. (2016), p. 4618.

¹¹² See Tanskanen and Aminoff (2015), p. 135; Schrör et al. (2014), p. 703; La Rocca et al. (2012), p. 1245; as well as Ramsay and Wagner (2009), p. 130.

¹¹³ Schrör et al. (2014), p. 703.

¹¹⁴ See F. G. S. Vos et al. (2016), p. 4619.

¹¹⁵ See Pulles et al. (2016), p. 134.

¹¹⁶ See F. G. S. Vos et al. (2016), p. 4619.

¹¹⁷ See Tanskanen and Aminoff (2015), p. 135; as well as Ramsay and Wagner (2009), p. 130.

Instead, only trust will be used to assess the existing relationship between both parties and is as well considered being a mechanism to measure supplier satisfaction.

Next to trust, several studies mention the information exchange, cooperation and communication, as a crucial antecedent in order to obtain preferential resource allocation. Tanskanen & Aminoff (2015) define interactive communication as being part of personal relational antecedents.¹¹⁸ The authors describe good communication as "open, honest, regular, and present at all organizational levels (...)" and classify the criterion under behaviour-based attractiveness.¹¹⁹ Accordingly, La Rocca et al. (2012) mention a very similar antecedent next to communication. The authors define the intensity of cooperation as a crucial criterion for measuring customer attractiveness.¹²⁰ The same antecedent is observed in the research of Pulles et al. (2015) who point out a different but similar term by identifying open and quick information sharing as a source of customer attractiveness.¹²¹ Only the research Essig & Amann (2009) provides exactly the same criterion as in the study of Tanskanen & Aminoff (2015). Here, communication is determined as efficient interactions between buyer and supplier. In contrast to the research of Tanskanen & Aminoff (2015), Essig & Amann (2009) classify the antecedent of communication as being part of supplier satisfaction.¹²² Not least, Ramsay & Wagner (2009) mention free & timely information flow as trading relation criteria, which can be defined as the preference of the suppliers to receive "necessary information in a timely manner".¹²³ This criterion can as well be classified as efficient interaction between exchange partners and therefore falls in the antecedent category of communication. Compared to other previous studies, Ramsay & Wagner (2009) highlight free & timely information flow as a source of supplier value rather than customer attractiveness.¹²⁴ Even though the information exchange between buyer and supplier is recognized under different terms, the core messages relate to communication and can therefore be grouped together. Nevertheless, it is unclear whether information exchange between partners should be part of customer attractiveness or supplier satisfaction since the literature provides contradicting information.

¹¹⁸ See Tanskanen and Aminoff (2015), p. 135.

¹¹⁹ Tanskanen and Aminoff (2015), p. 136.

¹²⁰ See La Rocca et al. (2012), p. 1245.

¹²¹ See Pulles et al. (2016), p. 134.

¹²² See Essig and Amann (2009), p. 109.

¹²³ Ramsay and Wagner (2009), p. 134.

¹²⁴ See Ramsay and Wagner (2009), p. 130.

The third relational antecedent that was found to be overlapping among studies is the reliability of the buyer. According to Schröer et al. (2014), reliability is defined "(...) as the supplier's perception that the buying firms acts in a consistent as well as reliable manner and fulfils its agreements".¹²⁵ This antecedent was found by La Rocca et al. (2012) to be part of customer attractiveness while Vos et al. (2016) define reliability as a source of supplier satisfaction.¹²⁶ The study of Vos et al. (2016) empirically highlights that reliability was found to have a direct influence on the relational behaviour.¹²⁷ Further, Schröer et al. (2014) as well consider reliability as a relevant criterion and point out that reliability has an influence on all three: customer attractiveness, supplier satisfaction and preferred customer status.¹²⁸ Overall, the classification of buyer reliability is perceived differently among existing studies but has to be considered as a relevant antecedent for preferential resource allocation.

4.2 The unclear distinction between customer attractiveness and supplier satisfaction as the main theoretical finding

Based on previous literature of Schiele (2012), who divided the preferred customer status in three different steps, a consecutive and logic step would be to classify the gathered criteria from the literature within these three phases in order to create the theoretical model.¹²⁹ Nevertheless, Pulles et al. (2016) mention that there is insufficient distinction between customer attractiveness and supplier satisfaction, which is as well reflected in the findings of the literature.¹³⁰ Aminoff and Tanskanen (2013) have operationalized customer attractiveness in the following dimensions: expected value, dependence and trust.¹³¹ While expected value refers to the future possible outcome of a relationship, trust and dependence are more related to the existing relationship and therefore do not fit in the construct of customer attractiveness.¹³² The unclear distinction between customer attractiveness and supplier satisfaction is reflected in the literature as well. Tanskanen & Aminoff (2015)

¹²⁵ Schröer et al. (2014), p. 703.

¹²⁶ See La Rocca et al. (2012), p. 1245; as well as F. G. S. Vos et al. (2016), p. 4619.

¹²⁷ See F. G. S. Vos et al. (2016), p. 4620.

¹²⁸ See Schröer et al. (2014), p. 710.

¹²⁹ See Schiele, Calvi, et al. (2012), p. 1180.

¹³⁰ See Pulles et al. (2016), p. 132.

¹³¹ See Aminoff and Tanskanen (2013), p. 166.

¹³² See Pulles et al. (2016), p. 132.

define trust as being part of customer attractiveness while Vos et al. (2016) categorize trust as being part of supplier satisfaction.¹³³ The same phenomenon is observed in the research of Schröer et al. (2014) who classify the antecedent of operational excellence under customer attractiveness.¹³⁴ On the other hand, Vos et al. (2016) describe operational excellence as part of supplier satisfaction and the unclear distinction of both constructs is as well observed in several other classified criteria.¹³⁵ Accordingly, the outcome of this study aims to evaluate buying firms that have already established an existing relationship with their supplier meaning that customer attraction is already a fulfilled precondition when applying the outcome of this study. Therefore, overlapping criteria among the literature will be grouped afterwards into new corresponding categories since the literature shows dissimilarities in the criteria classification of supplier satisfaction and customer attractiveness.

¹³³ See Tanskanen and Aminoff (2015), p. 135; as well as F. G. S. Vos et al. (2016), p. 4619.

¹³⁴ See Schröer et al. (2014), p. 703.

¹³⁵ See F. G. S. Vos et al. (2016), p. 4619.

4.3 Overview final theoretical framework: grouping antecedents into four categories

Table 1 - Literature review on preferred customer antecedents

Category	Antecedent	Definition	Source
Economic factors	<i>Growth opportunity</i>	The suppliers ability to grow together with the buying firm and generate new potential business	Schröer et al., (2014); Kumar & Routroy, (2016); La Rocca et al. (2012); Tanskanen & Aminoff (2015)
	<i>Forecast accuracy</i>	The difference in percentge between the forecast made and the according actuals	Kumar & Routroy (2016); La Rocca et al. (2012); Tanskanen & Aminoff (2015); Ramsay & Wagner (2009)
	<i>Purchase volume</i>	The value of purchases over a period of time	Kumar & Routroy (2016); La Rocca et al. (2012); Pulles et al.(2015); Ramsay & Wagner (2009)
	<i>Sales margin</i>	The sales margin is a companies total revenue minus costs of goods sold, divided by total sales volume, expressed as a percentage	Fiocca (1989); La Rocca et al. (2012); Pulles et al. (2015); Ramsay & Wagner (2009)
	<i>Fast & reliable payments</i>	The extent to which the buyer is able to fulfill the payment expectations of the supplier	Essig & Amann (2009); Kumar & Routroy (2016); Tanskanen & Amnioff (2015)
Resource factors	<i>Risk sharing</i>	The practice of distributing the risk equally between buyer and supplier	Kumar & Routroy (2016); Pulles et al. (2016), Ramsay & Wagner (2009)
	<i>Innovativeness</i>	The ability of the buyer to contribute to the innovativeness of the supplier	Kumar & Routroy (2016); La Rocca et al. (2012); Pulles et al. (2015); Tanskanen & Aminoff (2015), Vos et al. (2016)
	<i>Operative excellence</i>	The execution of the buyer's business stratgey more consistently and reliably than the competition	Schröer et al. (2014); Vos et al. (2016)
Market factors	<i>Future of the industry</i>	The expected growth or decline rate of the customer's industry	Fiocca (1989); Pulles et al. (2016); Tanskanen & Aminoff (2015)
	<i>Access to new partners</i>	The possibility to get in touch through the buyer with potential new business partners	La Rocca et al. (2012); Tanskanen & Aminoff (2015)
Relational factors	<i>Trust</i>	Belief in the reliability, truth or ability of the buyer	Pulles et al. (2015); Tanskanen & Amnioff (2015); Vos et al. (2016)
	<i>Communication</i>	The imparting or exchanging of information by speaking, writing, or using of other medium with the	Essig & Amann (2009); La Rocca et al. (2012); Pulles et al. (2015); Ramsay & Wagner (2009); Tanskanen & Aminoff (2015)
	<i>Reliability</i>	the supplier's perception that the buying firms acts in a consistant as well as reliable manner and fulfils its agreements	Schröer et al. (2014); La Rocca et al. (2012); Vos et al. (2016)

A similar approach as in the research of Tanskanen & Aminoff (2015) was used in order to assign the antecedents to corresponding categories.¹³⁶ An overview of the outcome of the literature review is provided in table 1.

¹³⁶ See Tanskanen and Aminoff (2015), p. 135.

5. Research methodology: sequential exploratory design as a mixed-method approach for testing and quantifying the proposed framework

This study aims to conduct a mixed method approach in order to combine qualitative and quantitative research. The sequential exploratory design method highlighted by Creswell and Creswell (2017) aims to first collect data through qualitative research in order to subsequently develop a survey for the quantitative analysis.¹³⁷ The idea of this research method is to see whether the data collected from the interviews can be generalized to a larger sample of the population.¹³⁸ Nevertheless, the majority of the work of this research lies more on the qualitative part of the study. Overall, in a sequential explorative design method, the research starts with a qualitative data collection phase, which is followed by a quantitative data collection phase in order to link the data of both methods in the final phase of the research.¹³⁹

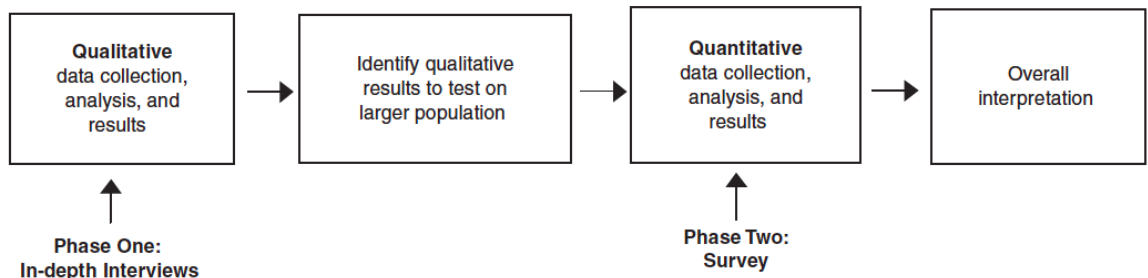


Figure 5: sequential exploratory design method.¹⁴⁰

Therefore, this study starts with conducting semi-structured interviews with supplying firms in the business-to-business sector to explore new and unidentified preferred customer antecedents. Due to the fact that the literature does provide only very limited research in the evaluation of buying firms, this research is seen as an explorative study and does not focus on specific industries. The focus lies more on the products of suppliers - therefore only participants who are selling goods that are sold regularly (from on order a day up to one order a year) to the same existing key accounts have been selected for the interviews. Consequently, existing sales managers or managers with significant working experience in

¹³⁷ See Creswell and Creswell (2017), p. 226.

¹³⁸ Doyle, Brady, and Byrne (2009), p. 627.

¹³⁹ See A. Berman (2017), p. 1.

¹⁴⁰ See Hesse-Biber (2010), p. 422.

sales in the past of supplying firms have been interviewed. Whereas the first part of the research aims to discover new criteria that have not been identified by the literature yet, the quantitative research builds upon the results from the interviews in order to discuss the importance of every individual criterion. The quantitative part of the study aims to provide a better understanding of which antecedent is seen as more relevant among various industries. The quantitative data has been collected through an ordinal scale whereas participants had to rate the criteria from the theoretical framework. Further, the sample used for conducting the interviews was way too small to quantify the data in the second part of the research. Therefore, two different samples from the same population have been drawn while ensuring that individuals for both samples are different. In the final step of the research, the results of both qualitative and quantitative data collection set the groundings for the maturity model development.

Overall, the idea of this mixed method approach is to first explore and find new unidentified preferred customer criteria that play a role in buyer-supplier relationships and to secondly rate the importance of the explored and predefined preferred customer criteria from the literature. Therefore, the findings of the quantitative study build upon the results of the qualitative interviews. According to Drisko (2005), it is crucial to apply the selected methodology appropriately and fully.¹⁴¹ Therefore, this chapter covers all relevant steps in detail to understand the method application.

5.1 Qualitative data collection: testing the model through semi-structured interviews

5.1.1 The perspective of 10 sales professionals on relevant antecedents in different industries

In order to be able to explore new criteria, the necessity emerged to conduct qualitative interviews with the participants. To be able to collect the data required, semi-structured interviews with the participants have been conducted. According to Alsaawi (2014), semi-structured interviews allow controlling the direction of the interview while asking predefined open-ended questions in order to receive a wide range of responses for every

¹⁴¹ See Drisko (2005), p. 590.

question. This qualitative collection method allows the researcher some flexibility while being able to question specific topics in detail or deviating from the interview guide to a certain degree.¹⁴² With reference to the research of Creswell and Creswell (2017) who explain the research approach in explorative sequential design methods, the qualitative research sets the groundwork for quantifying the data later. Therefore, the qualitative research has to be conducted and evaluated before the quantitative analysis.¹⁴³

Before starting with the interviews, an interview guide has been developed. The questions were raised from the theoretical framework that has been created in the fourth chapter of this research. The interview starts with broad questions and ends with category specific questions (economic, market, resource, personal factors) that emerged from the theoretical framework. In high-quality researches, interview guides are usually pre-tested before the official data collection.¹⁴⁴ With reference to the research of Dikko (2016), conducting a pilot study before the interviews can bear several advantages. A pilot study points out difficult questions in order to discard them and it identifies whether the questions can "(...) elicit an adequate response".¹⁴⁵ Further, a pilot study also makes sure that the questions incorporated into the interview guide are able to measure all concepts. Additionally, it helps the researcher to practice interview techniques as well.¹⁴⁶ Hence, a pilot study was conducted with two participants from the same population leading to a slight adjustment of the interview protocol by adding a probing question.

Malterud et al. (2016) point out that the sample size for conducting interviews should be "(...) sufficiently large and varied to elucidate the aim of the study".¹⁴⁷ Due to the fact that there is no general guideline on the sample size, the assumption was made that 10 individuals represent a sufficient sample size. The individuals are sales managers or professionals who have a working experience in sales of at least 3 years. The participants have to work for organisations that sell products that are purchased on a regular basis in the business-to-business sector. Therefore, sales managers who are selling long-term investments with a product lifetime of 5-10 years have been excluded from this research. Due to the fact that this research is explorative and almost no research has been conducted in the systematic evaluation of buying firms yet, the sample chosen aims to target different

¹⁴² See Alsaawi (2014), p. 151.

¹⁴³ See Creswell and Creswell (2017), p. 226.

¹⁴⁴ See Burke and Miller (2001), p. 3.

¹⁴⁵ Dikko (2016), p. 522.

¹⁴⁶ See Dikko (2016), p. 522.

¹⁴⁷ Malterud, Siersma, and Guassora (2015), p. 1753.

types of industries. Some interviews were conducted via phone since few sales experts were located in different countries. While some criticism toward telephone interviews in the literature is provided, the study of Millward and Cachia (2011) argues that telephone interviews can as well be considered as an appropriate data collection method.¹⁴⁸

5.1.2 Data analysis: identifying new and existing antecedents through inductive and deductive coding

Leech and Onwuegbuzie (2008) consider the data analysis as the most demanding aspect when it comes to qualitative research. In order to be able to systematically evaluate the data gathered, categorizing or coding the data is seen as an appropriate approach.¹⁴⁹ The researcher Basit (2003) defines coding as "(...) noticing relevant phenomena; collecting examples of those phenomena; and analysing those phenomena in order to find commonalities, differences, patterns and structures".¹⁵⁰ According to the approach of Burnard (1991), the interviews will be transcribed first.¹⁵¹ This requires the recording of all interviews whereas all participants agreed on recording the interview process. Further a pre-coding approach as well as regular coding approach has been used to analyse the data. Rather than creating the codes hand-in-hand with the analysis only, this etic research brings to the "(...) research setting a priori construction" that emerged through the theoretical framework.¹⁵² The codes and categories have been created based on the criteria identified in the literature. Therefore, responses can be scored immediately in order to see to what extent responses deviate from the theoretical findings.¹⁵³ With reference to the research of Gough & Scott (2000), unexpected criteria responses have been coded during the analysis.¹⁵⁴ These unexpected and coded responses were categorized under the category of "other" in order to see after whether the response belongs to a totally new category that has not been considered by the literature yet or if it can be grouped into one of the predefined categories.

¹⁴⁸ See Millward and Cachia (2011), p. 268.

¹⁴⁹ See Leech and J. Onwuegbuzie (2008), p. 587

¹⁵⁰ Basit (2003), p. 144.

¹⁵¹ See Burnard (1991), p. 462.

¹⁵² Gough and Scott (2000), p. 340.

¹⁵³ See Gough and Scott (2000), p. 340.

¹⁵⁴ See Gough and Scott (2000), p. 340.

Accordingly, the following coding scheme emerged before the interviews:

Subcategory 1: Economic factors

- CODE: Growth opportunity
- CODE: Forecast accuracy
- CODE: Purchase volume
- CODE: Sales margin
- CODE: Fast & reliable payments

Subcategory 2: Resource factors

- CODE: Risk sharing
- CODE: Innovativeness
- CODE: Operative excellence

Subcategory 3: Market factors

- CODE: Future of the industry
- CODE: Access to new partners

Subcategory 4: Relational factors

- CODE: Trust
- CODE: Communication
- CODE: Reliability

Subcategory 5: Other factors

- CODE: these codes will emerge during the data analysis

An overview of the sample is provided in table 3 in order to show the details of the interviewees. The qualitative research has been conducted throughout 8 different industries and 8 different companies who differ in their competencies and size.

Table 2 - Qualitative sample overview

Interviewee	Date	Duration in min.	Industry	Product	Firm size in empl.
1.	08.02.19	17:08	Gastro	Catering equipment	400
2.	09.02.19	21:55	Defence & aero	Bareboards	65.000
3.	12.02.19	17:36	Conglomerate	Stickers	90.000
4.	15.02.19	17:41	Automotive	Chassis	30.000
5.	18.02.19	24:36	Oil	Mineral oils	35
6.	20.02.19	17:05	Electronics	Connectors	3.000
7.	22.02.19	15:24	Food	Biscuits	500
8.	22.02.19	22:42	Food	Biscuits granules	500
9.	22.02.19	13:25	Food	Biscuit granules	500
10.	26.02.19	14:56	Security	Lockers & helmets	3.500

Table 3 presents how many participants support the criteria from the theoretical construct and the criteria that emerged through the interviews. On the left side of the table, the support of existing antecedents after the interviews are shown. The right side of the table presents the factors that emerged while evaluating the interviews. This table presents the first and preliminary findings, since several criteria with different names can be grouped together. Some criteria did also not receive enough support from both theory and practical findings and were not being considered for further testing. A more detailed version of the table below can be found in the appendix III.

Table 3 - Qualitative data analysis

	<i>Existing antecedents</i>		<i>New antecedents</i>	
Category	Code	Stickers	Code	Stickers
Economic factors	Growth opportunity	5	Price competitiveness	3
	Forecast accuracy	2	Level of sophistication	3
	Purchase volume	7		
	Sales margin	8		
	Fast & reliable	5		

	payments			
Resource factors	Risk sharing	1	Quality	1
	Innovativeness	8	Expertise	3
	Operative excellence	0	Brand awareness	1
Market factors	Future of the industry	6	Market information sharing	2
	Access to new partners	3	Market entry barriers	1
			Market sustainability	1
Relational factors	Trust	3	Loyalty	4
	Communication	8	Relationship duration	5
	Reliability	1	Cultural fit	1
			Honesty	2
			Mutual respect	3
			Openness	3
			Flexibility	1

Starting with the deductive codes that were pre-coded based on the theoretical framework, each code could be found at least once among the 10 participants in the interviews except the criteria of operative excellence. One participant supported risk sharing and reliability only. According to the results, all criteria from the theoretical model have been tested further in the quantitative analysis, except the phenomenon of operative excellence, which did not receive any support from the practical findings. In order to be quantified, each antecedent requires both: support at least from one scientific source and support from at least one interview participant.

The new antecedents or inductive codes that emerged while evaluating the interviews provide broader possibilities for interpretation. Whereas three different participants considered the price-competitiveness of their customer as an inconvenience, this criterion measures the same as the sales margin in the opposite way. If price-competitiveness of the customer is higher, the sales margin becomes lower and the other way around. Therefore, this criterion will be excluded for the quantitative test since it is already measured through the sales margin criterion.

Additionally, the level of sophistication - the customer's extent of being demanding - was found being a relevant antecedent after the interviews as well. Due to the fact that there was not enough evidence from the literature to consider this criterion, it was not added to

the theoretical framework before the interviews since the criteria of "customer is demanding through product complexity", was only mentioned in the research of La Rocca et al. (2012).¹⁵⁵ Due to the fact that three participants highlighted that factor, the necessity emerged to quantify that criterion as well.

Next, two participants considered the customer's sharing of market information as an important factor, too. This criterion was further tested as well since "providing relevant information" was mentioned by one source in the research of La Rocca et al. (2012).¹⁵⁶

The criteria of market entry barriers on the other hand was not considered as relevant, since it was mentioned once among the 10 participants and no supporting sources for this antecedent were found in the literature. One participant mentioned the criterion of market sustainability and no supporting literature for this factor was found. Nevertheless, due to the fact that the sustainability of firms is gaining more importance in recent years, the necessity emerged to test this relatively modern factor.¹⁵⁷

The brand awareness, which was as well highlighted by one participant only, is supported in the literature by Tanskanen & Aminoff (2015) under the name of "brand and reputation" and was therefore considered for further testing.¹⁵⁸

The new criteria found in the category of resource & capabilities have been coded under the name of quality and expertise. One respondent, who describes quality as an important factor, highlights that quality has become a prerequisite for doing business nowadays. Accordingly, no supporting literature was found for that criterion which underlines the idea to not further test that factor.

Next to the factor of quality, the criterion of expertise was highlighted by two participants and was found in the research of La Rocca et al. (2012) under the name "knowledge to answer questions", providing enough evidence to test the criteria in the quantitative analysis of this research.¹⁵⁹

When it comes to new coded criteria in the relational category, few codes with the same meaning and definition can be grouped together. Whereas loyalty and the relationship duration were found being important by 4 and 5 respondents respectively, both criterion measure the same thing. The longer a relationship lasts the more loyal the customer is and the other way around. Therefore, the relationship duration has not been further tested;

¹⁵⁵ See La Rocca et al. (2012), p. 1245.

¹⁵⁶ See La Rocca et al. (2012), p. 1245.

¹⁵⁷ See Sutriadi (2018), p. 2.

¹⁵⁸ Tanskanen and Aminoff (2015), p. 136.

¹⁵⁹ La Rocca et al. (2012), p. 1245.

instead the loyalty of the customer was quantified after. Accordingly, the research of Tanskanen & Aminoff (2015) underlines the importance of loyalty since the researchers mention the "long common history" in buyer-supplier relationship as an important factor.¹⁶⁰

The antecedent of cultural fit and flexibility were mentioned by one participant respectively. While flexibility was not considered for further testing, the criterion of cultural fit was tested since it was found to be relevant in the research of Pulles et al. (2016).¹⁶¹ While honesty was underlined by two participants and supported in the research of Ramsay & Wagner (2009), the urgency emerged to test that factor in the quantitative analysis.¹⁶² Nevertheless, the researchers Svensson (2001) operationalized the construct of trust into five different dimensions: honesty, reliability, competence, customer competence and friendliness.¹⁶³ Therefore, the factor of reliability and honesty was grouped and tested under the criterion of trust.

Further, the openness of the customer was defined as an important criterion among three participants. The importance of that antecedent is as well supported by Ramsay & Wagner (2009) who consider the "receptiveness to supplier ideas" from the customer perspective as a relevant factor. Hence, the openness of the customer for new ideas or trying new things was as well used for further testing.

Accordingly, mutual respect was found being relevant among three participants as well. The participants highlighted that the best supplier-buyer relations occur when both parties are on the same hierarchical level and mutually respect each other for what they have achieved so far. Tanskanen & Aminoff (2009) as well highlight respect as an important criterion in relationships supporting the idea to further test mutual respect in the model.¹⁶⁴

5.1.3 Adjusted theoretical framework after qualitative data collection: new und relevant antecedents added and omitted

The model in table 4 presents the adjusted priori construct after the interview results

¹⁶⁰ Tanskanen and Aminoff (2015), p. 136.

¹⁶¹ See Pulles et al. (2016), p. 134.

¹⁶² See Ramsay and Wagner (2009), p. 134.

¹⁶³ See G. Svensson (2001), p. 651.

¹⁶⁴ See Tanskanen and Aminoff (2015), p. 136.

Table 4 - Adjusted theoretical framework

Category	Antecedent	Definition
Economic factors	<i>Growth opportunity</i>	The suppliers ability to grow together with the buying firm and generate new potential business
	<i>Forecast accuracy</i>	The difference in percentge between the forecast made and the according actuals
	<i>Purchase volume</i>	The value of purchases over a period of time
	<i>Sales margin</i>	The sales margin is a companies total revenueminus costs of goods sold, divided by total sales volume, expressed as a percentage
	<i>Fast & reliable payments</i>	The extent to which the buyer is able to fulfill the payment expectations of the supplier
	<i>Level of sophistication</i>	The customer's extent of being demanding
Resource factors	<i>Risk sharing</i>	The practice of distributing the risk equally between buyer and supplier
	<i>Innovativeness</i>	The ability of the buyer to contribute to the innovativeness of the supplier
	<i>Brand awareness</i>	The reputation and awareness of the customer's brand
	<i>Expertise</i>	Deep knowledge of product and industry of the buyer
Market factors	<i>Future of the industry</i>	The expected growth or decline rate of the customer's industry
	<i>Access to new partners</i>	The possibility to get in touch through the buyer with potential new business partners
	<i>Market information sharing</i>	Sharing market and consumer trends with the supplier
Relational factors	<i>Trust</i>	Belief in the reliability, truth or ability of the buyer
	<i>Communication</i>	The imparting or exchanging of information by speaking, writing, or using of other medium with the buyer
	<i>Loyalty</i>	The customer acts in a loyal way and does not change business
	<i>Mutual respect</i>	The level or extent to which both parties resepect each other for what they have done or achieved
	<i>Openness</i>	The customer is receptive to new supplier ideas

Whereas the criteria marked in red are the ones that were added to the theoretical framework after having conducted and evaluated the interviews, only the antecedent of operational excellence was omitted since it did not find supporting evidence in any of the interviews conducted.

5.1.4 Ensuring trustworthiness of the qualitative study through validity and reliability check by Shenton

In order to ensure certain validity and reliability of the qualitative study, the framework of Shenton (2004) has been applied. The framework is built upon three main criteria: credibility, transferability and dependability in order to ensure trustworthiness of the qualitative research design in the field of internal validity, external validity and reliability.¹⁶⁵ Additionally, the research of Morrow (2005) was as well used to check the trustworthiness of the qualitative study.¹⁶⁶

Transferability of the research

Shenton (2004) first of all addresses the transferability of the research as an important concern. According to Drisko (1997), transferability is related to the extent to which the findings of the study can be generalized to a different context.¹⁶⁷ Hence, transferability can be achieved when sufficient information about the researcher and as well about the "(...) research context, processes, participants and researcher participants-relationships to enable the reader to decide how the findings may transfer."¹⁶⁸

Further Shenton (2004) as well highlights the importance of the number of organisations/ participants taking part in the study and their locations. Further, the researcher considers the data collection method; the length of the collection sessions and the period of time the data has been collected as crucial information for the criterion of transferability.¹⁶⁹ Overall, ten different participants from eight different organisations located in Europe in Germany, France, Netherlands and Italy have been interviewed. The data collection took place through semi-structured interviews in order to test the priori construct that emerged from

¹⁶⁵ See Shenton (2004), p. 64.

¹⁶⁶ See Morrow (2005), p. 250.

¹⁶⁷ See Drisko (1997), p. 189.

¹⁶⁸ Morrow (2005), p. 252.

¹⁶⁹ See Shenton (2004), p. 70.

the literature. The interviews have been conducted once per participant with interview durations of 10 to 25 minutes. The data has been collected in a time frame of less than three weeks in February 2019 from the 08.02 - 26.02.2019. All participants record at least a sales experience of 3 years to ensure a certain trustworthiness of their responses and experience.

Credibility of the research

The researcher Gasson (2004) points out that the credibility in a study can be achieved by ensuring rigor in the process of the research in order to communicate to others how this has been achieved.¹⁷⁰

In doing so, the framework of Shenton (2004) considers the necessity to develop a familiarity with the culture of the participants. The author proposes to visit the participants in order to establish a certain degree of trust between researcher and participant.¹⁷¹ However, Shenton (2004) mentions the danger that could emerge if too many demands are made on the participants or on the staff of the organisation that could deter the research access.¹⁷² Therefore, this study aimed to find a good balance by creating a level of trust without being too demanding through a phone conversation with the participants before the official interview. The purpose of the phone conversation was to get a first understanding of the participant's organization and his activities in order to establish a certain degree of trust between both parties.

Further, Shenton (2004) also addresses "Random sampling of individuals (...)" as a requirement of the credibility criterion.¹⁷³ Even though other studies consider purposive sampling as a more appropriate approach, random sampling considers the fact that "(...) unknown influences are distributed evenly within the sample".¹⁷⁴ Due to the fact that this study is explorative and little research has been conducted in that field yet, the random sampling method has been used. Still, the job position of individuals always remained being salespeople but the type of company was randomly selected in terms of size and industry and as well as the personal characteristics of the salesperson in order to bring a certain degree of variety in research sample. According to Shenton (2004), the biggest fear

¹⁷⁰ See Gasson (2003), p. 95.

¹⁷¹ See Shenton (2004), p. 65.

¹⁷² See Shenton (2004), p. 65.

¹⁷³ Shenton (2004), p. 65.

¹⁷⁴ Shenton (2004), p. 65.

of randomly selecting participants in qualitative research, relates to the possibility to choose "(...) quite, uncooperative or inarticulate individuals (...)".¹⁷⁵ Nevertheless, this constraint is reduced since the target group of salespeople in general represents more extraverted and communicative individuals.¹⁷⁶ Hence, a certain variety of the sample was ensured since 8 different industries have been addressed in the sample. Further, company sizes of the interviewees vary from small to larger firms from 35 up to 90.000 employees. Next, Shenton (2004) highlights tactics to ensure a certain degree of honesty when participants contribute to the data. Every participant should be able to refuse to participate in the study and be allowed to step out at as a participant at any stage of the project.¹⁷⁷ In this research, the right of the participant was clearly communicated before the official interview. Due to the fact that most participants are willing to use the outcome of this study in their professional life, the level of honesty of information provided is enforced through self-interest of the participant. Further, a probing question after the pilot study was included in the interview guide in order to uncover possible deliberate lies of participants. Additionally, Shenton (2004) highlights the importance of the background and the qualifications of the researcher in order to create a level of trust in the eyes of the participant toward the investigator.¹⁷⁸ In doing so any personal qualification and information about the researcher that is relevant for the studied phenomenon has been communicated to the participant in the phone discussion before the official interview. Shenton (2004) considers member checks as the one of the most important criteria enforcing the credibility of a study. Hence, the articulations captured during the interview, are questioned by asking the interviewee if their words match what they actually intended.¹⁷⁹ This approach was used during the interview through active listening.

Dependability of the research

Next to the internal and external validity, Shenton addresses the criterion of dependability in his framework.¹⁸⁰ The criterion of dependability points out (...) whether particular findings can be reproduced by another researcher (...).¹⁸¹ Dependability ensures that researchers repeating the same research process would obtain similar results as in this

¹⁷⁵ Shenton (2004), p. 65.

¹⁷⁶ See Wells, Ham, and Junankar (2016), p. 636.

¹⁷⁷ See Shenton (2004), p. 65.

¹⁷⁸ See Shenton (2004), p. 68.

¹⁷⁹ See Shenton (2004), p. 68.

¹⁸⁰ See Shenton (2004), p. 71.

¹⁸¹ Kaminski and Pitney (2004), p. 27.

study.¹⁸² According to Morrow (2005), this can be achieved by reporting the emerging research design in order to create a chronology of the design process in terms of "(...) data collection and analysis; emerging themes; categories, or models; and analytic memos."¹⁸³ Hence, an overview of the entire research design steps is provided in table 7 to ensure that other researchers can repeat the same research process as well.

Table 5 - Chronology of research design

Research step	Description
1. Literature review	As the first step, a literature review has been conducted throughout several preferred customer antecedent sources.
2. Emerging priori construct	Based on the most mentioned preferred customer antecedents throughout several papers, a priori construct (theoretical framework) emerged.
3. Qual. data collection	In order to see whether the theoretical model matches to the practical world, interviewing 10 sales experts has tested the construct.
4. Data analysis	In order to analyse the data, the data has been coded to highlight and point out unidentified antecedents.
5. Adjusted priori construct	Based on the findings of the qual. data, the priori construct has been adjusted by adding 7 new and omitting 1 existing antecedent from the priori construct.
6. Quant. data collection	The adjusted priori construct of 20 antecedents will be rated by through an ordinal scale by 137 individuals from a different sample from the same population to highlight differences among antecedents.
7. Data analysis	The data analysis provides differences in means among the antecedents from the adjusted construct.
8. Maturity model development	The maturity model will be developed based on the antecedents in the adjusted priori construct and the mean scores from these antecedents
8. Model testing	2 research design collaborators and one independent salesperson from a random company have tested the maturity model.

Table 7 chronologically describes 8 different research design steps that were taken throughout this study.

¹⁸² See Shenton (2004), p. 71.

¹⁸³ Morrow (2005), p. 252.

5.2 Quantitative data collection: highlighting differences among antecedents

5.2.1 Using an ordinal scale to rate antecedents from the adjusted theoretical model

After having analysed the results from the semi-structured interviews, the quantitative research can be designed. In a sequential exploratory design method, the qualitative design builds upon the results from qualitative research.¹⁸⁴ The 10 participants from the interviews created the explorative component of this study, while the respondents of the quantitative survey aim to examine the level of importance of every criterion (1) and to see whether the results obtained from the interviews can be representative to a larger sample (2). In order to measure the importance of the antecedents of the priori construct that was adjusted and tested through the interviews, an ordinal scale has been used in the quantitative part of this study. This necessity emerged since the current findings of the qualitative data collection are unable to provide a clear and precise distinction of importance between the factors that were found. With reference to Creswell and Creswell (2017), a different sample from the same population used for the semi-structured interviews has to be applied.¹⁸⁵ Hence, the sample represents individuals working in sales or with significant sales experience in the past selling products that are regularly sold to existing business-to-business customers. Accordingly, an ordinal measurement can rank or order the criteria and is characterized as an easy way to measure complex phenomena.¹⁸⁶ Liu et al. (2010) state the less precise the categorization of the antecedent or variable is, the higher the probability that measurement error will occur.¹⁸⁷ Therefore, the idea emerged to make use of an ordinal scale whereas participants were able to distribute a certain and limited number of points among the criteria.¹⁸⁸ The author highlights that "the scores represent an intra-individual ordering of the scales of a test".¹⁸⁹ This scale aimed to highlight and provide more precise differences among the antecedents tested. According to the research of Svensson (2000), a visual analogue scale (VAS) with a rating scale from 0 to 100 was used to rate the antecedents.¹⁹⁰ Due to the fact that 20 different criteria remained in the theoretical framework, the

¹⁸⁴ See Stoller et al. (2009), p. 66.

¹⁸⁵ See Creswell and Creswell (2017), p. 226.

¹⁸⁶ See Merbitz, Morris, and Grip (1989)

¹⁸⁷ See Liu, Wu, and Zumbo (2009)

¹⁸⁸ See Baron (1996), p. 49.

¹⁸⁹ Baron (1996), p. 50.

¹⁹⁰ E. Svensson (2000), p. 419.

participants were able to distribute a total of 100 points among these factors (5 points on average per factor).

In order to make sure that the participants of the survey remained in the scope of the population, 6 questions were asked before the participants had to rate the antecedents. Apart from naming their current sales position, participants had to choose among their product classifications, name the specific product they are selling and provide the experience they have in sales in years to ensure a certain trustworthiness of their ratings. The scope of the sample therefore remained the same as in the qualitative research of this study. Further, participants were asked whether their products are sold regularly to the same existing business-to-business customer to again make sure that the responds fit in the scope of the research. Accordingly, the product classifications the participants could choose from have been retrieved from "ecl@ss". The web portal provides a wide range of products classification that covers all different product types.¹⁹¹ Finally, at the last step of the survey, participants had to rate all 20 criteria from the adjusted theoretical framework.

¹⁹¹ See ecl@ss (2019)

5.2.2 Quantitative data analysis: interpreting scale results

Table 4 represents the findings after the quantitative analysis. Accordingly, the antecedents in the upper half of the table represent the criteria that have scored a relatively high importance among the 20 antecedents tested. Whereas sales margin with an average score of 8,34 was found to be the most important criterion, the practice of risk sharing was found to be the least important antecedent with an average of 2,78 among the 137 respondents. The average sales experience of the sample was 16.5 years. The original sample size was 154 and 17 responses have been deleted from the sample since the respondent highlighted that their products are not being sold regularly to the same existing business-to-business customer. Hence, respondents are therefore not part of the research sample scope and responses cannot be considered as valid.

Table 6
One-Sample Statistics

	N	Mean	SD	s. e.
Sales margin	137	8,3394	4,74145	0,40509
Communication	137	6,4416	4,01791	0,34327
Growth opportunity	137	6,1774	3,20819	0,27409
Trust	137	6,1277	4,07649	0,34828
Loyalty	137	5,8058	3,43981	0,29388
Purchase volume	137	5,6044	4,02547	0,34392
Fast & reliable payments	137	5,4182	3,3538	0,28653
Mutual respect	137	5,2737	3,24376	0,27713
Brand awareness	137	4,9745	3,6784	0,31427
Expertise	137	4,9219	3,75035	0,32041
Market information sharing	137	4,7518	3,49323	0,29845
Access to new partners	137	4,6788	4,00172	0,34189
Forecast accuracy	137	4,6599	3,40988	0,29133
Innovativeness	137	4,5693	3,25801	0,27835
Openness for supplier ideas	137	4,4657	2,80484	0,23963
Future of the industry	137	4,4365	2,74711	0,2347
Cultural fit	137	3,8715	2,83453	0,24217
Sustainability	137	3,7277	2,97407	0,25409
Level of sophistication	137	2,9781	2,68292	0,22922
Risk sharing	137	2,7759	2,3295	0,19902

An important finding that can be addressed after analysing the data, is the fact that 4

(loyalty, mutual respect, brand awareness, expertise) from the 7 antecedents added to the theoretical framework after the interviews, can be found among the 10 highest scoring criteria. This supports the findings of the qualitative interviews by showing that the findings of the qualitative interviews can be represented to some extent to a larger population of the sample. On the other hand, cultural fit and sustainability scored relatively low after the quantitative data collection. Nevertheless, both criteria also received very

Table 7
Category mean values

Category	Antecedent	Mean	Total sum
Economic factors	Sales margin	8,3394	30,20
	Growth opportunity	6,1774	
	Purchase volume	5,6044	
	Fast & reliable payments	5,4182	
	Forecast accuracy	4,6599	
Customer image	Brand awareness	4,9745	14,47
	Expertise	4,9219	
	Innovativeness	4,5693	
Market factors	Market information sharing	4,7518	13,87
	Access to new partners	4,6788	
	Future of the industry	4,4365	
Relational factors	Communication	6,4416	28,11
	Trust	6,1277	
	Loyalty	5,8058	
	Mutual respect	5,2737	
	Openness	4,4657	

little support in the qualitative part of the research, which explains the low mean scores in the quantitative part of this study. After having ranked the antecedents in terms of importance in table 6, the criteria and the means have been grouped into the four categories of the theoretical model in table 7. In order to create a more condensed framework, all criteria with mean values of less than 4 (risk sharing, level of sophistication, sustainability,

cultural fit) were erased from the model, which is as well presented in table 7. Further, the category name of resource factors has been changed to customer image as it was found to be a more representable name after having omitted the 4 low scoring criteria. The total sum of the criteria's categories has been computed and the findings highlight that the economic factors and the relational factors were found to be the most important categories.

Market factors (total=13,87) and customer image (total=14,47) were found in general to be less important. Economic factors (total=30,20) were found to be slightly more important than the relational factors (total=28,11).

In order to maintain an adequate consistency with the sample from qualitative interviews, approximately one third of the quantitative sample was retrieved from the food industry.

An overview of the product classification of the respondents is provided in table 10. Due

Table 8

Comparing means of the two largest groups

	Food, beverage, tabaco	Packing material
Access to new partners	4,125	5,7222
Brand awareness	5,4375	3,3333
Communication	6,2292	6,6111
Cultural fit	3,8333	3,1111
Expertise	5,1458	5,0556
Fast & reliable payments	5,25	5,8889
Forecast accuracy	4,5833	4,7222
Future of the industry	3,9375	4,2222
Growth opportunity	5,6667	5,6667
Innovativeness	5,0417	4,4444
Level of sophistication	2,8958	3,5
Loyalty	5,6667	6,3333
Market information sharing	4,8125	5
Mutual respect	5,1667	4,9444
Openness	4,6875	3,1667
Purchase volume	4,9792	4,7778
Risk sharing	3,2917	2,3889
Sales margin	8,4375	7,8333
Sustainability	4,1042	5,3333
Trust	6,7083	7,9444

to the fact that a lot of small groups among the product classifications emerged, it was

difficult to compare the groups. Nevertheless, the two largest groups: the food, beverage and tabaco industry (N=48) and packing material industry (N=18), which both received sufficient attention, have been compared in table 9. Hence, a one-sample t-test has been conducted via SPSS in order to check whether there are significant differences among the antecedents in terms of their product classifications. Overall, no significant differences

Table 9

Descriptive statistics product classifications

	N
Food, beverage, tabaco	48
Packing material	18
Manufacturing facility, workshop equipment, tool	9
Automotive technology	9
Construction technology	8
Home economics, home technology	4
Semifinished product, material	4
Clothing and textile	4
Body care and personal hygiene	4
Information, communication, media technology	3
Machine element, fixing, mounting	3
Auxiliary supply, additive, cleaning agent	3
Industrial piping	3
Office product, facility and technic, papeterie	2
Energy, extraction product, secondary raw material and residual	2
Electric engineering, automation, process control engineering	2
Polymer	2
Organic Chemical	2
Sport, playing, leisure	2
Inorganic Chemical	1
Occupational safety, accident prevention	1
Marketing	1
Public safety and military technology	1
Interior furnishing	1
Total	137

have been observed except at the antecedent of brand awareness. The brand awareness of the customer scored more than two points higher in the food, beverage and tabaco industry (mean=5,4375) compared to the packing material industry (mean=3,3333). This could be explained through the fact that food and beverage suppliers sell their products directly to distributors who resell them in their grocery stores. Therefore, the sales amount highly depends on whether the distributor was able to create a strong brand awareness or

reputation to ensure regular sales from the end customer. The relatively low score of brand awareness in the packaging industry can be explained through the fact that the sales of the suppliers in the industry do not depend that much from the reputation of their customers.

Based on the findings of the quantitative data collection, the means of the antecedents of table 7 will be used in order to create the maturity model. The values will be used to highlight differences among the antecedents whereas antecedents with a higher mean can receive more points than antecedents with a lower mean.

6.0 Final maturity model: relevant antecedents with corresponding level of importance as evaluators for customers from a supplier perspective

6.1 Maturity model development: using the phase approach of de Bruin et al.

Organisations strive for continuous improvement through cutting cost, quality improvement in order to become more important. The aim of maturity models is to assist or support the firms in their improvements.¹⁹² According to de Bruin et al. (2005), maturity models are used "(...) as an evaluative and comparative basis for improvement".¹⁹³ Maturity models are applied when it comes to evaluate or assess the maturity of a specific field based on a set of criteria.¹⁹⁴ The researcher van Steenberghe provides an overview of several maturity model development methods.¹⁹⁵ Starting with the 6 step approach of de Bruin (2005), the author as well describes the approach of Becker et al. and Maier et al.¹⁹⁶ The approach of Becker consists as well of 6 steps whereas the model of Maier et al. describes planning, development and evaluation maintenance as main steps.¹⁹⁷ After having compared possible approaches, the model of de Bruin (2005) will be used since the step approach shows high similarities with the research approach in this study. Hence, the final part of this study aims to develop a maturity model based on the findings of the qualitative and quantitative research. Therefore, the six step-model of de Bruin et al. (2005) will be applied for the model development. The six phases are described as follow: scope, design, populate, test, deploy and maintain.¹⁹⁸

Phase I - Scope

According to de Bruin et al. (2005), the most important decision in this phase is the scope or the focus of the model. It should be clear on which domain the model is applicable in order to be distinguishable from other models.¹⁹⁹ Hence, this model aims to assess the maturity of buying from a supplier perspective. Due to the fact that no maturity model was

¹⁹² See Brooks, El-Gayar, and Sarnikar (2015), p. 337; Fisher (2004), p. 1; as well as Wendler (2012), p. 1317.

¹⁹³ See de Bruin, Freeze, Kulkarni, and Rosemann (2005), p. 2.

¹⁹⁴ de Bruin et al. (2005), p. 2.

¹⁹⁵ See van Steenberghe, Bos, Brinkkemper, van de Weerd, and Bekkers (2010)

¹⁹⁶ See de Bruin et al. (2005), p. 3; Becker, Knackstedt, and Pöppelbuß (2009), p. 216-220; as well as Maier, Moultrie, and Clarkson (2009), p. 2.

¹⁹⁷ See Becker et al. (2009), p. 216-220; Maier et al. (2009), p. 2.

¹⁹⁸ See de Bruin et al. (2005), p. 3.

¹⁹⁹ See de Bruin et al. (2005), p. 2.

developed in that domain, this research aims to fill the gap in the literature. In doing so, the model focuses on determining the 'as-is' position of purchasing firms. Consequently, the model is able to set a comparative benchmarking among different customers for suppliers to ultimately identify their preferred customer.

Phase 2 - Design

In the second phase, de Bruin et al. (2005) address the needs of the intended audience. In this phase it should be clear, *why* the audience should seek to apply the model, *how* the maturity model can be applied and *who* needs to apply the model. It should also be clear *what* the audience can achieve through the model.²⁰⁰

First, the audience should use this model since it provides a structured evaluation of their customers for further benchmarking in order to develop their clients and to systematically assign preferred customer status. Second, the model should be applied by salespeople that evaluate customers they are currently doing business with. The evaluation results of the model will be more precise if at least 3 salespersons fill out the model for one customer since it reduces the level of subjectivity involved in the evaluation process. With reference to the question how the model should be applied, it is important to choose one stage per criterion and to fill in the corresponding percentage so that the scores can add up. If one criterion is inapplicable, the customer receives a score of zero for those specific criteria. Through the application of the model, the audience can achieve a systematic identification of its best performing purchaser or customer. More information on how to use the model is provided in the application guide of Appendix VII.

According to de Bruin et al. (2005), most of the maturity models consist of "(...) cumulative stages where higher stages build on the requirements of lower stages (...)".²⁰¹ This model consists of 4 stages, whereas 1 is seen as the lowest and 4 is seen as the highest stage. While the text descriptions of the highest and the lowest stage can be considered as subjective since it represents the two extremes of the antecedent, the description of stage 2 and 3 can be considered as rather subjective.

²⁰⁰ See de Bruin et al. (2005), p. 3.

²⁰¹ de Bruin et al. (2005), p. 3.

Phase 3 - Populate

This phase decides about the content of the model. Therefore, de Bruin et al. (2005) highlight that it should be clear *what* needs to be measured and *how* it can be measured.²⁰² Due to the fact that this phase has been widely explained throughout this research, no detailed elaboration will be made at this stage of the study. All of the components of the model were gathered through a literature review resulting in a priori construct that has been further tested through interviews. Based on the qualitative data collection, the model has been slightly adjusted. A detailed overview of *what* needs to be measured can be found in table 5. These criteria can then be measured based on an observed value between 0 and 100. Applicants of the model can orient on four different stage descriptions in order to decide which score to assign. This research made use of an electronic survey that aimed to identify different level of importance among the identified criteria through an ordinal scale to increase the accuracy and reliability of the model, which gives an answer to *how* the criteria can be measured.

Phase 4 - Test

De Bruin et al. (2005) point out that it is relevant to test the construct of the model as well as the model instruments for validity, generalizability and reliability.²⁰³ Face validity was achieved through testing the theoretical model by using qualitative interviews. Further, content validity was ensured through an in-depth literature review. Additionally, the quantitative data collection highlighted differences in terms of importance among criteria, which increases the reliability of the model.

Phase 5 - Deploy

This stage provides an understanding whether the model can be generalized and to whom it should be made available. According to de Bruin (2005), the deployment consists of applying and testing the model in an organisation and design collaborators can be used as primary respondents.²⁰⁴ Hence, the model has been used by 2 interviewees of different industries (oil industry, food industry) from the qualitative interviews and applied in the

²⁰² See de Bruin et al. (2005), p. 3.

²⁰³ See de Bruin et al. (2005), p. 8.

²⁰⁴ See de Bruin et al. (2005), p. 9.

respondent's organisation. Both respondents provided positive feedback on the evaluation of their customers through the model. Due to the fact that the study is explorative and does not focus on specific industries, the results of the tests show that the model can be applied throughout several industries as long as the supplier is selling his products regularly. According to the second step of this stage, de Bruin et al. (2005) suggest to test the model on independent entities that were not part of the design study.²⁰⁵ Therefore, an independent salesperson was chosen from the transport industry that was not part of the sample. Hence, the respondent provided mainly positive feedback on the model. The only critic was based on the fact that respondent's organisation considered the sales margin as way more important as described in the mean average score from the 137 respondents. Nevertheless, this refers to individual perception of a firm and it is possible to confirm that the model is applicable in general throughout a wide range of industries in the fast selling goods sector.

Phase 6 - Maintain

De Bruin considers this phase as the model's growth and use phase.²⁰⁶ The development of the model will be further elaborated in the section of future research. The maintenance of the model or developing a more industry specific maturity model will be addressed in the discussion session of this paper.

6.2 Positioning matrix development for visual comparison of all key accounts

While the maturity model provides an evaluation of each customer, the idea emerged to create a matrix where users of the tool will be able to position customers in order to create a visual benchmark for comparison.

Due to the fact that relational and economic factors were found to be the most important, both factor groups have been used to set the x and y axis of the matrix respectively. Additionally, the scores of customer image and market factors will be presented visually in form of a green triangle, a yellow square or a red circle. Both categories give an indication

²⁰⁵ See de Bruin et al. (2005), p. 9.

²⁰⁶ See de Bruin et al. (2005), p. 10.

whether the customer is considered having a positive or negative future development. The threshold for defining the colour and shape of each customer has been set to the following:

Green triangle: the customer scores above average in customer image and market factors (promising future development)

Yellow square: the customer scores above average in one of the two categories (partly promising future development)

Red circle: the customer scores above average in customer image and market factors (unpromising future development)

The average score for customer image and market factors was set at 50%. Customers scoring above average in all four categories have to be considered as potential preferred customers. These types of key accounts will be found in the top right quadrant of the matrix in form of a green triangle. An overview of the matrix is provided in Appendix VI of this document while the application guide of the matrix can be found in Appendix VII.

7.0 Discussion, implications, limitations, recommendations for future research and conclusion

7.1 Discussion section

This research aimed to theoretically contribute in field of preferred customer antecedents and key account management to the current literature. Starting with the theoretical model, the comparison of nine different preferred customer antecedents' sources aimed to create a model that represents significantly important criteria mentioned at least throughout two different papers. Next to literature review that leads to the theoretical framework, the model from the literature was tested through qualitative interviews to check whether the theory has considered and addressed all relevant criteria in that field. Additionally, this research has also contributed to the theory through a quantitative survey, helping to identify differences among the antecedents from the theoretical model. Ultimately, this resulted in a maturity model that serves suppliers to evaluate their key accounts, which differs from the reviewed customer evaluation models from the theory.

First, the literature review provided a grounding introduction to the concept of reversed marketing and the preferred customer status. After, nine different preferred customer antecedent sources were scanned and compared to create the theoretical model of that study. While having analysed the sources, several differences among the studies have been observed. Some of the sources classify the antecedents according to the cycle of customership by Schiele (2012) and divide the criteria in two sections: customer attractiveness and supplier satisfaction.²⁰⁷ Other papers focus either on customer attractiveness criteria or supplier satisfaction criteria only. Overall, the sources differ in terms of criteria from each other, which makes it unclear for researcher to identify criteria with higher and lower relevance. Hence, the development of the theoretical framework helped to provide a better overview of overlapping preferred customer antecedents that have been found among the nine sources. Meanwhile, the literature review also helped to support the findings in the study of Pulles et al. (2016).²⁰⁸ By comparing and reviewing the sources, it became clear that there is an unclear distinction between customer attractiveness and supplier satisfaction in the current literature. There are several criteria which have

²⁰⁷ Schiele, Veldman, et al. (2012), p. 1180.

²⁰⁸ See Pulles et al. (2016), p. 132.

been classified under customer attractiveness but which have been categorized under supplier satisfaction at the same time by other sources as well.

Overall, the literature review contributed in two different ways to the theory. First, a model summarizing the most mentioned preferred customer antecedents has been created. Second, the unclear perception of customer attractiveness and supplier satisfaction that was found in that study is supported by the findings of Pulles et al. (2016) as well.²⁰⁹

After the literature review, the necessity emerged to test the theoretical framework. In doing so, 10 qualitative interviews were conducted. The results of the interview highlight that not all preferred customer antecedents have been considered by the majority of the sources in the literature. While four interviewees mentioned loyalty as an important factor in buyer-supplier relationships, loyalty was mentioned only once among the reviewed sources. The same phenomenon has been observed when 3 participants highlighted the expertise, mutual respect or the level of sophistication as important measures for evaluating their customers. Hence, giving these missing criteria more attention in this study, filled the gap in the literature. The fact that one criterion was omitted and seven others were added to the priori construct, underlines the importance of having tested the theoretical framework through qualitative research.

While looking at the study of Tanskanen & Aminoff (2015) or La Rocca et al. (2012), who highlighted preferred customer antecedents in their study, the theory lacks a clear distinction in terms of importance between the different criteria.²¹⁰ The study of Pulles et al. (2016) tries to distinguish more important criteria from less important criteria by letting respondents assign stickers to them.²¹¹ Still, this does not provide a clear distinction between the different antecedents. Based on a survey with an ordinal scale, this study provided more promising results, which allow researchers to distinguish between more important and less important criteria based on a score. While the sales margin was found being the most important antecedent with a mean score of 8,3, the least important criterion of risk sharing received a mean score of 2,7 among the 137 respondents.

Based on the previous findings, the main theoretical contribution of this study is addressed in terms of a maturity model as a customer management evaluation tool for suppliers. By reviewing existing models in the literature by Knox (1998), Curry & Curry (2002), McDonald (1997) and Fiocca (1985), the outcome of this study distinguishes from the

²⁰⁹ See Pulles et al. (2016), p. 132.

²¹⁰ See Tanskanen and Aminoff (2015), p.135; as well as La Rocca et al (2012), p. 1245.

²¹¹ See Pulles et al. (2016), p. 132.

existing models since it does not classify the customer in one or more categories, it evaluates the customers based on a score. Further the developed model is also able to provide a graphical comparison in form of a matrix of existing business-to-business customers.

7.2 Managerial implications for suppliers and purchasers

The findings of this study yield useful insights for both, the suppliers and the key accounts. Next to the final maturity model that has been developed, the findings of the qualitative and quantitative study provide worth sharing information for the two counterparties.

The maturity model as a customer evaluation tool, helps suppliers to systematically and continuously evaluate the existing relationships with their customers. Due to the fact that the model is able to provide a total score from 0-100% for every customer, suppliers are even able to identify small differences among customers in total or per criterion. Ultimately, suppliers will be able to identify their best customer through the model in order to systematically assign preferred customer status. Additionally, the model as well provides a graphical representation of all customer scores in form of a positioning matrix in order to compare all customers at once. This differs from the existing customer evaluation models in the theory since these categorize their customer in different categories without assigning specific scores.

Key accounts are unable to use the maturity model, which does not mean they cannot effectively benefit from it. While the qualitative outcome of this study provided an adjusted framework that presents all relevant preferred customer antecedents from a supplier perspective, key accounts can make use of that list to systematically develop these specific criteria further to increase the likelihood of receiving better evaluation scores from their suppliers. Next, the quantitative outcome of that research has highlighted differences among the criteria from the framework - buying firms are therefore able to see throughout a set of various industries which criteria have scored lowest and highest. A practical implication from the buyer's point of view would be to make sure that the supplier is at least satisfied with the criteria's scoring in the upper half (sales margin, communication, growth opportunity, trust, loyalty, purchase volume, fast & reliable payments, mutual respect, brand awareness) of the model. If the buying firm is able to improve in the top-

rated antecedents, the probability of receiving preferred customer status raises. Further, the maturity model consists of four different categories with 20 different criteria and distinguishes between economic (6), resource (5), market (3) and relational (6) factors. Due to the fact that the sum scores per category has been computed, it was possible to find differences in terms of importance among the categories. Suppliers consider relational factors (sum=28,11) as almost as important as economic factors (sum=30,20). Hence, buying firms should make sure to be economically satisfying for their suppliers in the first place. Further, key accounts should also ensure that their purchasers have developed their soft skills at a decent level. Resource factors on the other hand are less important for suppliers except in terms of brand awareness and expertise. Accordingly, buying firms should be certain that the brand of the firm is recognized in the industry and purchasers should possess a good overall and technical understanding of the product they are buying. In terms of market factors which score better than resource factors and worse than economic and relational factors, purchasers are recommended to share information about their market with the supplier and could, if possible, provide the supplier access to new partners.

7.3 Limitations of the research and recommendations for future research

As in every other research, this study also bears limitations. Starting with qualitative interviews, the sample size of 10 interviewees represents a sufficient amount of respondents. Nevertheless, it is not possible to omit the fact that other possible criteria would have been found if the sample size had been larger and conducted through a wider set of different industries. Accordingly, a proposition for future research based on that limitation could be made. Using a larger sample for the qualitative interviews throughout a larger set of industries could potentially identify new criteria that have not been addressed in this study yet.

Next, due to the fact that little research has been conducted in that field yet, the study was explorative and did not focus on specific industries but rather targets all type of industries who operate with products that are sold on a regular base. Suppliers making use of the maturity model should therefore bear in mind that the weighted average per criterion relates to several industries and not to the firm specific industries. Hence, a suggestion for

future research proposes to follow the same research design as in this study by focussing on one specific industry only. Consequently, the model could be used by fewer firms but it would be more precise and reliable.

Further, most of the key accounts are assigned to one salesperson only. Due to the fact that only one person will be able to rate the customer, a certain degree of subjectivity will be involved in most of the rating and evaluation processes.

Regarding the quantitative data, the respondent rate of $n=137$ has been divided into different product classifications. It was only possible to compare the two largest groups (food, beverage, tabaco & packaging material) since the sample size for the other product classifications was not sufficient enough to interpret significant differences among the groups. This implies for future research to repeat the same study using a larger sample in order to be able to compare all product classification groups and to identify significant differences among the groups, which was not possible throughout this study according to the limited sample size.

Regarding the maturity model development, the theory of de Bruin et al. (2005) suggests to test the model through a maturity assessment survey.²¹² Due to the fact that this type of testing was not in the scope of the study, it can be considered as a main limitation. Nevertheless, this provides an indication where future research can be conducted.

7.4 Conclusion

The objective of this study aimed to review current antecedents and criteria on how to obtain preferential resource allocation in order to empirically develop a maturity model that is able to assess buying firms based on preferred customer criteria from a supplier perspective. Accordingly, the following research questions was developed at the beginning of this research:

"Preferred customer antecedents: Through what criteria and with which level of importance can suppliers evaluate their customers in order to systematically assign preferred customer status?"

²¹² See de Bruin et al. (2005), p. 8.

The research question was answered by following the explorative-sequential design method as a mixed method approach. In order to identify relevant criteria, an intensive literature review has been conducted in order to develop a priori construct. Based on that construct, the questions for the interview protocol have been developed. Consequently, qualitative interviews with 10 interviewees have been conducted whereas one criterion was omitted and seven criteria added to the priori construct for further testing.

While in an explorative-sequential design method, the quantitative study builds upon the qualitative results; a survey was designed in order to highlight differences in terms of importance among the antecedents. In doing so, an ordinal scale has been used so that respondents were able to assign in total 100 points among the 20 criteria. Hence, among the 137 respondents the sales margin was found being the most important and the practice of risk sharing between supplier and buyer was found the least important criterion. Overall, economic and relational factors were found to be more important on average than market and resource factors.

In order to be able to systematically evaluate their key accounts, suppliers require a maturity model. Therefore, based on the findings from the qualitative and quantitative research and the step approach of de Bruin et al. (2005), the model has been designed. After having finalized the last step of the study, the supplier is aware of the most important criteria with the corresponding level of importance and possesses a maturity model that allows him to systematically evaluate his key accounts in order to assign preferential resource allocation to the customer with the highest score. The customer evaluation results are as well graphically displayed in form of a positioning matrix. Based on these facts, it can be concluded that it was possible to answer the research question and to achieve the aim of this research.

References

1. A. Berman, E. (2017). *An Exploratory Sequential Mixed Methods Approach to Understanding Researchers' Data Management Practices at UVM: Findings from the Qualitative Phase.*
2. Alsaawi, A. (2014). *A Critical Review of Qualitative Interviews* (Vol. 3).
3. Aminoff, A., & Tanskanen, K. (2013). Exploration of congruence in perceptions of buyer–supplier attraction: A dyadic multiple case study. *Journal of Purchasing and Supply Management*, 19(3), 165-184. doi:<https://doi.org/10.1016/j.pursup.2013.02.006>
4. Araz, C., & Ozkarahan, I. (2007). Supplier evaluation and management system for strategic sourcing based on a new multicriteria sorting procedure. *International Journal of Production Economics*, 106(2), 585-606. doi:<https://doi.org/10.1016/j.ijpe.2006.08.008>
5. Banting, P. M. (1990). Book Reviews : Reverse Marketing: The New Buyer-Supplier Relationship by Michiel R. Leenders and David L. Blenkhorn (New York: The Free Press, 1988, 198 pp., \$29.95). *Journal of the Academy of Marketing Science*, 18(2), 180-180. doi:10.1177/009207039001800211
6. Baron, H. (1996). Strengths and limitations of ipsative measurement. *Journal of Occupational and Organizational Psychology*, 69(1), 49-56. doi:10.1111/j.2044-8325.1996.tb00599.x
7. Basit, T. (2003). Manual or electronic? The role of coding in qualitative data analysis. *Educational Research*, 45(2), 143-154. doi:10.1080/0013188032000133548
8. Baxter, R. (2012). How can business buyers attract sellers' resources?: Empirical evidence for preferred customer treatment from suppliers. *Industrial Marketing Management*, 41(8), 1249-1258. doi:<https://doi.org/10.1016/j.indmarman.2012.10.009>
9. Becker, J., Knackstedt, R., & Pöppelbuß, J. (2009). Developing Maturity Models for IT Management. *Business & Information Systems Engineering*, 1(3), 213-222. doi:10.1007/s12599-009-0044-5
10. Biemans, W. G., & Brand, M. J. (1995). Reverse Marketing: A Synergy of Purchasing and Relationship Marketing. *International Journal of Purchasing and Materials Management*, 31(2), 28-37. doi:10.1111/j.1745-493X.1995.tb00206.x
11. Blenkhorn, D. L., & Banting, P. M. (1991). How Reverse Marketing Changes Buyer-Seller Roles. *Industrial Marketing Management*, 20, 185-191.
12. Brooks, P., El-Gayar, O., & Sarnikar, S. (2015). A framework for developing a domain specific business intelligence maturity model: Application to healthcare.

- International Journal of Information Management*, 35(3), 337-345.
doi:<https://doi.org/10.1016/j.ijinfomgt.2015.01.011>
13. Burke, L. A., & Miller, M. K. (2001). Phone Interviewing as a Means of Data Collection: Lessons Learned and Practical Recommendations. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*; Vol 2, No 2 (2001): Special Issue: FQS Reviews I. doi:10.17169/fqs-2.2.959
 14. Burnard, P. (1991). A method of analysing interview transcripts in qualitative research. *Nurse Education Today*, 11(6), 461-466.
doi:[https://doi.org/10.1016/0260-6917\(91\)90009-Y](https://doi.org/10.1016/0260-6917(91)90009-Y)
 15. C.V, S. K., & Routroy, S. (2016). Analysis of preferred customer enablers from supplier's perspective. *Business Process Management Journal*, 22(6), 1170-1191. doi:10.1108/BPMJ-10-2015-0135
 16. Carr, A. S., & Smeltzer, L. R. (1999). The relationship of strategic purchasing to supply chain management. *European Journal of Purchasing & Supply Management*, 5(1), 43-51. doi:[https://doi.org/10.1016/S0969-7012\(98\)00022-7](https://doi.org/10.1016/S0969-7012(98)00022-7)
 17. Chen, C.-T., Lin, C.-T., & Huang, S.-F. (2006). A fuzzy approach for supplier evaluation and selection in supply chain management. *International Journal of Production Economics*, 102(2), 289-301.
doi:<https://doi.org/10.1016/j.ijpe.2005.03.009>
 18. Chen, I. J., Paulraj, A., & Lado, A. A. (2004). Strategic purchasing, supply management, and firm performance. *Journal of Operations Management*, 22(5), 505-523. doi:<https://doi.org/10.1016/j.jom.2004.06.002>
 19. Christiansen, P. E., & Maltz, A. (2002). Becoming an "Interesting" Customer: Procurement Strategies for Buyers without Leverage. *International Journal of Logistics Research and Applications*, 5(2), 177-195.
doi:10.1080/13675560210148678
 20. Creswell, J. W., & Creswell, D. J. (2017). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (Vol. Fifth edition).
 21. Curry, A., & Curry, J. (2002). Customer marketing method: How to implement and profit from customer relationship management. 256.
 22. de Bruin, T., Freeze, R., Kulkarni, U., & Rosemann, M. (2005). *Understanding the Main Phases of Developing a Maturity Assessment Model*.
 23. Dikko, M. (2016). *Establishing construct validity and reliability: Pilot testing of a qualitative interview for research in takaful (Islamic insurance)* (Vol. 21).
 24. Doyle, L., Brady, A.-M., & Byrne, G. (2009). An overview of mixed methods research. *Journal of Research in Nursing*, 14(2), 175-185.
doi:10.1177/1744987108093962

25. Drisko, J. W. (1997). Strengthening Qualitative Studies and Reports. *Journal of Social Work Education*, 33(1), 185-197. doi:10.1080/10437797.1997.10778862
26. Drisko, J. W. (2005). Writing up Qualitative Research. *Families in Society*, 86(4), 589-593. doi:10.1606/1044-3894.3465
27. eCl@ss. (2019). Classification and product description. <http://www.eclasscontent.com>
28. Ellegaard, C., Johansen, J., & Drejer, A. (2003). Managing industrial buyer - supplier relations – the case for attractiveness. *Integrated Manufacturing Systems*, 14(4), 346-356. doi:10.1108/09576060310469725
28. Ellis, S. C., Henke, J. W., & Kull, T. J. (2012). The effect of buyer behaviors on preferred customer status and access to supplier technological innovation: An empirical study of supplier perceptions. *Industrial Marketing Management*, 41(8), 1259-1269. doi:<https://doi.org/10.1016/j.indmarman.2012.10.010>
29. Ellram, L. M. (1991). A Managerial Guideline for the Development and Implementation of Purchasing Partnerships. *International Journal of Purchasing and Materials Management*, 27(3), 2-8. doi:10.1111/j.1745-493X.1991.tb00534.x
30. Ellram, L. M., & Carr, A. (1994). Strategic Purchasing: A History and Review of the Literature. *International Journal of Purchasing and Materials Management*, 30(1), 9-19. doi:10.1111/j.1745-493X.1994.tb00185.x
31. Essig, M., & Amann, M. (2009). Supplier satisfaction: Conceptual basics and explorative findings. *Journal of Purchasing and Supply Management*, 15(2), 103-113. doi:<https://doi.org/10.1016/j.pursup.2009.01.001>
32. Fiocca, R. (1982). Account portfolio analysis for strategy development. *Industrial Marketing Management*, 11(1), 53-62. doi:[https://doi.org/10.1016/0019-8501\(82\)90034-7](https://doi.org/10.1016/0019-8501(82)90034-7)
33. Fisher. (2004). *The Business Process Maturity Model: a practical approach for identifying opportunities for optimization.*
34. Gasson, S. (2003). Rigor in grounded theory research: An interpretive perspective on generating theory from qualitative field studies (pp. 79-102).
35. Gough, S., & Scott, W. (2000). Exploring the Purposes of Qualitative Data Coding in Educational Enquiry: Insights from recent research. *Educational Studies*, 26(3), 339-354. doi:10.1080/03055690050137141
36. Hesse-Biber, S. (2010). *Qualitative Approaches to Mixed Methods Practice* (Vol. 16).
37. Ho, W., Xu, X., & Dey, P. K. (2010). Multi-criteria decision making approaches for supplier evaluation and selection: A literature review. *European Journal of*

- Operational Research*, 202(1), 16-24.
doi:<https://doi.org/10.1016/j.ejor.2009.05.009>
38. Hüttinger, L., Schiele, H., & Veldman, J. (2012). The drivers of customer attractiveness, supplier satisfaction and preferred customer status: A literature review. *Industrial Marketing Management*, 41(8), 1194-1205. doi:<https://doi.org/10.1016/j.indmarman.2012.10.004>
 39. Kaminski, T. W., & Pitney, W. A. (2004). Strategies for Establishing Trustworthiness in Qualitative Research. *Athletic Therapy Today*, 9(1), 26-28. doi:10.1123/att.9.1.26
 40. Knox, S. (1998). Loyalty-based segmentation and the customer development process. *European Management Journal*, 16(6), 729-737. doi:[https://doi.org/10.1016/S0263-2373\(98\)00049-8](https://doi.org/10.1016/S0263-2373(98)00049-8)
 41. La Rocca, A., Caruana, A., & Snehota, I. (2012). Measuring customer attractiveness. *Industrial Marketing Management*, 41(8), 1241-1248. doi:<https://doi.org/10.1016/j.indmarman.2012.10.008>
 42. Larson, P. D., & Kulchitsky, J. D. (1998). Single Sourcing and Supplier Certification: Performance and Relationship Implications. *Industrial Marketing Management*, 27(1), 73-81. doi:[https://doi.org/10.1016/S0019-8501\(97\)00039-4](https://doi.org/10.1016/S0019-8501(97)00039-4)
 43. Leech, N., & J. Onwuegbuzie, A. (2008). *Qualitative Data Analysis: A Compendium of Techniques and a Framework for Selection for School Psychology Research and Beyond* (Vol. 23).
 44. Liu, Y., Wu, A. D., & Zumbo, B. D. (2009). The Impact of Outliers on Cronbach's Coefficient Alpha Estimate of Reliability: Ordinal/Rating Scale Item Responses. *Educational and Psychological Measurement*, 70(1), 5-21. doi:10.1177/0013164409344548
 45. Maier, A., Moultrie, J., & Clarkson, P. J. (2009). Developing maturity grids for assessing organisational capabilities *Practitioner guidance*.
 46. Malterud, K., Siersma, V. D., & Guassora, A. D. (2015). Sample Size in Qualitative Interview Studies: Guided by Information Power. *Qualitative Health Research*, 26(13), 1753-1760. doi:10.1177/1049732315617444
 47. McDonald, M., Millman, T., & Rogers, B. (1997). Key account management: Theory, practice and challenges. *Journal of Marketing Management*, 13(8), 737-757. doi:10.1080/0267257X.1997.9964509
 48. Merbitz, C., Morris, J., & Grip, J. C. (1989). Ordinal scales and foundations of misinference. *Archives of Physical Medicine and Rehabilitation*, 70(4), 308-312. doi:10.5555/uri:pii:0003999389901512
 49. Millward, L., & Cachia, M. (2011). The telephone medium and semi - structured interviews: a complementary fit. *Qualitative Research in Organizations and*

- Management: An International Journal*, 6(3), 265-277.
doi:10.1108/17465641111188420
50. Mol, M. J. (2003). Purchasing's strategic relevance. *Journal of Purchasing and Supply Management*, 9(1), 43-50. doi:[https://doi.org/10.1016/S0969-7012\(02\)00033-3](https://doi.org/10.1016/S0969-7012(02)00033-3)
 51. Morrow, S. L. (2005). Quality and trustworthiness in qualitative research in counseling psychology. *Journal of Counseling Psychology*, 52(2), 250-260. doi:10.1037/0022-0167.52.2.250
 52. Nagati, H., & Rebolledo, C. (2013). Supplier development efforts: The suppliers' point of view. *Industrial Marketing Management*, 42(2), 180-188. doi:<https://doi.org/10.1016/j.indmarman.2012.12.006>
 53. Nollet, J., Rebolledo, C., & Popel, V. (2012). Becoming a preferred customer one step at a time. *Industrial Marketing Management*, 41(8), 1186-1193. doi:<https://doi.org/10.1016/j.indmarman.2012.10.003>
 54. Oumlil, A. B., & Williams, A. J. (1989). Market-driven procurement. *Industrial Marketing Management*, 18(4), 289-292. doi:[https://doi.org/10.1016/0019-8501\(89\)90007-2](https://doi.org/10.1016/0019-8501(89)90007-2)
 55. Pearson, J. N., & Carr, A. S. (2002). The impact of purchasing and supplier involvement on strategic purchasing and its impact on firm's performance. *International Journal of Operations & Production Management*, 22(9), 1032-1053. doi:10.1108/01443570210440528
 56. Pulles, N. J., Schiele, H., Veldman, J., & Hüttinger, L. (2016). The impact of customer attractiveness and supplier satisfaction on becoming a preferred customer. *Industrial Marketing Management*, 54, 129-140. doi:<https://doi.org/10.1016/j.indmarman.2015.06.004>
 57. Ramsay, J., & Wagner, B. A. (2009). Organisational Supplying Behaviour: Understanding supplier needs, wants and preferences. *Journal of Purchasing and Supply Management*, 15(2), 127-138. doi:<https://doi.org/10.1016/j.pursup.2009.02.001>
 58. Schiele, H. (2010). Unveiling The Importance Of Being A Preferred Customer In Order To Develop Innovations with suppliers.
 59. Schiele, H. (2012). Accessing Supplier Innovation By Being Their Preferred Customer. *Research-Technology Management*, 55(1), 44-50. doi:10.5437/08956308X5501012
 60. Schiele, H., Calvi, R., & Gibbert, M. (2012). Customer attractiveness, supplier satisfaction and preferred customer status: Introduction, definitions and an overarching framework. *Industrial Marketing Management*, 41(8), 1178-1185. doi:<https://doi.org/10.1016/j.indmarman.2012.10.002>

61. Schiele, H., Veldman, J., & HÜTtinger, L. (2011). SUPPLIER INNOVATIVENESS AND SUPPLIER PRICING: THE ROLE OF PREFERRED CUSTOMER STATUS. *International Journal of Innovation Management*, 15(01), 1-27. doi:10.1142/S1363919611003064
62. Schiele, H., Veldman, J., Hüttinger, L., & Pulles, N. (2012). Towards a social exchange theory perspective on preferred customership — concept and practice. In R. Bogaschewsky, M. Eßig, R. Lasch, & W. Stölzle (Eds.), *Supply Management Research: Aktuelle Forschungsergebnisse 2012* (pp. 133-151). Wiesbaden: Gabler Verlag.
63. Schiele, H., & Vos, F. G. S. (2015). Dependency on suppliers as a peril in the acquisition of innovations? The role of buyer attractiveness in mitigating potential negative dependency effects in buyer–supplier relations. *Australasian Marketing Journal (AMJ)*, 23(2), 139-147. doi:<https://doi.org/10.1016/j.ausmj.2015.04.009>
64. Schröer, D., Hüttinger, L., & Schiele, H. (2014). Exploring the antecedents of preferential customer treatment by suppliers: a mixed methods approach. *Supply Chain Management: An International Journal*, 19(5/6), 697-721. doi:10.1108/SCM-06-2014-0194
65. Shenton, A. (2004). *Strategies for Ensuring Trustworthiness in Qualitative Research Projects* (Vol. 22).
66. Spekman, R. E. (1988). Strategic supplier selection: Understanding long-term buyer relationships. *Business Horizons*, 31(4), 75-81. doi:[https://doi.org/10.1016/0007-6813\(88\)90072-9](https://doi.org/10.1016/0007-6813(88)90072-9)
67. Stoller, E. P., Webster, N. J., Blixen, C. E., McCormick, R. A., Hund, A. J., Perzynski, A. T., . . . Dawson, N. V. (2009). Alcohol Consumption Decisions Among Nonabusing Drinkers Diagnosed with Hepatitis C: An Exploratory Sequential Mixed Methods Study. *Journal of Mixed Methods Research*, 3(1), 65-86. doi:10.1177/1558689808326119
68. Sutriadi, R. (2018). Defining smart city, smart region, smart village, and technopolis as an innovative concept in indonesia's urban and regional development themes to reach sustainability. *IOP Conference Series: Earth and Environmental Science*, 202, 012047. doi:10.1088/1755-1315/202/1/012047
69. Svensson, E. (2000). Comparison of the Quality of Assessments Using Continuous and Discrete Ordinal Rating Scales. *Biometrical Journal*, 42(4), 417-434. doi:10.1002/1521-4036(200008)42:4<417::AID-BIMJ417>3.0.CO;2-Z
70. Svensson, G. (2001). Perceived trust towards suppliers and customers in supply chains of the Swedish automotive industry. *International Journal of Physical Distribution & Logistics Management*, 31(9), 647-662. doi:10.1108/09600030110408152
71. Tanskanen, K., & Aminoff, A. (2015). Buyer and supplier attractiveness in a strategic relationship — A dyadic multiple-case study. *Industrial Marketing*

Management, 50, 128-141.
doi:<https://doi.org/10.1016/j.indmarman.2015.04.011>

72. Trent, R. J., & Monczka, R. M. (1998). Purchasing and Supply Management: Trends and Changes Throughout the 1990s. *International Journal of Purchasing and Materials Management*, 34(3), 2-11. doi:10.1111/j.1745-493X.1998.tb00296.x
73. van Steenbergen, M., Bos, R., Brinkkemper, S., van de Weerd, I., & Bekkers, W. (2010, 2010/). *The Design of Focus Area Maturity Models*. Paper presented at the Global Perspectives on Design Science Research, Berlin, Heidelberg.
74. Vos, B., Voordijk, H., Dewulf, G., & Bemelmans, J. (2015). Antecedents and benefits of obtaining preferred customer status: Experiences from the Dutch construction industry. *International Journal of Operations & Production Management*, 35(2), 178-200. doi:10.1108/IJOPM-07-2012-0263
75. Vos, F. G. S., Schiele, H., & Hüttinger, L. (2016). Supplier satisfaction: Explanation and out-of-sample prediction. *Journal of Business Research*, 69(10), 4613-4623. doi:<https://doi.org/10.1016/j.jbusres.2016.04.013>
76. Wells, R., Ham, R., & Junankar, P. N. (2016). An examination of personality in occupational outcomes: antagonistic managers, careless workers and extraverted salespeople. *Applied Economics*, 48(7), 636-651. doi:10.1080/00036846.2015.1085636
77. Wendler, R. (2012). The maturity of maturity model research: A systematic mapping study. *Information and Software Technology*, 54(12), 1317-1339. doi:<https://doi.org/10.1016/j.infsof.2012.07.007>
78. Wolcott, H. F. (2002). Writing Up Qualitative Research... Better. *Qualitative Health Research*, 12(1), 91-103. doi:10.1177/1049732302012001007

Appendix I: Interview guide preferred customer antecedents

Interviewee: _____ Date: _____

Start time: _____

My dissertation aims to build a maturity model that is able to systematically evaluate purchasers from a supplier perspective. The questions are about your opinion on different criteria you value about your customers that purchase from you. The information provided in the interview of course remains confidential and your permission for recording the interview is required as well.

Record permission: _____

Questions:

Background questions

- Would you be so kind and explain your current position?
 - How much experience do you have in sales?
- Could you explain the industry you are operating in?
 - What kind of products are you selling?
 - How often are you selling your products to the same existing customer?

General questions

- Could you tell me what criteria you value in general when people purchase from you?
- Suppliers usually offer preferential treatment to purchasers they value most. Tell me what you specifically value about your preferred customer?

- What are your possible reasons for phasing out and ending a relationship with a customer? (probing question)

Specific questions

- What are **economic criteria** you value about the business with your customers?
- What are criteria you value about the **market** the customer operates in?
- What are criteria you value about possible **resources & capabilities** of your customer?
- Tell me what you value about the **personal relation** with your customer?

We have now almost finished the interview. Is there anything you would like to add or is there anything that you consider being relevant I forgot to ask? After having analysed the data I will forward you an overview of your interview results so that you can check them before I interpret it.

Ending time: _____

Thank you for your time and effort!

Appendix II: Survey questions for rating preferred customer antecedents

UNIVERSITY OF TWENTE.

Welcome! My name is Antoine Meyer and I am currently conducting research in customer evaluation from a supplier perspective at the University of Twente for my final thesis. Therefore, I need a maximum of 10 minutes of your time to rate factors that are important to you in existing business-to-business relations between you (supplier) and your customer. Feel free to contact me once you have completed this survey and I will make sure you will receive the final outcome of my research in form of a customer evaluation tool as an excel sheet.

Thank you for your time and effort!

Please name your current sales position:

Choose among one of the given product classifications that fits to the products you are currently selling:

What type of products are you currently selling?

How many years have you been working in sales throughout your professional career?

Are your products sold on a regular base (from daily orders up to one order a year) to existing/ regular business-to-business customers?

☐ Yes

☐ No

Please rate the importance of the given factors in existing business-to-business relations from 0-100. The more points you assign per factor the more important it is. The factors have been listed in alphabetical order. Please note that you can assign only 100 points in total among the 20 factors (5 points per factor on average). You can distribute the 100 points as you like and scores of 0 are as well accepted for all factors - still try to distribute the points as equally as possible among the 20 factors. The current sum of your assigned points is shown below the last factor under "Total". Please read all factors carefully before assigning the points.

Access to new partners: the possibility to get in touch with potential new business partners through the customer	<input type="text" value="0"/>
Brand awareness: the reputation and awareness of the customer's brand	<input type="text" value="0"/>
Communication: The imparting or exchanging of information by speaking, writing, or using of other medium with the customer	<input type="text" value="0"/>
Cultural fit: The customers beliefs and values are in alignment with the suppliers values and company culture	<input type="text" value="0"/>
Expertise: The customer has deep knowledge about the products and industry	<input type="text" value="0"/>
Fast & reliable payments: The extent to which the customer is able to fulfill the payment expectations of the supplier	<input type="text" value="0"/>
Forecast accuracy: the difference between the forecasts made and the according actuals of the customer	<input type="text" value="0"/>
Future of the industry: The expected growth or decline rate of the customer's industry	<input type="text" value="0"/>
Growth opportunity: The suppliers ability to grow together with the customer	<input type="text" value="0"/>
Innovativeness: The ability of the customer to contribute to the innovativeness of the supplier	<input type="text" value="0"/>
Level of sophistication: The customer's extent of being demanding	<input type="text" value="0"/>
Loyalty: The customer's state or quality of being loyal	<input type="text" value="0"/>
Market information sharing: The customer is sharing market and consumer trends with the supplier	<input type="text" value="0"/>
Mutual respect: The level or extent to which both parties respect each other for what they have done or achieved	<input type="text" value="0"/>
Openness: The customer is receptive to new supplier ideas	<input type="text" value="0"/>
Purchase volume: The customer's value of purchases over a period of time	<input type="text" value="0"/>
Risk sharing: The practice of distributing the risk equally between customer and supplier	<input type="text" value="0"/>
Sales margin: The profit the supplier can generate through the customer	<input type="text" value="0"/>
Sustainability: The extent to which the customer acts in an environmentally sustainable way	<input type="text" value="0"/>
Trust: The belief in the reliability, truth or ability of the customer	<input type="text" value="0"/>
Total	<input type="text" value="0"/>

Appendix III: Preliminary interview results matrix

Category	Criteria	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	Sticker SUM
Economic criteria	Growth opportunity			X	X	X	X				X	5
	Forecast accuracy					X			X			2
	Purchase volume	X		X		X	X	X		X	X	7
	Sales margin	X	X	X	X	X	X	X		X		8
	Fast & reliable payments				X	X	X		X		X	5
Resources & capabilities criteria	Risk sharing		X									1
	Innovativeness		X	X	X	X	X	X	X	X		8
	Operative excellence											0
Market criteria	Future of the industry	X	X	X	X	X	X					6
	Access to new partners		X		X		X					3
Relational criteria	Trust	X	X							X		3
	Communication	X	X		X	X	X	X	X		X	8
	Reliability						X					1
New and uncategorized criteria emerging after evaluating the interviews	Loyalty			X		X	X		X			4
	Price-competitiveness		X	X				X				3
	Relationship duration		X	X		X	X	X				5
	Openess			X		X				X		3
	Cultural fit			X								1
	Honesty				X			X				2
	Expertise	X			X							2
	Level of sophistication				X	X			X			3
	Quality									X		1
	Market entry barriers				X							1
	Market information	X									X	2
	Flexibility	X										1
	Mutual respect	X	X					X				3
	Brand awareness										X	1
	Sustainability						X					1

Appendix IV: Maturity model for assessing key accounts from a supplier perspective

Key Account maturity assesement					Key Account name: B			
Source: Meyer (2019), Master thesis - MSc Business Administration - Purchasing & Supply Management, University of Twente					Evaluation Date: 06.05.19			
Evaluation criteria	Questions for analysis	Criteria weight	observed value %	Notes	Stage 1 (0%-25%)	Stage 2 (26%-50%)	Stage 3 (51%-75%)	Stage 4 (76%-100%)
Economic factors					0%			
Sales margin	To what extent is it possible to generate profits with this customer?	8,34	0%		It is difficult to generate profitable margins through this customer.	It is possible to generate acceptable margins through this customer.	The margin reached through this customer can be considered as profitable	It is possible to generate very high sales margin through this customer. Margins are way higher compared to the average customer.
Growth opportunity	Is it possible to grow together with the customer?	6,18	0%		It is not possible to grow together with the customer.	It is possible to grow only to a limited extent with the customer.	Both parties are willing to engage into the relationship in order to grow together. Still, some customer characteristics might limit future longterm growth.	Both parties are willing to investigate into the relationship in order to retain future growth. It is possible to exponentially grow over a long term with the customer.
Purchase Volume	What are customer's value of purchases over time?	5,60	0%		The customer orders contribute to a very low percentage to our annual sales.	The purchase volume of the customer is acceptable.	Customer orders can be considered as high compared to the average customer.	This customer's purchase volume contributes to a very large percentage of our annual revenues.
Fast & reliable payments	Is the customer able to fulfill payment expectations?	5,42	0%		The customer always acts unreliable in terms of payment which makes a longterm relationship impossible.	The customer sporadically transfers the money on time. Regular payment checks and reminders are required.	Payments of the customer are usually on time. Payment reminders are sometimes required.	Order payments are always on time and it is possible to fully rely on this customer.
Forecast accuracy	To what extent do the forecast made by the customer differ from the according actuals?	4,66	0%		The forecast made by the customer never correspond to the according actuals, making an accurate planning impossible.	Order requirements in terms of volume frequently change, which allows little room for order planning.	The customer's forecasts rarely do not correspond to the according actuals. Order planning is possible.	The forecast made by the customer always correspond to the according actuals. It is possible to rely on his forecast in order to ensure longterm planning.
Customer image					0%			
Brand awareness	Is the customer's firm having a strong brand awareness? Or is the customer having a good reputation?	4,97	0%		The brand of the customer is literally unknown or the customer suffers under a bad brand image or reputation.	The customer's brand is known in the industry the customer operates in.	The customer's brand is widely recognized throughout several industries	The customer's brand is internationally known and recognized. Reputation and image of the customer are strongly positive throughout all industries.
Expertise	What is the customer's knowledge about the industry or the products he is buying?	4,92	0%		The customer has no prior knowledge about the industry or the products he is purchasing.	The customer has limited knowledge or understanding about the products he is purchasing.	The product and industry knowledge of the customer is present making it possible to discuss about technical requirements of the product and potential future industry developments.	The customer has a deep technical understanding of the products and the industry and is able to provide value adding input for both parties through his knowledge.
Innovativeness	To what extent is the customer able to contribute to the innovativeness of the supplier?	4,57	0%		The customer is unable to provide any valuable input that contributes to the innovation of the supplier's products.	Innovativeness of the customer is present by sporadically sharing innovations and ideas for product development with the supplier.	The customer regularly shares his insights and ideas in terms of product development with the supplier.	The customer highly contributes to the innovation of the supplier. Products are co-developed and the customer sends engineers, designers or production planners to the supplier's facility or laboratories.

Market factors		0%						
Market information sharing	Is the customer sharing market and consumer trends with the supplier?	4,75	0%		The customer does not share market information, neither consumer trends.	Market information sharing of the customer is formally in place. The information provided is sometimes valuable.	The customer often shares market information and consumer trends. Most of the information can be used to predict changes in the market.	The customer always shares market information and consumer trends. All information provided enable the supplier to anticipate changes or developments in the customer's market.
Access to new partner	To what extent is it possible to get in touch with potential new business partners through the customer?	4,68	0%		There is no possibility to get in touch with potential new partners through this customer.	Access to new partners through the customer sporadically occur.	The customer is able to sometimes provide access to new partners which can be considered as valuable.	It is possible to regularly generate new and valuable businesses through new partners that were introduced by the customer.
Future of the industry	What is the expected growth or decline rate of the customer's industry?	4,44	0%		Future expectations of the customer's industry are unfavourable. Predictions expect a long lasting decline rate in terms of growth.	The future expectation of the industry predict a neutral and constant growth rate in the next years.	The customer's industry is supposed to slightly grow in the future.	The customer's industry is expected to grow exponentially and can be considered as a very attractive market for the future.
Relational factors		0%						
Communication	Is there a good imparting or exchange of information by speaking, writing, or using of other medium with the customer?	6,44	0%		Regular communication exchange with the customer is not in place. Personal meetings or phone conversations never occur. Information exchange is mainly executed via email.	A frequent communication is sporadically in place through occasional phone calls and regular email exchange.	Both parties often communicate with each other. Personal meetings occasionally take place.	An intensive information exchange is in place. Apart from frequent personal meetings, the customer ensures a regular information exchange by phone and email.
Trust	To what extent does the supplier believe in the reliability, trust or ability of the customer?	6,13	0%		It is not possible to trust the customer. Significant deviations of what the customer says and does can be observed.	The customer can be trusted to some extent only.	The majority of the premises made by the customer can be trusted.	It is possible to fully rely on what the customer says. If the customer commits to something, he never disappoints his supplier. This sets the groundings for a long term relationship.
Loyalty	Does the customer stay for a long time? To what extent is the customer loyal?	5,81	0%		The customer can be considered as a frequent supplier switcher, which usually never stays loyal.	The customer used to switch to another supplier once, but switched back after.	The customer and the supplier have a relatively short relationship while the customer used to be always loyal during that time.	The customer and the supplier both have a long common history. The customer was always loyal through the last years of the relationship.
Mutual respect	To what extent do both parties respect each other for what they have done or achieved?	5,27	0%		Hierarchical differences between both parties are very high. Respect is not present at least either on the customer or supplier side.	Customer and supplier partly respect each other for what they have achieved so far.	Respect from both parties is given. Still, hierarchical differences are present which do not highly influence the relationship.	Both parties highly respect each other and the discussions between the parties is executed on the same hierarchical level.
Openness	Is the customer receptive to new supplier ideas?	4,46	0%		The customer is not open and never accepts or reflects new ideas from the supplier.	The customer is occasionally receptive to new ideas. Only limited feedback on the ideas is provided.	Most of the ideas provided by the supplier are analyzed and reflected.	The customer is very receptive and open to new supplier ideas. Supplier propositions are always analyzed in order to provide constructive feedback.

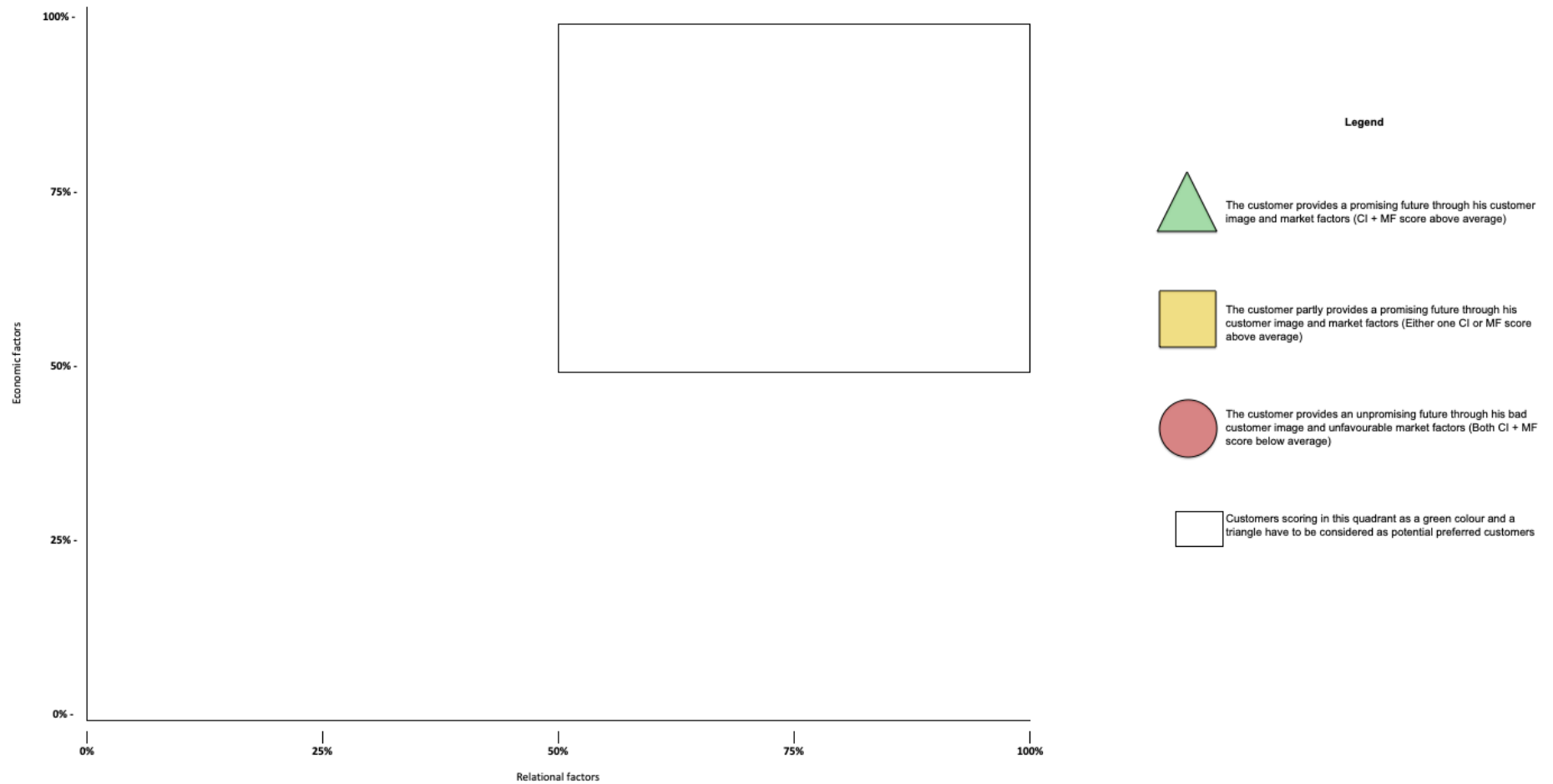
Appendix V: Overview sheet of the excel tool as a score summary of all key accounts

Overview of maturity model scores for every individual key account

Note: All cells of this sheet are linked to the data from the maturity model sheets - it is not required to enter the data manually

Customer name	Evaluation Date	Economic factors (y)	Relational factors (x)	Customer image	Market factors	Matrix shape & colour	Total score
A	06.05.19	0%	0%	0%	0%	Cercle	0%
B	06.05.19	0%	0%	0%	0%	Cercle	0%
C	06.05.19	0%	0%	0%	0%	Cercle	0%
D	06.05.19	0%	0%	0%	0%	Cercle	0%
E	06.05.19	0%	0%	0%	0%	Cercle	0%
F	06.05.19	0%	0%	0%	0%	Cercle	0%
G	06.05.19	0%	0%	0%	0%	Cercle	0%
H	06.05.19	0%	0%	0%	0%	Cercle	0%
I	06.05.19	0%	0%	0%	0%	Cercle	0%
J	06.05.19	0%	0%	0%	0%	Cercle	0%

Appendix VI: Positioning matrix for visual key account comparison



Appendix VII: Findings & application guide for maturity model and positioning matrix

Economic and relational factors were found to be more important than customer image and market factors

16 weighted criteria grouped into 4 categories

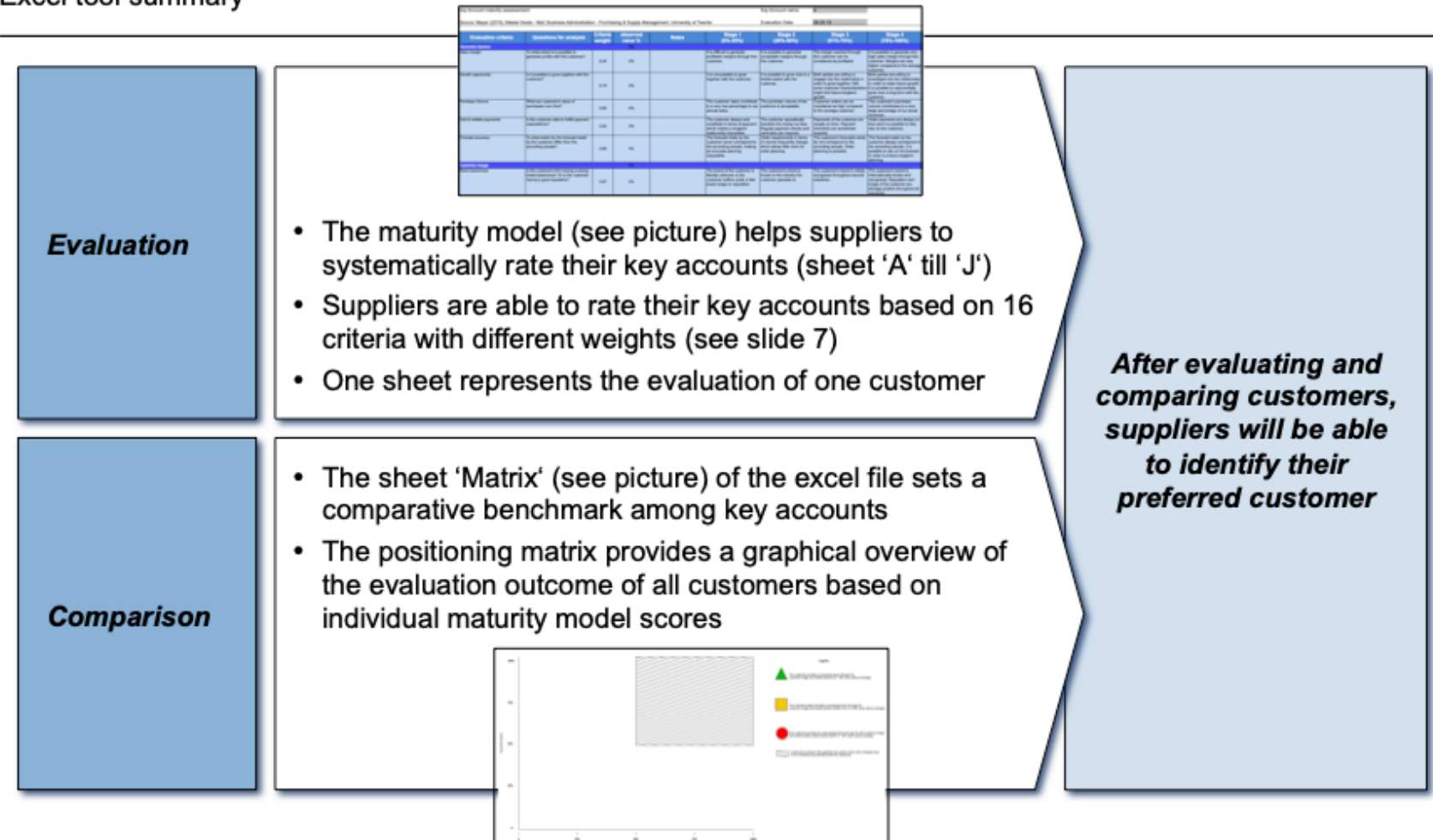
<i>Economic factors</i>	<i>Relational factors</i>	<i>Customer image</i>	<i>Market factors</i>
<ul style="list-style-type: none"> • Sales margin (8,34) • Growth opportunity (6,17) • Purchase volume (5,60) • Fast & reliable payments (5,41) • Forecast accuracy (4,66) 	<ul style="list-style-type: none"> • Communication (6,44) • Trust (6,12) • Loyalty (5,80) • Mutual respect (5,27) • Openness (4,46) 	<ul style="list-style-type: none"> • Brand awareness (4,97) • Expertise (4,92) • Innovativeness (4,57) 	<ul style="list-style-type: none"> • Market information sharing (4,75) • Access to new partners (4,68) • Future of the industry (4,43)
Total sum: 30,20	Total sum: 28,11	Total sum: 14,47	Total sum: 13,87

Source: Meyer (2019)

UNIVERSITY OF TWENTE.

The excel tool provided to the participants consists of a maturity model for evaluation and a positioning matrix for comparing key accounts

Excel tool summary



Users of the maturity model only have to insert the observed value between 0-100% for every individual criteria

Application guide evaluation sheet 'A' - 'J' (maturity model) – 1/2

3 Steps to fill in the model								
<p>1. It is only required to fill in the observed value between 0-100% for each criteria – do not fill in any value for the overall categories since the scores are added up</p>			<p>2. Insert the customer name here</p>			<p>3. Insert date of evaluation in the same format as in the picture</p>		
<p>Key Account maturity assessment</p>			<p>Key Account name: A</p>			<p>Evaluation Date: 06.05.19</p>		
<p>Source: Meyer (2019), Master thesis - MaC Business Administration - Purchasing & Supply Management, University of Twente</p>								
Evaluation criteria	Questions for analysis	Criteria weight	observed value %	Notes	Stage 1 (0%-25%)	Stage 2 (26%-50%)	Stage 3 (51%-75%)	Stage 4 (76%-100%)
Economic factors								
Sales margin	To what extent is it possible to generate profits with this customer?	8,34	0%		It is difficult to generate profitable margins through this customer.	It is possible to generate acceptable margins through this customer.	The margin reached through this customer can be considered as profitable	It is possible to generate very high sales margin through this customer. Margins are way higher compared to the average customer.
Growth opportunity	Is it possible to grow together with the customer?	6,18	0%		It is not possible to grow together with the customer.	It is possible to grow only to a limited extent with the customer.	Both parties are willing to engage into the relationship in order to grow together. Still, some customer characteristics might limit future longterm growth.	Both parties are willing to investigate into the relationship in order to retain future growth. It is possible to exponentially grow over a long term with the customer.
Purchase Volume	What are customer's value of purchases over time?	5,60	0%		The customer orders contribute to a very low percentage to our annual sales.	The purchase volume of the customer is acceptable.	Customer orders can be considered as high compared to the average customer.	This customer's purchase volume contributes to a very large percentage of our annual revenues.
Fast & reliable payments	Is the customer able to fulfill payment expectations?	5,42	0%		The customer always acts unreliable in terms of payment which makes a longterm relationship impossible.	The customer sporadically transfers the money on time. Regular payment checks and reminders are required.	Payments of the customer are usually on time. Payment reminders are sometimes required.	Order payments are always on time and it is possible to fully rely on this customer.
Forecast accuracy	To what extent do the forecast made by the customer differ from the according actuals?	4,66	0%		The forecast made by the customer never correspond to the according actuals, making an accurate planning impossible.	Order requirements in terms of volume frequently change, which allows little room for order planning.	The customer's forecasts rarely do not correspond to the according actuals. Order planning is possible.	The forecast made by the customer always correspond to the according actuals. It is possible to rely on his forecast in order to ensure longterm planning.
Customer Image								
Brand awareness	Is the customer's firm having a strong brand awareness? Or is the customer having a good reputation?	4,97	0%		The brand of the customer is literally unknown or the customer suffers under a bad brand image or reputation.	The customer's brand is known in the industry the customer operates in.	The customer's brand is widely recognized throughout several industries.	The customer's brand is internationally known and recognized. Reputation and image of the customer are strongly positive throughout all industries.

The excel file consists of 10 maturity model templates – more templates can be added if required

Application guide evaluation sheet 'A' - 'J' (maturity model) – 2/2

Additional remarks

- Suppliers should make sure that the maturity model for one customer is filled by more than one salesperson to eliminate a certain degree of subjectivity (in most cases this is not possible since only one sales rep. is responsible for the customer)
- If one criteria is not applicable to a certain customer, users should assign an observed value of 0% - some customers might therefore not be able to reach the total score of the maturity model since some criteria are not applicable
- The 10 given maturity model templates might not be sufficient in some cases – to add a new template please create an empty sheet in order to copy the columns from A till K of a maturity model sheet and paste it in the empty sheet
- All sheets are visually displayed at the bottom of the excel document – the sheet names 'A' till 'J' can also be changed to customer names



Market information sharing	Is the customer sharing market and consumer trends with the supplier?	4,75	0%		The market does not share information, neither trends.	Market information sharing of the customer is formally in place. The information provided is sometimes	The customer often shares market information and consumer trends. Most of the information can be used to	The customer always shares market information and consumer trends. All information provided enable the	
A	B	C	D	E	F	G	H	I	J

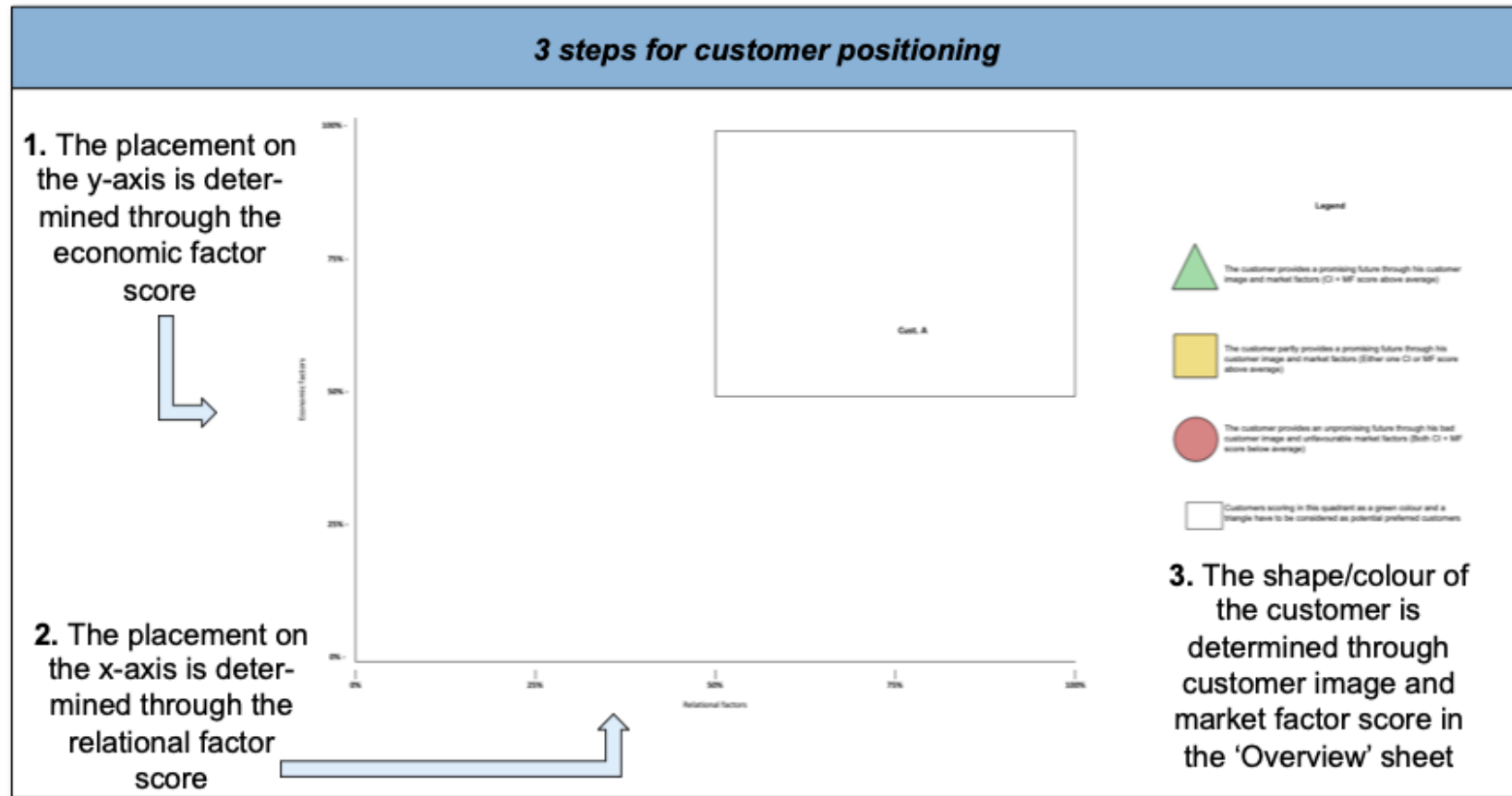
The overview sheet is supposed to provide a listed summary of every filled maturity model sheet

Explanation sheet 'Overview'

General remarks							
<ul style="list-style-type: none"> Please consider that you do not need to fill in any data in this sheet – all data is linked to the individual maturity model sheets This sheet is supposed to provide a summary of all maturity model scores in order to simplify the key account placement in the positioning matrix Depending of the value of customer image and market factors, the column Matrix shape & colour already provide the corresponding shape & colour for the placement for each customer in the matrix 							
Overview of maturity model scores for every individual key account							
Note: All cells of this sheet are linked to the data from the maturity model sheets - it is not required to enter the data manually							
Customer name	Evaluation Date	Economic factors (y)	Relational factors (x)	Customer image	Market factors	Matrix shape & colour	Total score
A	06.05.19	0%	0%	0%	0%	Cercle	0%
B	06.05.19	0%	0%	0%	0%	Cercle	0%
C	06.05.19	0%	0%	0%	0%	Cercle	0%
D	06.05.19	0%	0%	0%	0%	Cercle	0%
E	06.05.19	0%	0%	0%	0%	Cercle	0%
F	06.05.19	0%	0%	0%	0%	Cercle	0%
G	06.05.19	0%	0%	0%	0%	Cercle	0%
H	06.05.19	0%	0%	0%	0%	Cercle	0%
I	06.05.19	0%	0%	0%	0%	Cercle	0%
J	06.05.19	0%	0%	0%	0%	Cercle	0%

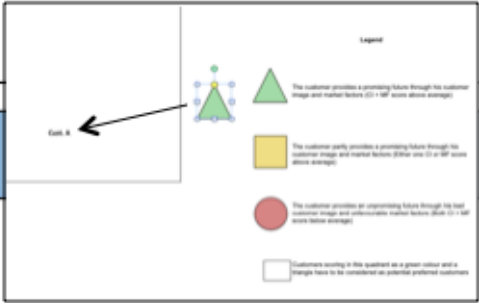
The positioning matrix provides a comparative overview of all key accounts in order to ultimately identify the preferred customer

Application guide comparison sheet 'Matrix' - 1/2



An example of a filled maturity model and a placement in the matrix has been added to ensure an understandable application process of the tool

Application guide comparison sheet 'Matrix' - 2/2

Considerations	
<ul style="list-style-type: none"> • The placement with the name of the customer is done automatically • Shapes are not created automatically - they can be created by simply clicking on the legend's symbols and copying them – the symbols can then be dragged on the corresponding customer name (the right symbol for every customer can be found in the overview sheet) • Do not delete cells or insert new data in the matrix • The threshold for determining the shape and colour of the customer through customer image and market factors was set at the average (50%) • In order to make the entire evaluation and comparison process to 100% clear, an example in sheet 'A' has been used which is as well displayed in the sheet 'Overview' and 'Matrix' ➤ Customers scoring in the top right quadrant of the positioning matrix in form of a green triangle should be considered as potential preferred customers 	 <p>The diagram illustrates the application of the maturity model. It shows a customer name 'Cust. A' with a green triangle symbol placed next to it. The legend defines the symbols as follows:</p> <ul style="list-style-type: none"> Green Triangle: The customer provides a promising future through his customer image and market factors (50% or 50% score above average). Yellow Square: The customer partly provides a promising future through his customer image and market factors (50% or 50% score above average). Red Circle: The customer provides an uninteresting future through his customer image and market factors (50% or 50% score above average). White Square: Customers scoring in this quadrant as a green colour and a shape have to be considered as potential preferred customers.