A review of preferred customership in previous bachelor theses published by The University of Twente (2020)

Author: Thomas van Oosterhout University of Twente P.O. Box 217, 7500AE Enschede The Netherlands

ABSTRACT,

In buyer-supplier relationships, the focus has shifted from cost-oriented towards more relationshiporiented. This is why achieving the preferred status has become more and more important for buyers. It is thus important to research how to achieve this status and what variables influence this. The University of Twente has been conducting a lot of research concerning this topic over the years. In this paper, several bachelor papers published by The University of Twente were systematically analyzed to find possible directions for future research. Many antecedents of the preferred customer status, supplier satisfaction and customer attractiveness, that were discovered by literature were found, as well as new antecedents not yet identified by literature. These new found antecedents include, the buyer's proximity to the supplier, payment habits and procurement policy of the buyer, reciprocity in the buyer-supplier relationship and the brand name and reputation of the buyer. The relation these antecedents have with the preferred customer cycle create new directions for future research. Moreover, in these bachelor papers, several special topics were analyzed. From these analyses, their connection with the preferred customer cycle is found. These relations are then summarized in a framework in this review. The question is however, which of these special antecedents of the cycle have a greater impact than others? This is the second direction found for future research. These special antecedents are proposed to be ranked among each other to create a clear overview of the antecedents' impact. The only limitation this review has was that some bachelor papers did not include the industry and country of origin of their interviewed firms. This prevented a connection to be found between these two variables and the outcomes of the bachelor papers.

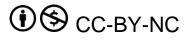
Graduation Committee members:

First supervisor: Dr. F.G.S. Vos Second supervisor: Prof. Dr. habil. Holger Schiele

Keywords

Preferred customer status, supplier satisfaction, customer attractiveness, benefits of preferred customer status, new found antecedents and benefits

This is an open access article under the terms of the Creative Commons Attribution License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.



1. INTRODUCTION

In today's business environment the focus has been changing from striving for the lowest purchasing price to a more strategic emphasis. There is more of a focus on relationships rather than on striving for the lowest cost in a buyer supplier relationship. This is why it is important to obtain preferred customership for key suppliers (Huttinger, Schiele, & Veldman, 2012, p. 1194)

Schiele, Calvi, and Gibbert (2012, p. 1178) add to this arguing that suppliers have become increasingly more selective in engaging in relationships with customers. Therefore, customers need to be attractive for the supplier, as well as satisfy their expectations (p. 1179). Supplier satisfaction and customer attractiveness are thus bound together and form the key for buying companies to become preferred customer (Baxter, 2012, p. 1252). Supplier satisfaction is the degree to which the supplier is satisfied with the actions of the buying firm. Thus, the degree to which these expectations are met (Harris, O'Malley, & Patterson, 2003). Customer attractiveness is how a supplier looks to certain companies related to their expectations. This is based upon relationships between companies. The better the relationship between a customer and supplier, the better the attractiveness (Schiele et al., 2012) (Ellis, Henke, & Kull, 2012).

According to Williamson (1991, p. 79), preferred customers are distinguished by being 'first in line' when shortages arise. They will be served first before other customers that are less preferred (p. 81).

The University of Twente has been conducting research regarding preferred customership by analysing supplier satisfaction and customer attractiveness, as well as numerous other variables affecting preferred customership. The outcomes of these bachelor papers can provide a possible direction for future research. The aim of this paper is thus to analyse previous bachelor papers surrounding these topics and provide a clear overview of what has been previously researched. This overview can then be used to create certain openings which can lay the foundation for future research. Thus, the research question of this paper is as follows:

RQ: What are the findings from previous bachelor papers surrounding the topic of preferred customership from The University of Twente, and what direction for future research can be found from these findings?

In order to answer this research question, an overview of the findings of all relevant bachelor papers will be provided and afterwards analysed. Furthermore, a synthesis framework will be created to visualize the interrelatedness of the researched variables.

The addition that will be made to already existing literature is that bachelor papers from previous years will be analysed and will be made into a synthesis. This synthesis will provide a fresh intake and might contain connections between literature and findings that have not been found before. These new found connections can then create new directions for future research. At the end of the paper there will be looked at what is learned and what is thus relevant to research in the future.

2. METHODOLOGY

However, before future research can be identified, first the bachelor papers will be analysed. In this review bachelor papers published by the University of Twente will be used. These papers were published between 2014 and 2019. The method that was used in this review was a systematic review of these student papers.

The systematic review starts by identifying relevant topics that are researched in the bachelor papers. These relevant topics are divided into two sections. The first section discusses the findings regarding the data collection method and the identities of the interviewees of the papers. In the bachelor papers the methods of data collection were mostly questionnaires and interviews. The interviewed subjects were from a wide variety of companies situated in different industries and countries. Students used existing literature and their empirical findings to come to conclusions. In the second section of findings, these conclusions that are formed are then analysed and listed. These findings then create a basis for the synthesis that was conducted next. In this synthesis, the interrelatedness of the analysed factors will be visualized in a framework. Afterwards, the possible gaps of knowledge that were identified in the findings section and the syntheses are translated into possible future directions for research. The papers is finalised by discussing limitations of the review and a reflection of the work process.

3. FINDINGS

As mentioned in the methodology section, the structure of this paper is formed by looking at certain aspects of the papers that are interesting for analysis. The first general factors that were analysed are, the amount of interviews and whom was interviewed, the industry in which the interviewed companies are located and the country of origin of the interviewed firms. An overview of this can be seen in the figure in appendix A1.

The next factors that were identified are of a more academic nature. These factors were found after analysing the main and special topics of all the papers. This can be seen in the figure in appendix A2. It was identified that in many papers similar factors were analysed. Many papers looked at the antecedents and benefits of preferred customer status. This includes the antecedents of customer attractiveness and supplier satisfaction. Thus, in this findings sections, an overview of the analyses of the bachelor papers is provided. When looking at the special topics of the papers, clear emerging topics were found. First of all there was looked at the history of relationships between supplier and buyers and what kind of influence this has on preferred customer status. Secondly, the influence of reputation and status was analysed, followed by the influence of the strategic fit between buyer and supplier on the preferred customer status. In the papers from 2017 some other new factors were found, the Kraljic matrix and customer segmentation. And lastly, the influence of corporate culture and cross-cultural relationships on preferred customer status were discovered in the papers from 2018 and 2019. An overview of the factors that were analysed can be seen in figure 1 below.

General overview topics	Indepth analysis factors
Interviews	Antecedents of customer attractiveness
Industry	Antecedents of supplier satisfaction
Firms' country of origin	Antecedents of PCS
	Benefits of PCS
	History of relationship with supplier
	Reputation and status
	Strategic fit
	Kraljic matrix and customer segmentation
	Corporate culture
	Influence of cross-cultural level

Figure 1

3.1 Company Interviews, Industry and Country of Origin

Firstly, in all the bachelor papers the method of data collection that was used was either a questionnaire, interviews, or both. In appendix A1 it can be calculated that the average sample size for all papers was 7. On average, more suppliers were interviewed than buyers. An average of 3.4 for suppliers and an average of 2.2 for buyers. The distribution of the sample size was relatively even. There was one paper however that had a very high sample size, which was 41. Furthermore, not all papers mentioned their sample sizes, and whom they interviewed. This was due to confidentiality reasons.

Secondly, appendix A1 pictures the various industries that the interviewed companies were located in, per bachelor paper. This is a wide variety of industries. However, not in all bachelor papers the industries were mentioned. This is either due to confidentiality reasons or other reasons. The most common industries that were used for research were the manufacturing industry and the mechanical engineering industry. The distribution of the different industries are displayed in a pie chart in appendix A3.

Thirdly, also by looking at the table in appendix A1, it can be seen that the interviewed firms are mostly located in Europe. The two countries that were researched the most are The Netherlands and Germany. However, there were a few papers that deviated from these countries, as the interviewed firms were from different countries, even including countries outside of Europe. As for the different industries, the different countries of origin are likewise pictured in a pie chart. This is seen in appendix A4.

3.2 Antecedents of Customer Attractiveness, Supplier Satisfaction and Preferred Customer Status

As mentioned in the introduction section 3.1, many papers researched the preferred customer status. On the basis of literature the two most influencing factors of preferred customer status that were analyzed in the bachelor papers are, customer attractiveness and supplier satisfaction. Thus, firstly in this section of findings there was looked at the antecedents that were found in the bachelor papers. The table in appendix D shows a full list of these antecedents and ranks them by frequency.

When analyzing the antecedents of customer attractiveness it can be seen that the most frequent antecedent is purchasing volume. The higher the purchasing volume, the more attractive the customer is to the supplier (however, this volume has it limits corresponding with the supplier capacity and growth potential)(Beering, 2014, p. 7). The second most frequent antecedent is commitment and adaptation. This antecedent describes that when a customer is more attractive, the more commitment it shows towards the supplier. Moreover, when a customer shows it is willing to adapt their processes, they are also seen as more attractive towards the supplier (Schmidt, 2014, p. 10). Interestingly, the third most frequent antecedent is the reputation of the buyer. This is also one of the special topics that was researched in 2016 and 2017 (appendix A2). The better the reputation of the buyer, the more attractive it is towards a supplier (Vegt, 2016, p. 3). Other factors that are frequent antecedents are, the longterm focus of a buyer, the size of the buyer and tight interpersonal relations between buyer and supplier. An antecedent that is connected to reputation is brand name which is also an antecedent that was seen frequently in the bachelor papers. According to several papers this connecting antecedent was new found, and not yet mentioned in literature (Franck, 2016; Schmidt, 2014; Vegt, 2016).

Another factor that has an influence on preferred customership is supplier satisfaction. The most frequent antecedent of supplier satisfaction was found to be information exchange. This refers to the extent that the buyer shares valuable information with the supplier to ensure a good and smooth business relationship (Schmidt, 2014, p. 10). The second most frequent antecedent, payment habits is interestingly also an antecedent of customer attractiveness and preferred customer status. Looking at other antecedents of supplier satisfaction it can be said that many antecedents are surrounding the dynamics of the business relationship. Some of these antecedents are, information exchange, openness, feedback, politeness, trust and long-term focus. However, there are also antecedents that relate to a more economic side. Profitability, growth opportunities and turnover are examples of this.

Lastly, the bachelor papers also contained the antecedents of preferred customer status. As customer attractiveness and supplier satisfaction have an influence on the preferred customer status, there are certain antecedents that are common among the concepts. One of these antecedents is the most frequent antecedent of preferred customer status, purchasing volume. This is also a high frequent antecedent of customer attractiveness and a lower frequent antecedent of supplier satisfaction. Other antecedents that are common are, long-term focus, business opportunities, trust, fairness and loyalty. The discovery that certain antecedents are common among different perspectives was interesting and after further analysis, proof was found for the preferred customer cycle that was proposed in (Schiele et al., 2012). Certain antecedents that were found for customer attractiveness were also found out to be antecedents for supplier satisfaction and preferred customer status. This finding connects to the suggestion that when a supplier first gets into contact, or in the beginning of their business relationship they get certain expectations. These expectations are thus formed in the beginning stages of the relationship. The level of customer attractiveness, based on the found antecedents is then established and forms the basis of the level of business relationship the supplier will have with the customer. Then, when the relationship starts to develop further, the supplier evaluates whether these expectations are what they are experiencing in reality. If these expectations are met in the evaluation, and the customer is important to the supplier, the preferred customer status is considered. And since this is a cycle, this process repeats itself afterwards. As mentioned before, this can be seen when looking at the antecedents that are found in the bachelor papers. Looking at the antecedent information exchange for example. In all three perspectives, it is a frequent antecedent. This implies that when initially looking at the customer attractiveness it is important, afterwards for supplier satisfaction, and finally when awarding the preferred customer status it is important. All the antecedents that are present in all three perspectives are, information exchange, long-term focus, purchasing volume, reliability, reputation, trust, payment habits and turnover.

The many antecedents that were found for customer attractiveness, supplier satisfaction and preferred customer status can also be categories in different categories. These categories were previously identified by literature. In the bachelor papers these categories were again proven to be present. Table 1 below shows all these categories.

Antecedents for customer attractiveness
Market growth factors
Risk factors
Technological factors
Economic factors
Social factors
New found factors
Antecedents for supplier satisfaction
Technical excellence
Supply value
Mode of interaction
Operational excellence
New found factors
Preferred customer status
Economic value
Relational quality
Instruments of interaction
Strategic compatibility
New found factors

Table 1: Categories of antecedents

As seen in table 1, in the bachelor papers, new factors were found that are seen as antecedents. These new factors can be found in the full analysis of the bachelor papers in appendix B. Something that was found out when looking at the new found factors, was that in some papers antecedents were connected to literature, while in other papers these same antecedents were seen as new found factors to literature. An example of this is the antecedent of customer attractiveness, purchasing volume. In several papers a connection was found towards literature, while in Driedger (2015), the connection was not found and the antecedent was categorized as 'new found'.

3.3 Benefits of the Preferential Status

Finally, if a customer succeeds in getting the preferred customer status awarded, certain benefits come with it. There are a lot of different benefits that are mentioned in the bachelor papers. All of these benefits are listed in appendix B. These benefits range from economically driven, to relational benefits and even some additional special services that the supplier offers to its preferred customers. In the bachelor papers some new benefits were found that had not been mentioned in literature before. Some of these benefits can be seen in table 2 below.

Several new found benefits of the preferential status
Access to advanced technology (Schmidt, 2014)
Consulting services offered by supplier
(Hanemann, 2014)
Customer events organized by supplier
(Kokozinski, 2015)
Free development opportunities with supplier
(Hanemann, 2014)
Good development of sales potential
(Hanemann, 2014)
Higher efforts in meeting the first deliver date
by the supplier (Hanemann, 2014)
No penalties to late invoices (Schmidt, 2014)
Buyer power increase towards suppliers ordering
habits (Hanemann, 2014)
Premium packages (Hanemann, 2014)
Price stability (Hanemann, 2014)
Reserved production capacity (Kokozinski, 2015)
Separate production planner at supplier's cost
(Schmidt, 2014)
Separate construction department at supplier
at suppliers cost (Schmidt, 2014)
Staff flexibility (Kokozinski, 2015)
Exclusive access to development team (Vural, 2015)

Table 2: New found benefits of preferential status found in bachelor papers

No new found benefits is found to be common among different bachelor papers. These benefits can thus not be generalized on all companies as they can be company/industry specific. Not every supplier will offer premium packages to its buyer when awarded the preferred status. However, since most of the new found benefits are related to new additional service that the supplier offers to the buyer, it can be said that it is to be expect to be offered some special services when the preferential status is awarded to the buyer. This finding supports the literature, as this was already found out and proven before.

Interestingly, it can be seen that some papers state that when the preferred status is reached, some benefits are given to the buyer, even though they might not necessarily have high purchasing values. This is contradicting towards the found antecedents that were mentioned before. This suggests that purchasing volume does matter when awarding the preferred status, but matters less when the status has already been given. This can have many reasons, it can be industry specific for example.

Other benefits relate to when you are a preferred customer, the supplier has a higher commitment with its customer. Because of this, the supplier is more committed to solve more difficult problems, or is more lenient towards payment policy. Interestingly, the latter is another antecedent that was common among the three perspectives. With this, a pattern was identified when looking at the benefits of preferred customer status. It was found that certain antecedents lose their importance after the status has been awarded to the customer. Other antecedents remain important however. Antecedents that are related to price, costs are seen to be less important than relational antecedents. To the supplier, trust, openness, loyalty and information exchange remain important as it is the basis of the relationship. While other antecedents become less important as the supplier's commitment rises towards the customer. It was found that the importance of these relational antecedents foster the joint relationship effort. This results in the supplier and buyer working together to save costs by developing new technology and increase efficiency. This then results in costs reductions and price reductions for example. Because of this, the economic antecedents become less important for the relationship, as the relational antecedents help improve these economic antecedents for both parties. So the focus in the relationship is more on the relational aspects. An antecedents that is part of the relational aspects is the development history of the relationship between the buyer and supplier. In the bachelor papers, some antecedents were researched separately. In section 3.4, an overview of the findings surrounding these 'special' antecedents is given. Development history is part of these special antecedents and will thus be discussed in the following section.

3.4 Relationship Development History, Reputation, Status, Strategic Fit, Customer and Supplier Segmentation, Corporate Culture and Cross-cultural Level

Relationship development history was researched as a special topic in 2015. In the bachelor papers two visions towards relationship development were discussed. The evolutionary approach proposed by Ellegaard (2012) and the episodic method by Hald (2012). The evolutionary approach dictates that there are two actors in a relationship that constantly reward each other. This is the so-called 'cyclical interactive attraction development process' (Ellegaard, 2012, p. 1224). When one actor rewards the other actor, its attractiveness rises. When the rewarded actor rewards the other actor in return, its attractiveness also rises. When this occurs the relationship develops over time and is thus evolutionary. On the other hand the episodic model states that the development of the relationship happens more in distinct steps guided by the alignment of different functions in the organization. Hald (2012) states that there are 'multiple relationships between boundary spanning functions' (p. 1228). Misalignment of the way of doing business between these functions lead to problems in the relationship (p. 1236). So, for a solid and tight relationship, these misalignments must be managed.

In all the bachelor papers however, an evolutionary approach was found in the development of relationships between a buyer and a supplier. Adding to that, the process of becoming a preferred customer is also evolutionary. When a customer is attractive, and the supplier is increasingly more satisfied, this is an evolution that leads towards a better relationship. This better relationship that is then created leads to the preferential status. If there is good cooperation and a long-term orientation between the partners, this can lead towards customer attractiveness and a better supplier satisfaction. However, since becoming a preferred customer is an evolutionary process, there is no specific time the preferential status is awarded, it 'just happens' (Driedger, 2015). But on the other side, when negative events occur in the relationship, this can have an impact on the relationship. Depending on the severity of the event, it could prevent the preferential status from being obtained (Kokozinski, 2015). Even though Kokozinski (2015) concluded that the development occurs over time and evolutionary, the latter finding can be a characteristic of the episodic approach as argued by Laurenz (2015, p. 7).

Something that has an effect on the preferential status is the reputation of the buyer. The reputation of the firm was researched in bachelor papers in 2016 and a single paper from 2017. Fombrun and Shanley (1990, p. 233) state that the reputation of the firm is the collective assessment of the firm's past and their possible future actions that result in their overall demand, in comparison to their rivals. According to Ramsay and Wagner (2009) some firms possess a certain reputation in the market which makes them more interesting and attractive as customers. This could give them a competitive edge over others in receiving the preferential status (p. 131).

The bachelor papers that research reputation give similar outcomes when it comes to its influence. Franck (2016) and Vegt (2016) argue that the better the reputation of the buyer, the better the attractiveness and the better their chances of receiving the preferential treatment are. When a supplier has a customer with a high reputation, this reputation also reflects back onto the supplier. This then helps the supplier with possible new business or growth opportunities since its reputation grows. This increases the attractiveness of the customer, and in turn the satisfaction of the supplier. This is since the supplier is able to grow by engaging with a high reputable buyer (Franck, 2016, p. 7). Mastebroek (2016) confirms this, and states that the better the reputation of the buying firm, the more attractive these firms are to the supplier. This is thus an indirect influence on the preferential status. However, the reputation of the firm has no effect on whether the supplier will do business with the buyer. Something that Mastebroek (2016) adds is that even if the firm has a good reputation, it has little to no effect if the size of the firm is small. In order for the reputation to have an effect on attractiveness the firm needs to have a relatively big size. An example of this is seen on Mastebroek (2016, p. 11). The buyer has a relatively small size. The impact of its size can be seen in the rewards the buyer receives from their suppliers. The two medium-sized suppliers gives various benefits to the buyer, but their multinational supplier does not give them any benefits however (p. 11).

A factor that is related to the reputation of a firm is the status the firm has in the market. Like reputation, the status of the firm corresponds with the degree of quality and performance (Stern, Dukerich, & Zajac, 2014, p. 516). The difference with reputation is that reputation is based upon the firms actions and status is based upon a position in the social rankings (p. 516). A higher status corresponds for suppliers with higher quality services, and thus influences the buyer's attractiveness (Podolny, 2001, p. 41).

Therefore, as one of the bachelor theses proclaims, when the status is high it makes the customer more prestigious (Franck, 2016). Status was researched in the bachelor papers in 2016 and 2017. On the influence of status, the bachelor papers reach similar conclusions. It has an effect on customer attractiveness rather than supplier satisfaction. However, Bockstette (2017) adds that it does have an indirect influence on supplier satisfaction as it does influence the quality of the relationship. Moreover, in Bockstette (2017) it was found that when a customer has a higher status, the preferential treatment is affected. The supplier shows more commitment since it does not want to lose business with a high status customer. This is since a high status customer influences the supplier's status. In literature, Piazza and Castellucci (2014, p. 304) confirm this by stating that status is a mobile resource as it can transfer from one company to another when involved in a business relationship. Finally, Mastebroek (2016) argues again that the degree of influence status has, is paired with the size of a company.

However, when the status and reputation of a customer is good it does not necessarily mean that the firms will engage in a successful relationship. Something that needs to be aligned is the strategic fit between the partners. The strategic fit between two companies entails that the partners have compatible technology, platforms or product lines (Lavie, Haunschild, & Khanna, 2012, p. 1498). Moreover, the partners have complementing skills and capabilities that when combined create extra value. Adding to this, companies that fit well strategically have aligned objectives and operate in similar markets (Lavie et al., 2012, p. 1498). This was confirmed in the bachelor paper (Franck, 2016, pp. 8,9). It was seen that all the interviewed suppliers and the interviewed buyers agree that a strategic fit was present. This was because the partners operate in a similar market and intend to grow in these markets. All partners innovate their technologies in the same direction and if possible create complementary products among the partners (Franck, 2016, p. 9). This was found to have a positive influence on the preferred status. Something that also leads to better strategic fit is the trust that the partners have in each other. Strategic fit has thus got an effect on the preferential status, however, this impact is not very influential (Mastebroek, 2016). Strategic fit was researched in bachelor papers from 2016.

Strategic fit between companies thus has a relatively small influence on the preferred status. Something that is influential and has to fit between partners to be successful is the customer and supplier segmentation of firms. Customer segmentation determines how and what kind of relationship the supplier intends to engage in with the customer (Lücker, 2017, p. 4). This is also then used to determine whether the supplier awards a customer with the preferred customer status. It is thus important to segment the customers. Suppliers threat their customers differently based on the segmentation since their marketing efforts are based on this segmentation (Jonker, Piersma, & Van den Poel, 2004, p. 159). The supplier puts more effort into a relationship with a more important customer than a less important customer. In general it can be said that customer segmentation has an indirect positive influence on supplier satisfaction. The segmentation influences the gut feeling a supplier has towards a customer. With the influence segmentation has on supplier satisfaction, it was also found that it has an indirect influence on the preferential treatment (Lücker, 2017). Seppenwoolde (2018) even discovered that when a supplier has an elaborate customer segmentation, it results in a higher business performance. However, Brüning (2017) discovered that not all suppliers use customer segmentation, but still in the end award a customer the preferential status. Furthermore, it was concluded that only a few suppliers segment their customer, opposed to buyer, who mostly do segment their suppliers (Brüning, 2017; Tucholka, 2017)

On the buyer's perspective, the Kraljic matrix can be used to segment the supplier looking at their commodities. This matrix is categorized into four purchase groups, noncritical, bottleneck, leverage and strategic items. These categories are based on two dimensions, supply risk and profit impact (Ippolito & Viggiani, 2014, p. 365). In Hesping and Schiele (2016, p. 101), the profit impact dimensions is replaced with strategic impact. This can be related to the strategic fit factor that was introduced previously in this review. Lücker (2017) states that the matrix, or any other market segmentation method, has a direct impact on supplier satisfaction. The matrix helps the buyer determine what strategy to use best for every supplier. However, this direct influence can be either positive or negative. If the perception of segment is a misfit between supplier and customer then the influence is negative. However, Hegenberg (2017) declares that there is no influence of the Kraljic matrix on supplier satisfaction, as there are relationships where the perceptions do not align, but the supplier are still satisfied. Yet, in Brüning (2017) an example can be seen where a supplier terminated the business relationship based upon a mismatch in segmentation. The supplier believed to be a strategic partner of the customer and therefore being their preferred supplier. However, the customer did not see it this way. Therefore, the dissatisfied supplier terminated the relationship for lack of appreciation from the buyer (Brüning, 2017, p. 9).

In general, it can be said that customer and supplier segmentation have an influence on supplier satisfaction. This can be a negative or a positive influence. Nevertheless, there are still some exceptions to this where mismatches are present but satisfaction is still high. Hegenberg (2017) propose a reason for this, buyers or supplier might have future plans to develop their counterpart into a stronger or weaker partner in the future. In this case, the partners have recently engaged in a relationship and do not know where the relationship is headed towards yet. Finally, Fischer (2017) discovered a factor that supersedes the influence of segmentation. This is reciprocity. When one partner helps the other partner, knowing that they will receive a similar, or another favor in return from the other partner. It was found that when a buyer is awarded the preferred customer status, the supplier expects to be awarded the buyer's preferred supplier status. When the buyer receives the preferential treatment, the supplier expects the same (Fischer, 2017). This reciprocity is in line with the concept that the segmentations of the buyer and supplier have to be on the same line. So in a relationship reciprocity is important to create a solid basis for the future development of the relationship.

When beginning a relationship, other factors can also hinder or foster the development. One of these factors is the corporate culture alignment of the buyer and the supplier. Barney (1986) defines the corporate culture as 'a complex set of values, beliefs, assumptions, and symbols that define that way in which a firm conducts its business' (p. 657). The corporate culture therefore has an influence on its stakeholders, and how the company collaborates with them (p. 657).

In 2018, two bachelor papers were written that discussed the influence of corporate culture on the buyer supplier relationship and the preferential status. It was found by Fitschen (2018) that corporate culture does not have a direct influence on the preferred customer status. However, it does have an impact on the relationship. It can hinder or make the development easier. On the other hand, Kunde (2018) discovered that a similar corporate culture has an indirect positive relationship on customer attractiveness and supplier satisfaction. This positive impact can increase the chance of becoming preferred customer.

Phan (2019) researched another cultural aspect and its influence on the preferred customer status, the crosscultural aspect. It was found that problems arise when businesses engage in business relationships with businesses located in other cultures. It is thus important to understand how other cultures do business when engaging in a relationship. Something that was found in the analysis of the antecedents was that many companies find customers more attractive when they are located in close proximity of the supplier (this can be seen in appendix A5). This of course has some economic and transportation reasons, but this also has some relational reasons. However, as is suggested in Phan (2019), when other cultures are understood, these customer can also be attractive.

Now it is understood that many factors influence the preferred customer status and its antecedents, in the next section, a synthesis is formed. This is done by creating a framework with all the major factors and its influences on the preferred customer status.

4. SYNTHESIS FRAMEWORK WITH NEW INFLUENCING FACTORS

There are many factors that influence the chance of becoming preferred customer in a buyer-supplier relationship. Figure 2 on the next page is an overview of all these factors and their positive or negative relationship. When a supplier and a buyer engage in a business relationship, in the beginning of the relationship it is vital to determine what kind of future the relationship upholds. Two important factors can influence the beginning of the relationship. These factors are the corporate culture and the strategic fit between the buyer and the supplier. When a corporate culture aligns, or is similar to the supplier's culture, this has a positive effect on the relationship. Essentially, when the corporate cultures align, a good relationship between the buyer and supplier is formed more easily. However, this is not only for corporate cultures that are the same, it is also possible for different corporate cultures that complement each other. However, when there are cross-cultural corporate cultures, this needs to be looked at with care. It needs to be understood in order to successfully develop a relationship. This can take some effort, but it can be worth it. There might be certain economic, or relational benefits when working with a cross-cultural partner. When the companies share the same goals and views, this can also lead towards a better and easier relationship. This is the strategic fit between the buyer and supplier. Subsequently, when two companies do develop a relationship over time, this happens evolutionary. Positive events can create stronger bonds and thus a better relationship, whereas negative actions can hinder the development of the relationship. This is the influence of the development history of the buyer and supplier relationship.

Interestingly, a relationship is found between corporate culture, strategic fit and the development history. Over time, when the buyer and supplier are working together, there is a possibility that the evolution of the relationship creates a better strategic fit and a more similar corporate culture (Vegt, 2016, p. 11). The buyer and supplier work together to achieve similar goals and are committed to innovate their processes. Thus, development history has a positive influence on strategic fit and corporate culture.

Moreover, since the development history has a positive effect on the relationship, as it has the possibility to strengthen the relationship, it can indirectly increase the attractiveness of the customer and the satisfaction of the supplier. The corporate culture and strategic fit also have this indirect influence. Subsequently, this then gives the customer a higher chance receiving the preferred customer status.

Being attractive as a customer can thus increase the chances of becoming preferred customer. The reputation and status of a firm are found to have a positive relationship with customer attractiveness. When the status and reputation are good/high, the customer is more

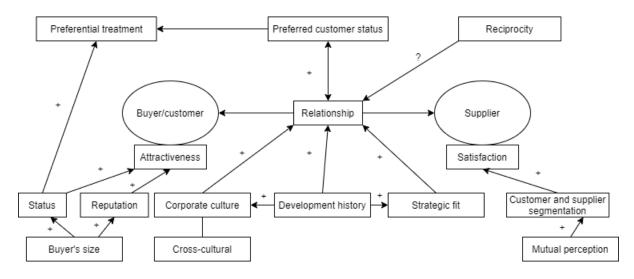


Figure 2: Framework of preferred customer status and new found influencing factors

attractive towards the supplier. Furthermore, the status of the buyer has an effect on the preferential treatment that is given to the buyer. Buyer's with a higher status gain better benefits in terms of economic factors. However, it was also discovered that there is a factor that supersedes the effect of reputation and status. When the buyer has a good status and reputation, but is small in size, the effects are low, or not present. In conclusion, a combination of a big size and a good status and reputation increases the attractiveness of the buyer.

Customer and supplier segmentation have a positive relationship with the satisfaction of a supplier. Moreover, customer segmentation has an indirect influence on the preferential treatment, as it influences the gut-feeling a supplier has towards the customer. Customer segmentation is used by the supplier, whereas supplier segmentation is used by the buyer. However, there is a superseding factor present. Without this positive influence, segmentation has little to no effect on supplier satisfaction. This is the mutual perception of the segmentation. When the buyer segments their supplier and the supplier segments the buyer and these perceptions do not match, the segmentation can create a negative effect on satisfaction and the relationship..

There is one last factor that has an influence on the framework. Reciprocity was found out to have an influence that supersedes segmentation. However, the exact impact of reciprocity is not clear. It is clear that reciprocity comes into play when the supplier awards the buyer the preferential status. The supplier then expects that the buyer also awards the supplier the preferred status. It is not known however, what the impact is when the buyer refrains from awarding the supplier this status in reciprocity.

This reciprocity thus has an impact on the relationship but it is yet unknown what the exact impact actually is. Factors like reciprocity, corporate culture, development history and strategic fit do not have a direct influence on either the attractiveness, the satisfaction and the preferred customer status. This is where a new variable is needed in the preferred customer cycle. This cycle pictures the relationship between customer attractiveness, supplier satisfaction and the preferential status. However, as mentioned above, there are factors that do influence this cycle, but indirectly. Because of this, the relationship is added as the mediator between the three variables. If the quality of the relationship increases, satisfaction of the supplier rises and the attractiveness of the customer increases. Furthermore, the chance of being awarded the preferential status also increase. The addition of the relationship factor in the model thus creates new connections between already existing factors. In the bachelor papers, factors were found out to have direct and indirect influences. Factors like status and reputation are directly connected to the attractiveness of the firm. This can create possible new market or customer opportunities for the supplier. However, if the status or reputation of the buyer changes negatively, this might make the supplier less satisfied with the current relationship and decreases the attractiveness of the customer. This change of events thus has a negative effect on the relationship. This is connected to the development history of the relationship between the two firms, which happens to be a factor that is incorporated in the framework. Subsequently, since the development of the relationship has taken a negative turn, this can influence the corporate culture or the strategic fit of the relationship. Something else that this change in reputation or status can cause is that the supplier resegments the buyer into a lower significant strategic level. Since the buyer then has a lower level of importance to the supplier, it can change the 'gut-feeling' the supplier has towards the buyer. This in its turn can influence the preferential status and treatment. The framework in figure 2 essentially demonstrates that all factors have a possible connection with each other and a sudden change in any of the factors might have big consequences for the preferred status and its antecedents. What is important to find out is what the level of importance are of the antecedents and superseding factors. This is something that could be crucial to research in the future.

5. SUGGESTIONS FOR FUTURE RESEARCH

It is important to look at the future of research when analyzing data. This was also done in this systematic review that was conducted on the bachelor papers. While looking at the findings and during the creation of the synthesis, possible future research directions were found.

In general for future research, a study with a larger sample size can be useful. For this systematic review 141 interview outcomes were analyzed. This is a relatively big sample size. However, not every paper contained the same research objective and variables. Certain factors that influence the preferred customer status might require a larger scale research to prove its actual influence. Hence, a bigger sample size to eliminate possible errors is advisable. Another issue that has to be taken into account for future research is that in these bachelor papers, the companies are from very different industries. Because of this, outcomes might be industry specific. However, in the bachelor papers, a clear distinction between outcomes when analyzing country of origin and industry cannot be identified. Nevertheless, to ensure a reliable outcome, an industry specific research should be conducted on several antecedents.

5.1 New Found Antecedents of Customer Attractiveness, Supplier Satisfaction and the Preferred Customer Status

When analyzing the antecedents of preferred customer, customer attractiveness and supplier satisfaction, the papers have found some new antecedents that were not found before in literature. These new found antecedents can provide a direction for future research. However, when analyzing the new antecedents something has to be taken into account. Not all papers had a clear distinction between new found and previously found antecedents in literature. Secondly, some antecedents appear in the new found, and the already existing antecedents. Yet, it is still worth looking at the new found antecedents. When a new antecedent is found in more than one paper, it can be worth researching.

New found antecedents of customer attrac	tiveness Amount
Reputation	4
Brand name	3
Awarding of suppliers	1
Business history	1
Business opportunities	1
Problem solving skills	1
Cooperation in NPD	1
Customer's liquidity	1
Diversification potential	1
Good communication	1
High purchasing volume	1
Legal form of customer	1
Network connections	1
Payment behaviour	1
Procurement policy	1
Product type	1
Proximity to supplier	1
Status	1
Strategic pricing	1
Supplier feedback	1

Figure 3

First, when looking at the list of new found antecedents of customer attractiveness (figure 3), the antecedent with the highest frequency is reputation. This is interesting, since this was one of the special topics that several papers have done research on in the bachelor papers. The second most frequent antecedent is the brand name of a company. The brand name of the company is linked with the company's reputation and status in the market. Both reputation and status have been researched in the bachelor papers and conclusions have been found on these factors. The fact that the antecedent reputation and brand name are highly frequent confirms the finding that reputation and status directly influence customer attractiveness. However, it could still be worth looking more into reputation and brand name in the future with bigger sample sizes, or industry specific. This can be useful since there is a possibility that a new connection towards preferred customer status is found, or other superseding factors, like the buyer's size can be found. It can be even more beneficial to research these antecedents since in one of the papers a connection was found directly with the preferential treatment. Conducting more research on this can shed more light on the influence it has on the preferential treatment.

New found antecedents of supplier satisfaction	Amount
Local proximity	2
Added value of buyer	1
Early integration in planning	1
EDI integration	1
Fair treatment	1
Feedback	1
Good interpersonal relationships	1
Indentification with customer's products	1
Nice personnel	1
Ordering on time	1
Pleasant to work with buyer	1
Positive attitudes towards relationship development	1
Respect	1
Special services offered by buyer	1
Strong interpersonal ties	1
Supplier awarding	1
Turnover	1

Figure 4

Secondly, the new found antecedents of supplier satisfaction can also be used for the basis of future research (listed in figure 4). There was one antecedents that was present in more than one paper. This antecedent was the local proximity of the buying firm to the supplier. The satisfaction of the supplier is thus increased when the buyer's operations are located close to the supplier. It can be interesting to research the exact impact of this antecedent to suppliers on a large scale. Interestingly, one of the new found benefits of preferred customer status was that the buyer receives a separate construction and planning department on supplier's property and cost (table 2 in the findings section). To these suppliers that offer this benefit it might be less important to have a buyer that is located closely since they want their buyer on their property regardless. Or the opposite, because they offer this benefit they value a close proximity of the buyer. Thus it is interesting to find out how important this antecedent is to suppliers. Again, this can differ per industry and country.

New found antecedents of PCS	Amount	
Reputation		2
Brand name		1
Cooperation		1
Dependency on customer		1
Financial soundness		1
Geographical proximity		1
Globalisation		1
Importance of buyer		1
Information exchange		1
Long-term interaction		1
Sales potential of customer		1
Size		1
Special offers and services by buyer		1
Stable financial performance		1
Strategic pricing		1
Supplier awarding		1

Figure 5

Lastly, new research directions can be deducted from the new found antecedents of the preferred customer status (figure 5). The antecedent that was found more than once is the reputation of the firm. The bachelor papers that researched the reputation of the firm as a special topic have not come to this conclusion however. The conclusions in those papers was that reputation has a direct influence on customer attractiveness and an indirect influence on the preferred status. However, as mentioned in the findings section and the synthesis section, since supplier satisfaction, customer attractiveness and the preferred status are connected in a cycle, this new found direct influence could be a misconception. A misconception in the sense that it is in fact an indirect influence rather than a direct impact. Nonetheless, since this new found antecedent was already found out relevant for future research for customer attractiveness, it is definitely worth researching further in the future.

Common new found antecedents can also be found among the three perspectives. This could also be the basis for future research since there is a possibility that there is a direct impact on one of the perspectives and an indirect influence on the others. It is important to find out what has the direct influence. It can also be the case that an antecedent has multiple direct influences. This can be found out by investigating the influence on a large scale with a relatively big sample size.

The first common antecedent is the proximity to the supplier. This was discussed previously since it was a frequent antecedent of supplier satisfaction. However, since it was found in all three variables, the question is to which factor the influence is direct and to which it is indirect. Furthermore, another antecedent was found that is related to proximity. A new found antecedent for preferred customer status is globalization. There are suppliers that are looking for globally present buyers. This can be because these supplier have locations abroad for example and the suppliers are looking for business abroad. Perhaps when the supplier supplies their products to a customer abroad the supplier is looking to expand their

business abroad. This can then be connected to the antecedent that states that the supplier is looking for a high sales potential in their customer, or the antecedents that states that the customer is more attractive if they can provide new business opportunities. In conclusion, this can have many reason, thus it can be very interesting and valuable to research this topic in the future. Interestingly, research has been conducted that is related to this new found factor. Porter (2000) has researched the impact of local clusters in a global economy. 'Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions in a particular field that compete but also cooperate' (p. 16). When the proximity of the supplier and buyer is close, they could be in one such 'cluster'. Found in Porter (2000) was that being in a cluster can give companies a competitive advantage. It increases the productivity and its growth and innovation and it stimulates new business relationships and connections that can result in the expansion of the cluster (p. 21). Moreover, these clusters depend on personal relationships, face-to-face communication and the networking by companies. Clusters make it easier for such relationships to be created (p. 21). This is exactly why it can be an interesting to research a connection between preferred customer status and its antecedents and the cluster theory. Does being located in close proximity to the customer/supplier create a competitive edge over the competition when looking at the awarding of the preferential status?

Three other antecedents that are similar and connected to each other are the procurement policy, the payment habits and whether a customer orders on time or not. Payment habits and the procurement policy are related to customer attractiveness (figure 3) and if a customer orders on time is an antecedent of supplier satisfaction (figure 4). Essentially, payment habits are a part of the procurement policy and if a customer orders on time is related to payment habits and thus also the procurement policy. However, payment habits can deviate from the procurement policy. The question here again is whether the direct influence is either on supplier satisfaction or customer attractiveness. In findings section 3.3 it was concluded that once a customer has been awarded the preferred customer status, the payment habits become less important for the supplier as the supplier is more lenient. How important these factors are to the supplier, is thus important to research. However, when looking at the figure in appendix A5, it is seen that the antecedent payment habits has been found in papers 7 times for supplier satisfaction. It seems thus that the direct influence is more leaning towards supplier satisfaction than customer attractiveness. However, it might still be interesting to research more about the importance of payment habits since its influence is different before and after the awarding of the preferential status.

The last new found common antecedent is the awarding of suppliers. Awarding suppliers is a way for customers to show their appreciation, to show that the suppliers are satisfying their needs and expectations. Since this is found to be an antecedent of every perspective, the question is hereby raised again on which factor it has to most impact. Does supplier awarding have a direct impact on supplier satisfaction, customer attractiveness or the preferential status. It could even have an effect on the gut feeling a supplier has towards the customer. It is thus interesting to research this antecedent more in the future.

5.2 Reciprocity As an Interesting New Found Factor

A factor that was introduced in section 3.4 of the paper and later used in the synthesis framework is 'reciprocity'. This is the expectation of both parties in the relationship to receive the same they are giving. This can be related to supplier awarding. A supplier awards the customer with the preferred status and gives the buyer benefits and special services. In return the supplier expects the buyer to give the supplier special treatment and benefits in return as well. This can be done in the form of supplier awarding for example. In tables 3,4 and 5 two other factors can be related to this. A new found antecedent of preferred customer and supplier satisfaction is the special services offered by the buyer. The second related antecedent is positive feedback from the buyer toward the supplier. Both of these antecedents appear to be related to reciprocity. The supplier actively supports and rewards the buyer and expects the buyer to do the same. The question is however. what kind of impact reciprocity exercises on the preferred customer status. When analyzing the bachelor papers only one paper clearly concluded that the influence of reciprocity is important for future research. However, when reading the other bachelor papers, many connections can be made that lead towards the importance of reciprocity. One example of this is that a supplier expects a joint effort in the development of the relationship. The supplier expects the buyer to put as much effort in developing the relationship as they are. Moreover, these relational factors are found to be more and more important. This was mentioned in the introduction of this review paper. Purchasing trends are leaning more and more towards relational importance, rather than economic importance. This can imply that reciprocity is more and more important. In conclusion, it is very interesting and important to research the influence of reciprocity, as it looks like it can supersede and connect many previously found antecedents.

5.3 Importance and Impact of Antecedents

Lastly, an overall trend for future research is seen in the review. The importance of finding out the impact of certain factors. Moreover, finding out which factors and antecedents are more important and exercise a greater impact on the preferential status is important. Phan (2019) has looked at the importance of antecedents of preferred customer status by looking at the frequency the antecedents are used in interviews that were conducted (see figure 6). However, this does not tell much about which antecedents have a greater impact than the others. This however translates that many firms see the antecedents as an important factor of preferred custom status. It does not say anything about the impact that the antecedents have in relation to other antecedents.

Somehow, these important antecedents need to be ranked by the degree of impact on supplier satisfaction, customer attractiveness and the preferred status. The problem is however that for some antecedents and factors the impact is difficult to measure.

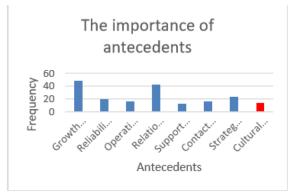


Figure 6: Research done on the overall importance of antecedents to the preferred customer status in (Phan, 2019)

Thus, for future research it is interesting to find out what the impact of antecedents are on customer attractiveness, supplier satisfaction, the preferred customer status and the resulting preferential treatment. Something that makes it difficult to measure the actual impact is that many factors and antecedents are interrelated. However, a possible ranking is proposed on the basis of the findings and the synthesis. This ranking can be seen in figure 7 below.

Ranking	Antecedent
1	Development history
2	Reciprocity
3	Buyer's size
4	Status
5	Customer and supplier segmentation + mutual perception
5	Reputation
7	Corporate culture
8	Strategic fit
9	Cross-cultural influence

Figure 7: Impact ranking of antecedents

The most impactful antecedent is the development history. This is since this antecedent is connected to most of the other antecedents. When negative events occur during the development of the history this has an impact on the quality of the relationship. When the quality of the relationship decreases, indirectly this has an influence on customer attractiveness, supplier satisfaction and the chances of being awarded the preferred status. Furthermore, these negative events that take place during the relationship can influence other factors such as the status and reputation of the firm. The factor with the second highest impact is reciprocity. However, this is not based upon actual research data from the bachelor papers. As mentioned earlier in this section of the paper, concluding from the bachelor papers, it seems that reciprocity is something that is connected with other already found antecedents. Furthermore, it is also connected with the development history of the firm. If the buyer does not engage in reciprocity, this can have an influence on the quality of the relationship. It can be argued that reciprocity is tied, or even ranked higher than development history. However, since there is little research data about the effect of reciprocity on the preferred customer status it is difficult to determine its impact.

Ranked third is the size of the buyer. The size of the buyer was the superseding factor of reputation and status. This is the reason why it is ranked higher than either reputation or status. The following factor in the ranking is the status of a buyer. Status of the buyer is ranked higher than reputation since it does not only directly influence the attractiveness of the buyer, but it also directly influences the preferential treatment of the buyer. Reputation however, only directly influences the attractiveness. For fifth place in the ranking two factors are positioned. This is since it raises the question whether supplier satisfaction or customer attractiveness is more important. Since it is hard to answer this questions, segmentation and reputation are tied for fifth place. Customer and supplier segmentation plus it superseding factor mutual perception directly influence supplier satisfaction. Reputation on the other hand, directly influences customer attractiveness. The superseding factor, mutual perception, is not a separate factor in the ranking since it was not mentioned in the figure in appendix A5. The other superseding factor, size, is however used in the ranking since it is found out to be a highly frequent antecedent in the figure in appendix A5. On place 7 and 8 corporate culture and strategic fit are ranked. This is mostly since they are heavily influence by development history. Furthermore, as previously mentioned in the findings section of this review, strategic fit was found out to have a low impact as an antecedent. The last ranked antecedent is the influence of crosscultural relationships. In the bachelor papers the interviewed companies were mostly from the same culture. Furthermore, the only paper that mentioned this factor was Phan (2019), which included firms from different cultures. Thus, it is hard to measure its impact towards the other factors. However, this can prove to be wrong by future research.

5.4 Proposed Methodology for Future Research

As mentioned in the introduction of section, it is thus important to find out future directions for research. Additionally, it is also important to find out the best methods to use paired with the future research topics. Flynn, Sakakibara, Schroeder, Bates, and Flynn (1990) propose that there are essentially two ways of empirical studies, *theory verification* and *theory-building*. In theory verification, hypotheses are formed, and tested with empirical data. In theory-building, the researchers base their initial idea not on hypothesis, but rather on assumptions, frameworks or a distinct problem related to an already existing theory (p. 253). This papers stresses the importance of theory-building over the traditional theory verification. They argue that empirical data should not only be used as verification, but to build theories (p. 255). However, for the future research of the abovementioned topics, theory verification is suggested. This is since there are not yet distinct theories present about the topics. It has not been widely researched yet. The individual antecedents have been researched yet, but no significant research has been conducted in connection with the preferred customer cycle. This is why it is essential to form a hypothesis, and collect data to either verify, or do disprove the hypothesis. The last research idea that was introduced was about the ranking of the variables that influence the preferred cycle. A hypothesis ranking was formed to give a basis for future research. Now it is the task of the future researcher to verify this ranking, or disprove it and create a different ranking. Determining whether to pursue the theory verifying or the theory-building approach is the first step of a six step proses to conduct and publish research (Flynn et al., 1990, p. 254).

The subsequent step is to choose a research design. Certain designs are not fitting with the proposed future research (Flynn et al., 1990, pp. 256-258). The single case study is not relevant since only utilizing one company as a unit of analysis is not enough to find clear connections between antecedents, or create a ranking. A field experiment is not fitting since it involves the introduction of something new in a company and compares a before and after. A panel study or a focus group is also not a viable option since it would be difficult to group purchasers together from different companies without confidentiality breaches coming into play. The most fitting design is the multiple case study. This has been used in the bachelor thesis's for example. It involves the analysis of multiple firms and can create a good enough basis for research.

The following step after choosing a research design is the selection of the data collection method (Flynn et al., 1990, pp. 258,259). Two of the five introduced methods are not applicable. These are, participant observation and outside observation. It is hard to observe purchases and come to conclusion on research questions. Furthermore, since these two methods are obtrusive it might also not be appreciated by purchasers. Historical archive analysis is an unobtrusive way of collection data. It can be fitting in some cases, however, since most of the preferred customership research is about social variables, it is not advised. The two methods that are most useful are interviews and questionnaires. In general, when interviewing for example, transcribing the interviews (if the interviewee agrees to being taped) is a useful way of data collection. Interviews can be structured, or ethnographic (p. 259). In structured interviews, a script is used to ask question. Deviation is possible, but certain questions are always asked. This is useful for comparing interviews. This is useful for researching the ranking of antecedent impact for example. Certain companies are interviewed, and can easily be compared with each other. With the frequency of answers and ranking, a general ranking could be formed. In ethnographic interviews on the other hand questions are asked hierarchal. A beginning question is asked about a specific concept and further questions are asked based on the responses. This is very useful when looking for connections between certain concepts (p. 259). This could be very useful for the first section of future research that is proposed, the influence of certain antecedents on the preferred customer cycle. New and interesting connections might be found.

Questionnaires are also useful, however, in general it is better to conduct interviews, since this provides more depths in the answers. When companies do not agree for interviews, but do agree for questionnaires, it is still useful to conduct these to collect some data.

The last steps of the research framework are the implementation, the analysis and the publication of the academic research. However, there will not be looked into detail in these sections. In general, it is important to make sure the interviews are ethical and reliable, likewise for selecting the sample and conduct the analysis. That is the basis of solid research.

5.5 Final Propositions for Future

Research

In this last section of the future research suggestions, the future research is explicitly proposed. A research question is proposed, as well as the method of research.

The first research proposal is about what the influence of supplier proximity is on the preferred customer cycle. What can be included in the research is the cluster theory, which can be used as a basis for forming a hypothesis and a research question. The method of research should be ethnographic interviews with numerous companies. This method is advisable since with this kind of interview, new connections between factors are easily found as mentioned in section 5.4. A possible research question could be: *What is the effect of the cluster theory on the preferred customer cycle*?

The second proposed research is about the influence of the customer's payment habits and procurement policy on the preferred customer cycle. Like the research proposed above, the advised research method are ethnographic interviews with a relatively high sample. A possible research question can be: *What is the influence of the buyer's payment habits and procurement policy on the preferred customer cycle*?

The following future research opportunity is about the reputation and the brand name of the buyer and its influence on the preferred customer cycle. Like the two previously mentioned proposals, this is also advised to be done via ethnographic interviews with companies. A possible research question might be: *What is the influence of a buyer's reputation and brand name on the preferred customer cycle*?

The fourth future suggestion for research is about the influence of reciprocity on the preferred customer cycle. Again, it is proposed to research via ethnographic interviews with several companies. For reciprocity especially, few research has been done on this topic, specifically in connection with the preferred customer cycle. The following research question can be used: *What is the influence of reciprocity on the preferred customer cycle?*

The last proposal for future research is ranking certain antecedents among each other based on impact on the preferred customer cycle. For this research, a different method is proposed, structured interviews. This technique allows the interviews to be easily comparable and because of the rankings made by each company, these can easily be summarized in one ranking. Before starting with this research it is important to set which antecedents are used and which are not. This is especially important since not every company will see value in every antecedent. A first question that could be asked to each interviewed firm is which of the antecedents are relevant in their view. Based on the hypothesis and the antecedents used in section 5.3, a possible research question could be: For suppliers, what ranking of impact on the preferred customer cycle is given when looking at, the development history of the firm, reciprocity, customer's size, customer's reputation and status, customer and supplier segmentation, the alignment of corporate cultures, strategic fit and a cross-cultural aspect?

6. REFLECTION AND LIMITATIONS

Overall, this review went smoothly. The biggest hurdles were the diverse writing styles and structures that were present in the bachelor papers. Some bachelor papers had clear overviews of the found antecedents and factors, while others did not. This is a reason why clear overviews are made in this review to make it easier for the reader. Not only does this make it clearer for the reader, but it also helps when analysing. When analysing the bachelor papers in the beginning I was under the impression that a problem will arise since some bachelor papers lack information because of confidentiality reasons. However, in the end this did not seem to be a major issue. The only issue that arose from this was that some papers did not list their industry and country of origin of their interviewed companies. This made it more difficult to see any correlation with outcomes and industry and country of origin. Something else that was a hurdle to overcome was where to start analysing. Soon however, the best way to start was listing all outcomes of the bachelor papers. This way a clear overview was provided (appendix B). This was the basis of the review. From this overview of outcomes, it was clear what to analyse more in-depth, and what not. While writing the findings section of this paper, certain connections were seen, which were integrated in the framework that is proposed in section 4. Taking into account section 3 and 4, future research opportunities were found easily. This is one of the advantages of a systematic review. In the end, future research opportunities was clearly described, which can thus be useful.

7. ACKNOWLEDGEMENTS

Hereby I would like to express my gratitude towards my supervisor, Dr. F.G.S. Vos for guiding me in the process of writing this paper. I would also like to express my special thanks for the flexibility that Dr. F.G.S. Vos has shown in the COVID-19 pandemic as I was able to conduct research in another direction then was intended originally.

References

- Barney, J. B. (1986). Organizational Culture: Can It Be a Source of Sustained Competitive Advantage? *The Academy of Management Review, 11*(3), 656-665.
- 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:10.1016/j.indmarman.2012.10.009
- Beering, J. (2014). Antecedents and Benefits of a Preferred Customer Status in a Buyer-Supplier
 - Relationship: A Case Study at WILO SE and 4 of its Key Suppliers. University of Twente, <u>http://purl.utwente.nl/essays/65247</u>.
- Bockstette, A. E. (2017). Antecedents and benefits of supplier satisfaction in a buyer-supplier relationship : a case study at company X and three of its key suppliers. University of Twente, http://essay.utwente.nl/72639/.
- Brüning, M. (2017). Benefits, antecedents, buyer status and customer segmentation in relation to supplier satisfaction : a multiple case study at company X and three of its key suppliers. University of Twente, <u>http://purl.utwente.nl/essays/72710</u>.
- Driedger, T. (2015). Antecedents and benefits of the preferred customer status : a case study with the world's biggest producer of enclosure
- systems. University of Twente, Ellegaard, C. (2012). Interpersonal attraction in buyersupplier relationships: A cyclical model rooted in social psychology. *Industrial Marketing Management, 41*(8), 1219-1227. doi:10.1016/j.indmarman.2012.10.006
- 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:<u>https://doi.org/10.1016/j.indmarman.2012.1</u> 0.010

- Fischer, M. (2017). Antecedents and benefits of supplier satisfaction and the influence of segmentation and status on buyer-supplier relationships : a multi-perspective case study of company X and four of its suppliers. University of Twente, http://purl.utwente.nl/essays/72708.
- Fitschen, H. (2018). The influence of corporate culture on the preferred customer status : a multiple case study with one buying company and three of its suppliers. University of Twente, http://purl.utwente.nl/essays/75502.
- Flynn, B. B., Sakakibara, S., Schroeder, R. G., Bates, K. A., & Flynn, E. J. (1990). Empirical research methods in operations management. *Journal of Operations Management*, 9(2), 250-284. doi:https://doi.org/10.1016/0272-<u>6963(90)90098-X</u>
- Fombrun, C., & Shanley, M. (1990). What's in a Name? Reputation Building and Corporate Strategy. *The Academy of Management Journal, 33*(2), 233-258.

- Franck, K. (2016). Antecedents and Benefits of the Preferred Customer Status in a Buyer-Supplier Relationship: A Multiple Case Study at Company X and Three of its Key Suppliers. In.
- Hald, K. S. (2012). The role of boundary spanners in the formation of customer attractiveness. *Industrial Marketing Management*, 41(8), 1228-1240. doi:10.1016/j.indmarman.2012.10.007
- Hanemann, E. (2014). Antecedents & Benefits of a Preferred Customer Status in a Buyer-Supplier Relationship: A Dyadic Case Study at a Company from the Oil & Gas Industry and Three of its Suppliers. University of Twente, http://purl.utwente.nl/essays/65282.
- Harris, L. C., O'Malley, L., & Patterson, M. (2003). Professional Interaction: Exploring the Concept of Attraction. *Marketing Theory*, 3(1), 9-36.
- Hebestreit, O. (2015). Antecedents and Benefits of a Preferred Customer Status in a Buyer-Supplier Relationship: A case study at Company X and four of its Key-Suppliers. University of Twente, http://purl.utwente.nl/essays/67319.
- Hegenberg, J. (2017). A case study : assessing the antecedents and benefits of supplier satisfaction. University of Twente, <u>http://essay.utwente.nl/72661/</u>.
- Hesping, F. H., & Schiele, H. (2016). Matching tactical sourcing levers with the Kraljič matrix: Empirical evidence on purchasing portfolios. Retrieved from

http://purl.utwente.nl/publications/101058

- Huttinger, 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.
- Ippolito, A., & Viggiani, V. (2014). Positioning matrix of economic efficiency and complexity: a case study in a university hospital. *The International Journal of Health Planning and Management*, 29(4), 362-372. doi:10.1002/hpm.2189
- Jazbek, F. T. (2019). *The influence of negotiation behavior on supplier satisfaction: a case study.* University of Twente,
- Jonker, J.-J., Piersma, N., & Van den Poel, D. (2004). Joint optimization of customer segmentation and marketing policy to maximize long-term profitability. *Expert Systems with Applications*, 27(2), 159-168.

doi:https://doi.org/10.1016/j.eswa.2004.01.010

- Kokozinski, S. (2015). Antecedents and Benefits of the Preferred Customer Status in a Buyer-supplier Relationship: a multiple case study at Gebr. Becker GmbH. University of Twente, http://purl.utwente.nl/essays/67350.
- Kunde, F. (2018). Antecedents and benefits of preferred customer relations and the influence of corporate culture : a case study at Company X and three of its key suppliers. University of Twente, http://purl.utwente.nl/essays/75498.
- Laurenz, J. (2015). Antecedents and Benefits of the Preferred Customer Status: a Case Study at Europe's Leading Trailer Manufacturer. University of Twente, http://purl.utwente.nl/essays/67338.
- Lavie, D., Haunschild, P. R., & Khanna, P. (2012). ORGANIZATIONAL DIFFERENCES,

RELATIONAL MECHANISMS, AND ALLIANCE PERFORMANCE. Strategic management Journal, 33(13), 1453-1479.

- Lücker, D. (2017). Drivers and benefits of supplier satisfaction in a buyer-supplier relationship : a multiple case study at company X and three of its suppliers. University of Twente,
- Mastebroek, V. G. (2016). Antecedents and benefits of preferred customer status with suppliers : a case study at a Dutch accounting firm. In.
- Phan, K. N. (2019). What did buying firms do to outperform other competitors and become the preferred customers of suppliers? – An empirical study from 41 interviews with purchasers and salespersons from various countries. University of Twente, http://purl.utwente.nl/essays/78412.

Piazza, A., & Castellucci, F. (2014). Status in Organization and Management Theory. *Journal* of Management, 40(1), 287-315. doi:10.1177/0149206313498904

- Podolny, Joel M. (2001). Networks as the Pipes and Prisms of the Market. *American Journal of Sociology*, 107(1), 33-60. doi:10.1086/323038
- Porter, M. E. M. M. E. (2000). Location, competition, and economic development: Local clusters in a global economy. *Economic Development Quarterly*, 14(1), 15-34.
- 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:10.1016/j.pursup.2009.02.001
- 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.2012.1
- 0.002 Schmidt, F. (2014). Antecedents and Benefits of the Preferred Customer Status in a Buyer-Supplier Relationship: A Case Study at Atlas Copco and Three of its Key Suppliers. University of Twente, http://purl.utwente.nl/essays/65244.

Seppenwoolde, M. J. R. (2018). Best combination, sequence or relative importance of variables in order to improve the level of business performance and the use of preferred customer status : a case study among Dutch-located firms in the transportation/truck sector. University of Twente,

Stern, I., Dukerich, J. M., & Zajac, E. (2014). Unmixed signals: How reputation and status affect alliance formation How Reputation and Status Affect Alliance Formation. *Strategic management Journal*, 35(4), 512-531. doi:10.1002/smj.2116

Tucholka, M. (2017). Satisfying the supplier : antecedents of supplier satisfaction and the influence of segmentation and status : a multiple case study in cooperation with one buying company and three of its key suppliers. University of Twente, <u>http://essay.utwente.nl/72694/</u>.

- Vegt, D. v. d. (2016). Benefits, antecedents, buyer reputation, buyer status and strategic fit in relation to the preferred customer status : a multiple case study at company X and three of its key suppliers. In.
- Voortman, D. (2016). Preferred customer status with key suppliers : a case study at Paauwe Installaties. University of Twente, <u>http://purl.utwente.nl/essays/70991</u>.
- Vural, M. (2015). Antecedents and Benefits of the Preferred Customer Status in a Buyer-Supplier Relationship: A Multiple Case Study at X and Four of its Key Suppliers. In.
- Williamson, P. J. (1991). Supplier strategy and customer responsiveness: Managing the links. *Business Strategy Review*, 2(2), 75-90. doi:10.1111/j.1467-8616.1991.tb00153.x

Appendix A: Figure, tables and other overviews

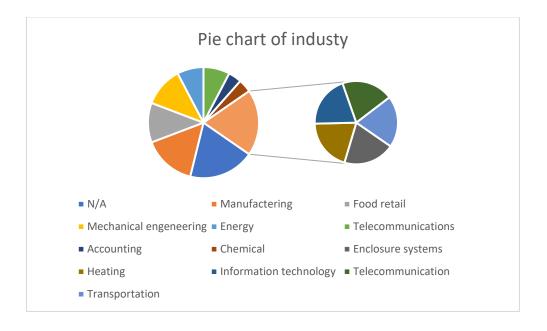
Appendix A1: Company interviews, industry and country of origin

Author of paper	Interviews	Interviews buyer(s)	Interviews suppliers	Industry	Firm's country of origin
Beering, J	8	4	. 4	Manufactering	Germany (Europe)
Hanemann, E	5	2	з	Oil & Gas (Petroleum)	Germany
Schmidt, F	8	3	5	Manufactering	Sweden (EU)
Driedger, T	8	4	. 4	Enclosure systems*	N/A
Kokozinski, S	6	3	з	Mechanical engeneering	Germany
Hebestreit, O	7	3	4	N/A	Germany
Laurenz, J	N/A	N/A	N/A	Manufactering	Europe
Vural, M	6	2	4	Food retail	Germany
Franck, K	6	3	з	Mechanical engeneering	Germany
Mastebroek, V	6	2	4	Accounting	The Netherlands
Van der Vegt, D	4	1	. 3	N/A	The Netherlands
Voortman, D	4	1	. 3	Energy and telecommunications	The Netherlands
Bockstette, A	4	1	. 3	Mechanical engeneering	Germany
Brüning, M	6	3	3	Telecommunication	Germany
Fischer, M	5	1	. 4	Chemical	Germany
Hegenberg, J	4	1	. 3	N/A	N/A
Lücker, D	5	2	З	Organic food	Germany
Skora, C	4	1	. 3	Manufactering	The Netherlands
Tucholka, M	6	3	3	Heating	N/A
Seppenwoolde, M	5	N/A	N/A	Transportation/truck	The Netherlands
Fitschen, H	4	1	. 3	N/A	Germany
Kunde, F	4	1	. 3	Food retail	Germany
Jazbek, F.T	5	N/A	N/A	N/A	The Netherlands
Phan, N	41	N/A	N/A	Manufactering, information, communication, media technology	Vietnam, America, Sweden, Germany, The Netherlands

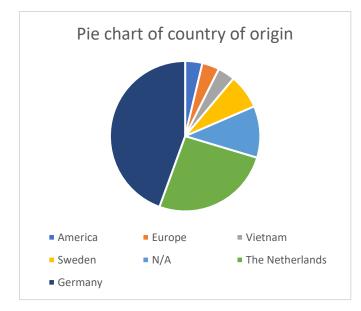
Appendix A2: Main and special topics of the papers

Author of paper	Year published 🚽	Core topic(s)	Special topic 🔹		
Beering, J	2014	Antecedents and benefits of PCS	N/A		
Hanemann, E	2014	Antecedents and benefits of PCS	N/A		
Schmidt, F	2014	Antecedents and benefits of PCS	N/A		
Driedger, T	2015	Antecedents and benefits of PCS	History of relationship with supplier		
Kokozinski, S	2015	Antecedents and benefits of PCS	History of relationship with supplier		
Hebestreit, O	2015	Antecedents and benefits of PCS	History of relationship with supplier		
Laurenz, J	2015	Antecedents and benefits of PCS	History of relationship with supplier		
Vural, M	2015	Antecedents and benefits of PCS	History of relationship with supplier		
Franck, K	2016	Antecedents and benefits of PCS	Influence of reputation, status and strategic fit		
Mastebroek, V	2016	Antecedents and benefits of PCS	Influence of reputation, status and strategic fit		
Van der Vegt, D	2016	Antecedents and benefits of PCS	Influence of reputation, status and strategic fit		
Voortman, D	2016	Antecedents and benefits of PCS	N/A		
Bockstette, A	2017	Antecedents and benefits of supplier satisfaction	Kraljic matrix, customer segmentation and buyer status		
Brüning, M	2017	Antecedents and benefits of supplier satisfaction	Kraljic matrix, customer segmentation and buyer status and reputation		
Fischer, M	2017	Antecedents and benefits of supplier satisfaction	Kraljic matrix, customer segmentation and buyer status		
Hegenberg, J	2017	Antecedents and benefits of supplier satisfaction	Kraljic matrix, customer segmentation and buyer status		
Lücker, D	2017	Antecedents and benefits of supplier satisfaction	Kraljic matrix, customer segmentation and buyer status		
Skora, C	2017	Antecedents and benefits of supplier satisfaction	Kraljic matrix and influence on start-ups		
Tucholka, M	2017	Antecedents and benefits of supplier satisfaction	Kraljic matrix, customer segmentation and buyer status		
Seppenwoolde, M	2018	Market segmentation in B2B	Preferred customer status		
Fitschen, H	2018	Supplier satisfaction and PCS	Kraljic matrix, customer segmentation, buyer status and corporate culture		
Kunde, F	2018	Antecedents and benefits of supplier satisfaction	Influence corporate culture		
Jazbek, F.T	2019	Supplier satisfaction	Influence of negotiation behaviour		
Phan, N	Phan, N 2019 Preferred customer status		Influence of cross-cultural level		

Appendix A3: Pie chart of the different industries



Appendix A4: Pie chart picturing the distribution of the interviewed countries



Appendix A5: Antecedents of customer attractiveness, supplier satisfaction and preferred customer status

Customer attractiveness		Supplier satisfaction		Preferred customer status	Amount
Purchasing volume	7	Information exchange	8	Purchasing volume	7
Commitment and adaptation	5	Payment habits	7	Long-term focus	e
Reputation	5	Trust	6	Business opportunities	4
Long-term focus	4	Communication	5	Geographical proximity	4
Size	4	Cooperative relationship	5	Trust	4
Tight personal relations	4	Openness	5	Communication	3
Brand name	3	Profitability	5	Fairness	3
Demand stability	3	Relational behaviour	5	Information exchange	3
Growth potential	3	Early involvement of supplier	4	Loyalty	3
Information exchange	3	Feedback	4	Mutual dependency	3
Loyalty	3	Forecasting accuracy	4	Reputation	3
Market stability	3	Growth opportunities	3	Respect	3
New business opportunities	3	Joint relationship effort	3	Strategic fit	3
Price	3	Long-term focus	3	Strong relationship	3
Trust		Politeness		Feedback	2
Acces to new markets and locations	2	Adherence to agreements	2	Financial soundness	2
Awarding of suppliers		Involvement of supplier		Involvement in product design	2
Collaborative innovation interest		Local proximity	-	Openness	2
Early involvement in NPD		Operative excellence		Payment habits	2
Early R&D involvement		Planning accuracy		Profitability	2
Margins		Reliability		Shared future	2
Reliability		Supplier development		Size	2
Standardization of products		Supplier support		Stable financial performance	
Strategic pricing		Technical competence		Strategic pricing	
Technological skills		Transparency		Alignment of product life cycles	1
0		Turnover		Alignment of values	1
Accuracy of production capacity		Added value of buyer		•	1
Business history				Bargaining position Brand name	1
Change management		Availability			1
Complexity		Bargaining position		Challanging customer demands	1
Cooperation in NPD		Business competence	-	Cooperation	1
Customer liquitidy		Business opportunities		Crisis mangement	
Customer status		Common history		Customer environment	1
Customer's liquidity		Demand stability	-	Growth potential	1
Demand dependency		Early integration in planning	-	Quality initiatives	1
Face-to-face contact		Early involvement in NPD		Quality management	1
Growth rate		EDI integration		Reliability	1
Interpersonal communications		Exclusice agreements	-	Sales potential of customer	1
Legal form of customer		Fairness		Special services	1
Long product life-cycles		Implementations of suggestions		Status	1
Market influence	1	Interpersonal relations	1	Supplier awards	1
Network connections	1	Nice personnel	1	Turnover	1
New market access	1	Optimizing supplier processes	1		
Operative excellence	1	Order quantities	1		
Payment behaviour	1	Ordering behavirou	1		
Problem solving skills	1	Positive attitude towards relationship	1		
Procurement policy	1	Purchasing volume	1		
Product type	1	Quality	1		
Proximity to suppliers	1	Reputation	1		
Reduction in production mistakes	1	Respect	1		
Relational behaviour	1	Responsiveness	1		
Risk sharing		Risk management	1		
Stratgic fit		Special services offered by buyer	1		
Supplier feedback		Strong interpersonal ties	1		
Training supplier and visits		Supplier awarding	1		
Turnover	1				
Value creation	1				

Appendix B: Full analysis of all bachelor papers

Papers from 2014

Main findings/important factors in (Beering, 2014):

- PCS leads to
 - The establishment of third party contacts
 - Acceptance of extraordinary financial transactions
 - Good crisis management
 - Forward-looking pricing model
 - \circ High commitment at the supplier side
 - o Key account status even if low purchase volumes
- Drivers for PCS are
 - o Aligned technological life cycles on the customer and the supplier's product
 - High and challenging customer demands
 - o Mutual dependency
 - The customer environment
- Purchasing volume is not a strong driver for PCS when comparing cases towards opinions from interviewed customers and suppliers
- A better EDI integration can enhance supplier satisfaction
- Antecedents for Customer attractiveness
 - Early involvement in NPD
 - Interpersonal communication
 - o Demand stability
 - Customer's liquidity (new found)
 - $\circ \quad \ \ Legal \ form \ of \ customer \ (new \ found)$
 - Reputation (new found)
 - Proximity to its suppliers (new found)
- Antecedents for Supplier satisfaction
 - o Implementation of suggestions
 - Technical competence and payment habits
 - EDI integration (new found)
 - Positive attitudes towards relationship (new found)
 - Strong interpersonal ties (new found)

Main findings/important factors in (Hanemann, 2014):

- Key benefits of PCS
 - Price and costs
 - Shorter lead times
 - Increased flexibility
 - Increased logistics
 - Increased product development
 - Price stability (new found)
 - High efforts in meeting the first delivery date (new found)
 - Premium packages (new found)
 - Power of the buyer to tell supplier where to order the needed parts (new found)
 - Free development and consulting services (new found)
 - Good potential for future sales developments (new found)
- Antecedents of supplier satisfaction
 - Payment habits
 - o Politeness
 - Cooperative relationships
 - Technical competence
 - Information exchange
 - o Availability
 - o Transparency
 - Demand stability
 - Turnover (new found)

- Antecedent of PCS
 - o Purchasing volume
 - Strategic fit
 - o Strong relationship
 - o Shared future
 - Communication
 - o Feedback
 - Cooperation (new found)
 - Dependency on customer (new found)
 - Sales potential of customer (new found)

Main findings/important factors in (Schmidt, 2014):

- Benefits of PCS
 - $\circ \quad \ \ {\rm Price \ and \ cost}$
 - Availability and responsiveness
 - Better crisis management
 - Standardizing for faster meetings
 - 'Impossible' problems are solved
 - Supplier can give the buyer access to advanced technology (new found)
 - \circ No penalty when invoices are late (new found)
 - Customer has separate production planner and construction department at the supplier at the suppliers costs (new found)
- Antecedents of Customer attractiveness
 - Price and volume
 - Information exchange
 - Standardization of products
 - Possession of skills
 - o Trust/loyalty
 - o Size
 - Long-term focus
 - Commitment and adaptation
 - Access to new markets and locations
 - o Market stability
 - Reputation and brand name (new found)
 - Chance for supplier to prove that they are the market leader (problem solving skills) (new found)
 - Antecedents of supplier satisfaction
 - Payment habits
 - o Trust and openness
 - Communication
 - High order quantities and high revenue (substantial values)
 - Profitable margins
 - Fair treatment and respect towards suppliers (new found)
- Antecedents PCS
 - Business opportunities
 - High purchasing volumes
 - o Fairness
 - Information exchange
 - Loyalty and respect
 - Bargaining position
 - Geographical proximity (new found)
 - o Alignment of values with supplier

Papers from 2015

Main findings/important factors in (Driedger, 2015):

- Relationship history
 - In all researched cases, the influence of the relationship development history was found (Ellegard's and Hald's theory)
 - Becoming a preferred customer is an evolutionary process
 - o Long-term orientation and good collaboration were the basis of the relationship
 - The PCS 'just happens'

- o Because of long-term commitment, the connection between companies are intensified
- In conclusion, customer attractiveness, supplier satisfaction and the achievement of PCS is an evolving process
- Drivers of customer attractiveness
 - Long-term commitment
 - High information exchange
 - Interest in collaborative innovation (with supplier)
 - Long product life cycles
 - Stability of market environment
 - High purchasing volume (new found) Found in every case
 - Firm reputation (new found)
 - Awarding of suppliers (new found)
 - $\circ \quad \text{Business opportunities (new found)}$
 - Supplier feedback (new found)
 - Strategic pricing (new found)
- Drivers of supplier satisfaction
 - Open and trustful communication
 - Timely payments
 - Cooperative relationships
 - o Joint relationship effort
 - o High quality
 - Buyer's forecasting accuracy
 - o Feedback towards supplier
 - Achieving of new business opportunities
- Drivers for PCS
 - High purchasing volumes
 - Good communication
 - Fair feedback
 - New found business opportunities
 - o Respect and trust
 - Stable financial performance (new found)
 - \circ Reputation (new found)
 - Strategic pricing (new found)
 - Long-term interaction (new found)
- Benefits of PCS
 - Increases the services that the buyer firm enjoys
 - Free services that other buyers do not receive
 - \circ Supplier is flexible with their production schedule applying to the buyer's needs
 - Shorter lead times and 'just-in-time delivery'
 - Supplier cares about the buyer firm
 - o The creation of safety stock in cases of emergencies
 - Better crisis management, in case of shortages

Main findings/important factors in (Kokozinski, 2015):

- Drivers for customer attractiveness
 - High purchasing volume
 - Strategic fit
 - New market access
 - Innovative
 - Long-term cooperation
 - o Growth potential
 - Product type (new found)
 - Cooperation in NPD (new found)
 - Good communication (new found)
- Drivers for supplier satisfaction
 - Purchasing volume
 - o Payment behaviour
 - o Trust, open communication and information exchange
 - Helping by optimizing supplier processes (new found)
- Drivers for PCS
 - o Purchasing volume

- Strategic fit
- Long-term relationship
- Growth potential
- o Trust, open communication and information exchange
- Benefits of PCS
 - Price and costs
 - Exclusive agreements
 - o Shorter delivery and lead times
 - Assigning of best personnel
 - Availability and responsiveness
 - Creation of safety stock
 - Staff flexibility to support NPD (new found)
 - \circ Reserved production capacity (new found)
 - Customer events (new found)
- History
 - Relationship develops evolutionary
 - $\circ \quad \ \ {\rm Negative \ events \ have \ an \ impact \ on \ the \ relationship}$
 - o Relationships constantly develop over time and create personal relationships through personal contact
 - In practice these relationships are too complex to fully explain

Main findings/important factors in (Hebestreit, 2015):

- Benefits of PCS
 - Better price
 - o Shorter delivery times
 - Innovation
 - o Support
- Antecedents of customer attractiveness
 - Economic factors
 High put
 - High purchasing volume
 - Accurate usage of production capacity
 - Risk factors
 Detection
 - Demand stability
 - Demand dependency
 - Social factors
 - Exchange of information
 - Possibility of extensive face-to-face contact
 - Tight personal relations
 - o Technological factors
 - Complexity
 - Technological skills
 - Early R&D involvement
 - Market growth factors
 - Growth rate of purchasing volume
 - o Reputation
 - Antecedents of supplier satisfaction
 - Technical excellence
 - Response to supplier suggested improvements
 - Early involvement in NPD
 - Supply value
 - Long-term horizons by framework agreements
 - Purchasing volume by framework agreements
 - Mode of interaction
 - Good communication
 - Good responsiveness
 - Identification with customer's products (new found)
 - Local proximity (new found)
 - Good interpersonal relationships as result of common history (new found)
- Antecedents of PCS
 - High purchasing volume
 - o Good relational quality (sum of strong bonds and fairness)
 - o Involvement in product design

- o Predictable decisions
- o Strategic compatibility through geographical proximity

Main findings/important factors in (Laurenz, 2015):

- Antecedents of customer attractiveness
 - Relative size in the industry
 - Turnover volume
- Antecedents of supplier satisfaction
 - The nature of the relationship between buyer and supplier
 - o Guaranteed quotas for supplier
 - Fluctuations in demand
- In this paper the interviewed companies do not monitor or award any preferred supplier statuses
 - Benefits of preferred customer status
 - Early access to innovation
 - Preference in resource allocation
 - Better lead times
- Relationship development and history (Ellegard)
 - o Attractiveness leads to an increase in the quality of a business relationship
 - o Increased attractiveness also leads to better supplier satisfaction
 - An evolutionary approach to relationship development is present
 - The combination of customer attractiveness and then an increase in supplier satisfaction leads to an evolution that creates a good relationship. This then leads to preferential status

Main findings/important factors in (Vural, 2015):

- Relationship development history
 - The presence of the evolutionary theory was found
 - Attractiveness of the buyer rose over time through good cooperation
 - Achieving the preferred customer status is an evolutionary practice
- Antecedents of customer attractiveness
 - Market growth factors
 - Size
 - Growth rate
 - Market stability
 - Access to new customers and markets
 - o Risk factors

0

- Risk sharing
- Standardisation of products
- Stability of demand
- Technological factors
 - Coping with change
 - Commitment to innovation
 - Training of supplier and visits
 - Early R&D involvement
 - Types and depth of technological skills
- Economic factors
 - Value creation
- Social factors

0

- Information exchange
- Trust, commitment, loyalty and reliability
- New found factors
 - Reputation
 - Awarding of suppliers
 - Reduction in production mistakes
 - Higher purchase volumes
 - Strategic pricing
 - Business opportunities
 - Frequency of development and innovation
- Antecedents of Supplier satisfaction

- Technical excellence (R&D)
 - Early involvement of supplier
 - Reaction
 - Joint relationship effort
- Supply value
 - Bargaining position
 - Adherence to agreements
 - Cooperative relationships
 - Recommendations
- Mode of interaction

.

- Reaction (openness, politeness and trust)
- Communication
 - Structure
- Information exchange
- Operational excellence
 - Forecasting and planning accuracy
 - Payment habits
- Antecedents of preferred customer status
 - Economic value

0

0

- High purchase volumes
- Business opportunities
- Relational quality
 - Trust and loyalty
 - Respect, fairness and strong bonds
- Instruments of interaction
 - Involvement in product design
 - Quality initiatives
 - Communication and feedback
 - Quality of crisis management
- Strategic compatibility
 - Strategic fit
 - Shared future
 Geographical
 - Geographical proximity
- New found factors
 - Reputation
 - Long-term interaction
 - Stable financial performance
 - Internationalisation of operations
 - Strategic pricing
- Benefits of preferred customer status
 - Quality of products and innovation
 - Consistent quality delivery from supplier
 - Achieving nearly impossible objectives
 - Standardisation
 - Support in the improvement of quality
 - Increased supplier innovativeness
 - Increased tech input from supplier
 - Increased tech access
 - First in line for new innovations
 - o Support
 - Timely provision of information and availability
 - Adaption of supplier capacities to buyers needs
 - Partial acquisition of customer's activities
 - Access to best employees
 - Delivery reliability
 - Priority delivery during limitations
 - Quick delivery of missing components
 - o Price
 - One of the lowest market prices
 - Open for further price negotiations
 - New found benefits
 - The offering of additional services

- Exclusive access to development team
- Extension of payment terms

Papers from 2016

Main findings/important factors in (Franck, 2016):

- Drivers of customer attractiveness
 - Potential business opportunities (new markets)
 - Tight personal relationships
 - o Trustful and long term cooperation
 - Influence of company on the market
 - Purchase volumes
 - o Business history (new found)
 - Reputation (new found)
 - Brand name (new found)
 - Usefulness looking at diversification purposes (new found)
 - Drivers of supplier satisfaction
 - Early involvement
 - Joint efforts
 - o Growth opportunities
 - o Risk and conflict management
 - Information exchange
 - Supplier awarding and positive feedback (new found)
 - Local proximity (new found)
 - Special services offered by the buyer (new found)
- Drivers of preferred customer status
 - o Purchasing volumes
 - o Potential business opportunities
 - \circ \quad Long-term relationships based on trust and open and honest communication
 - Geographical proximity
 - Reliability of the relationship
 - Company size (new found)
 - Global nature of company (new found)
 - Special offers and services (new found)
 - Financial soundness (new found)
 - Supplier awards (new found)
 - Reputation (new found)
 - Brand name (new found)
 - Information exchange between partners (new found)
- Buyer status, buyer reputation and partner's strategic fit (new found)
 - Reputation has a positive influence from the buyer's looking at the awarding of preferred customer status
 The positive status reflects back on the supplier
 - Status of the firm has a positive impact on the PCS
 - Market status makes them more prestigious as customers
 - Strategic fit is important for the PCS
 - Development is aligned which is important
 - Similar cultures
 - Similar mentalities
- Benefits of PCS
 - o Supplier innovativeness
 - o Privileged treatment
 - Special services

Main findings/important factors in (Mastebroek, 2016):

- Drivers for customer attractiveness
 - Output factors
 - Margins
 - Tight personal relations
 - Behaviour
 - Price, volume, compatibility

- Network connections (new found)
- Payment behaviour (new found)
- Drivers for supplier satisfaction
 - Adherence to agreements
 - Operational excellence
 - o Profitability
 - Ordering on time (new found)
 - Nice personnel (new found)
- Drivers of PCS
 - Size is really important
 - Reputation, status and strategic fit
 - Reputation
 - Good reputation has to be paired with being known in the industry
 - Reputation is good for customer attractiveness
 - Reputation has no effect whether business will be done or not with the company
 - Status has an impact, but the impact is paired with the size of the company
 - Strategic alignment is a factor that is taken into account, but is not very influential
- Size is very important to gaining Preferred customership

Main findings/important factors in (Vegt, 2016):

- Antecedents of customer attractiveness
 - o Commitment
 - o Loyalty
 - Honesty
 - o Price
 - Company size
 - Compatibility
 - Tight personal relations
 - o Margins
 - Reputation
 - Brand name (new found)
 - Procurement policy (new found)
 - Important customer (new found)
- Antecedents of supplier satisfaction
 - Communication
 - Payment habits
 - Forecasting
 - o Supplier development
 - o Reliability
 - Business competence
 - o Trust
 - Supplier involvement
 - Cooperative relationships
 - Added value of buyer towards supplier (new found)
 - Nice to work with buyer (new found)
- Drivers of PCS
 - Strong bonds
 - Long-term contracts
 - o Profitability
 - Importance of a company to a supplier (new found)
- Benefits of PCS
 - o Privileged treatment
 - o Short delivery times
 - Lower prices
 - Joint development
 - o Access to new tech
 - o Customization
 - o Support
- Buyer reputation, the higher, the higher the PCS chance
- Buyer status (one company disagrees)

- Positive and negative associations
- History has an influence on status
- Popularity
- Strategic fit is essential for PCS
 - Same overall goals
 - Capabilities fit to support
 - Trust leads to better strategic fit
- Specific influence of status, reputation and strategic fit is hard to measure. Influence is there, but it is not clear how much influence it has

Main findings/important factors in (Voortman, 2016):

- Benefits of PCS
 - Extra services by supplier
- In this paper it was impossible to gain PCS in the market because of
 - Depending on a lot of customers instead of a few important ones
- Not in every market segment achieving PCS is possible
 - Most important antecedent of PCS is the scarcity of the resource and the attractiveness of a customer

Papers from 2017

Main findings/important factors in (Lücker, 2017):

- Supplier satisfaction is important to gain a competitive advantage
 - Antecedents of supplier satisfaction
 - Relational behaviour
 - Profitability
 - Operative excellence
 - Early integration in planning (new found)
- The Kraljix matrix has a direct impact on supplier satisfaction (or any other market segmentation method)
 This is since it is useful for buyers to have the right strategies for every supplier
- Customer portfolio analysis has an indirect impact on supplier satisfaction
 - o It has an influence because it determines the investment in the relationships and the type of relationships
- Buyer status has no effect on supplier satisfaction (when market share is not high it does not really do anything good for the supplier)
 - Not influencing the investment into a relationship and the type of relationship

Main findings/important factors in (Hegenberg, 2017):

- Antecedents of supplier satisfaction
 - Profitability (most influential)
 - o Relational behaviour (second most influential)
 - Transparency (demand forecasting for example)
- When looking at customer segmentation there is not a direct relationship with supplier satisfaction. However it does influence the gut feeling of a supplier which has an influence on supplier satisfaction
- The usage of the Kraljic matrix has no influence on supplier satisfaction. If there is a mismatch between perceptions the suppliers are still satisfied
 - Buyer status is very influential on customer attractiveness
 - Higher customer status helps with gaining new customers
 - When supplier status is high, customer status is less important
- Buyer status does not relate to supplier satisfaction but more on the received preferential treatment

Main findings/important factors in (Bockstette, 2017):

- Antecedents of supplier satisfaction
 - Relational behaviour (the most important antecedent)
 - Sustainability of the relationship
 - Long-term/long-lasting
 - Economic value of the relationship
 - Support

0

- o Reliability
- Involvement
- Supplier and customer segmentation has an indirect influence on supplier satisfaction as it influences the quality of the relationship

- It can negatively influence satisfaction if perceptions is not mutual/the same. This has to do with the 0 antecedent relational behaviour. If supplier or buyer power is used ineffectively it can have a negative impact
- A higher status increase the customer attractiveness. As engaging in a relationship seems more attractive
 - Indirect influence on supplier satisfaction since status influences the quality of the relationship 0
 - Direct influence on the received preferential treatment 0

Main findings/important factors in (Tucholka, 2017):

0

- Two groups of antecedents for supplier satisfactions were identified
 - Relational/communicational factors
 - Information sharing, early supplier involvement, forecasting/planning, openness, trust and feedback, and the effectiveness of interaction between buyers and suppliers
 - 0 Economic elements
 - . Profitability and business continuity, growth opportunity and capital-specific supplier development
- Customer segmentation has a positive influence on supplier satisfaction
 - Unless there is a misfit in perception
- The Kraljix matrix's segments and its strategy have a positive impact on supplier satisfaction Unless there is a misfit in perception 0

 - A clear connection between status and satisfaction cannot be confirmed however 0
 - It has an influence on customer attractiveness

Main findings/important factors in (Brüning, 2017):

- Antecedents of supplier satisfaction
 - 0 Profitability
 - 0 Payment habits
 - 0 Forecasting and planning
 - 0 Supplier involvement
 - Cooperative relationships 0
 - 0 Long-term contracts
 - 0 Growth opportunity
 - 0 Relational behaviour
 - Reaction 0
 - Time scheduling 0
 - Substantial volumes 0
- Even though customer segmentation was not used, the buyer was still preferred customer
- Kraljic matrix has an influence on supplier satisfaction
 - However, mutual perception is important 0
- Status is influenced by the popularity of the company
- Status is related to customer attractiveness
- However, not all companies share this opinion

Main findings/important factors in (Fischer, 2017):

- Antecedents of supplier satisfaction
 - Relational 0
 - Economic 0
 - Geographical 0
 - Customer segmentation and the Kraljic matrix has an influence on the PCS
 - The more important the customer/supplier is, the more likely they are to receive preferred 0 customer/supplier status
- High status goes paired with size
 - Because of this it is risky to engage in a relationship was big companies usually are less personal 0
 - 0 But can also increase the reach towards other customer when engaging in a company that has a high status
- Status does not seem to have an impact on supplier satisfaction
- Reciprocity is important and supersedes factors like segmentation
 - Even if the company is small of size, it can still be an important supplier

Papers from 2018

Main findings/important factors in (Seppenwoolde, 2018):

- Determinants of PCS
 - Loyalty
 - Profitability
 - o Turnover
 - Term of payment
- Positive relationship between an elaborated customer segmentation process and a higher level of business performance
- Suppliers have clear segmentation processes to finding and then awarding the preferential status to customers
 - The best segmentation process that was found was as follows
 - o 1. Location

0

- Size and industry
- 2. Product and brand-use status
- o 3. Customer capabilities
- o 4. Purchasing policies and criteria
- 5. Urgency of order fulfilment

Main findings/important factors in (Fitschen, 2018):

- Antecedents of supplier satisfaction
 - Good reputation of the customers
 - Economic elements
 - Growth opportunity
 - Profitability
 - Relational elements
 - Cooperative and relational collaboration
 - Long term commitment
 - Exclusive agreements
 - Sharing of internal information
 - Reaction to supplier requests
 - Extensive communication
- Antecedents of becoming preferred customer
 - Mutual communication improving cooperation
 - Long-standing pleasant partnership
 - o Trust and loyalty
 - A good status of the buyer
 - Good financial standing of the buyer
 - o Good payment morale
- Supplier and customer segmentation
 - When there is mutual perception of the Kraljic matrix for the supplier and customer it is good for the buyer supplier relationship
- Status of the buyer has an impact on customer attractiveness and indirectly influences supplier satisfaction and affects the preferential treatment
 - Buyer that is well-known can help get new customers
 - The high status is paired with the large size of the buyer
- Corporate culture does not have an impact on PCS
 - Does have an impact on the relationship. It can make it easier, or hinder the development of the relationship

Main findings/important factors in (Kunde, 2018):

- Antecedents of customer attractiveness
 - o Relational behaviour
 - o Growth opportunity
 - o Reliability
 - Operative excellence
- Antecedents of supplier satisfaction
 - o Support of supplier
 - o Growth opportunity
 - o Operative excellence

- Supplier involvement
- Relational behaviour
- Benefits of preferred customer status
 - Support
 - Delivery reliability
 - Costs
 - o Price
 - Invitations for events (new found)
- Similar corporate cultures have a positive relationship on customer attractiveness and supplier satisfaction which leads to preferred customer status

Papers from 2019

Main findings/important factors in (Jazbek, 2019):

- 3 out of 6 negotiation behaviours were found in the companies
 - Collaboration, compromise and soft competition
- There is a positive relationship between supplier satisfaction and the use of integrative negotiation behaviour
- No negative relationship between the usage of distributive negotiation behaviour and supplier satisfaction. Supplier are more satisfied with an integrative negotiation process
- It is important to have a long-term buyer supplier relationship as well as openness and trust between partners

Main findings/important factors in (Phan, 2019):

- Most important antecedents of preferred customership are relational behaviour and growth opportunity
- It is important to take culture into account when engaging in a buyer supplier relationship when the companies are from different cultures