

Antecedents and Benefits of the Preferred Customer Status and their Shift during a Crisis – a Case Study with three Companies and their Suppliers during COVID-19

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ABSTRACT,

In recent years, the concept of the preferred customer status gained increasing attention. It implies that buying companies receive preferential treatment by suppliers if they offer higher satisfaction than its competition. This preferential treatment results in a variety of competitive advantages. One of the main advantages is the preferred resource allocation, which is vital during supply shortages and bottlenecks due to constrains in production capacities. Multiple events in 2011 highlighted the importance of it. This case study analyzed buyer-supplier relationships of three companies in two different industry setting. Antecedents and benefits of the preferred customer status found in practice support current literature. The importance of the market position of a customer has been found, which received so far little recognition in literature. Further new benefits, such as supplier visits and fulfillment of extra wishes were found. Moreover, this study investigated a possible shift in the antecedents during the COVID-19 pandemic. Profitability, operational excellence, relational behavior and reliability are increasingly valued from the suppliers' side. Having such uncertain circumstances highlighted the need for close collaboration and communication. Suppliers value continuity, reliability, and flexibility as most important during this period in the cooperation.

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Keywords

Preferred customer status, customer attractiveness, supplier satisfaction, buyer-supplier relationship, preferential treatment, antecedents, benefits, crises, Covid-19, case study

1. INTRODUCTION

Up to now, there has been a focus on customer satisfaction, as suppliers seek to be attractive to buyers in order to successfully sell their services or products (Schiele, Calvi, & Gibbert, 2012, p. 1178). Oligopolistic market structures and changes in the supply chain lead to a shift away from the traditional approach (Schiele et al., 2012; Schiele, Ellis, Eßig, Henke, & Kull, 2015, p. 132). Schiele et al. (2015, p. 132) argue that firstly increasing assigned responsibility to suppliers is observable by shifting from closed to open innovation (Schiele, 2012, p. 44; Schiele & Vos, 2015, pp. 139-140) And “due to the growing reliance on collaborative NPD [...] there is a growing need for closer buyer-supplier ties”(Schiele & Vos, 2015, p. 140). Secondly, supplier scarcity in the business-to-business markets led to a decline in supplier availability, hence increasing the dependence on fewer suppliers (Nollet, Rebolledo, & Popel, 2012, p. 1186; Schiele et al., 2015, p. 132). This supplier scarcity is further increasing through crises. In 2011 during the “Arab Spring”, the flood in Thailand and the tsunami in Japan suppliers had to choose who would acquire the remaining stocks (Schiele et al., 2012, p. 1179). For a buying firm to make sure that they are still getting the resource, the achievement of the preferred customer status is crucial. Steinle and Schiele (2008, p. 11) argue that a firm has this status with a supplier “if the supplier offers the buyer preferential resource allocation”. In the business world resources are limited and therefore customers who are strategically more critical are treated differently (Bemelmans, Voordijk, Vos, & Dewulf, 2015, p. 179). Particularly in situations when overall demand exceeds supply being preferred customers is valuable for the buying firm (Nollet et al., 2012, p. 1186). Besides, collaboration with suppliers can enhance the buying firms' performance (Pulles, Schiele, Veldman, & Hüttinger, 2016, p. 129), since suppliers can provide ideas, materials and capabilities (Koufteros, Vickery, & Droge, 2012, p. 96). This privileged access creates a competitive advantage (Hüttinger, Schiele, & Veldman, 2012, p. 1994).

The concept around the preferred customer status has gained more attention throughout the last years in the academic literature. The importance of suppliers' satisfaction has been acknowledged, but the antecedents and benefits of the preferred customer status still lack practical evidence. Therefore, the aim of this paper is to apply the concept of the preferred customer status in a case study to get a more practical perspective.

Moreover, Krause and Ellram (2014, p. 191) point out that although buyer-supplier relationships have been extensively covered in literature, how they perform under the conditions of severe stress, is missing. The current COVID-19 pandemic causes stressful conditions for buyers and suppliers. It highlights the urgency to understand the antecedents of supplier satisfaction in order to receive benefits, such as preferred resource allocation due to constraints in production capacities. Since little research examined the buyer-supplier relationships during crisis, this study also aims to explore if the antecedents and benefits of the preferred customer status vary during a crisis using the example of COVID-19.

These objectives lead to the following research question:

RQ: What are the antecedents and benefits of the preferred customer status of the case companies and how do they shift during the COVID-19 pandemic?

In the scope of this study, interviews with three companies P1, P2 and P3 were conducted. Additionally, S1, one supplier of P1, and S2 one suppliers of P2 were interviewed. Antecedents and drivers of customer attractions, supplier satisfaction and the preferred customer status for the companies with their suppliers

will be identified. Furthermore, it will be explored whether crises might influence these antecedents by looking at the current COVID-19 pandemic. It will be further outlined which benefits the case companies receive as consequences of satisfying their suppliers or even achieving preferred customer status with them.

Answering this research question will result in a theoretical and practical contribution. Theoretically, it will build further upon the research of Hüttinger et al. (2012); Vos, Schiele, and Hüttinger (2016) and Schiele et al. (2012), who explored the antecedents and benefits of the preferred customer status, by adding a new component of being in a crisis. As a practical contribution this paper will investigate whether previous findings of antecedents and benefits of the preferred customer status can be supported or disproved by practical findings of this case study.

To answer this research question at first, in section two, existing literature revolving around the concepts of supplier attraction, supplier's satisfaction and preferred customer status will be introduced. Then it will be further elaborated on how buying firms can achieve the preferred customer status and its antecedents and benefits. Next, buyer-supplier relationships will be investigated in the context of crises. Based on the reviewed literature, a framework will be proposed, which explains the possible shift in the antecedents. Specific antecedents are assumed to be more valued, and others are less valued in such a context. This is followed by section four, the methodology, which includes the research design and data collection. In the fifth section, the results from the interviews with the buyers and the supplier will be presented and analyzed. These findings will be further elaborated in section five in a discussion and compared to the current literature. Finally, a conclusion from all findings can be drawn. In a first step, relevant literature will be reviewed in the following section.

2. LITERATURE REVIEW

2.1 Customer attraction and supplier satisfaction as antecedents to the preferred customer status

2.1.1 The preferred customer status and its origin

The expression ‘preferred customer status’ first got attention by (Hottenstein, 1970, p. 46), where he mentioned that businesses developed preferred customer lists based on expectations or previous orders. In later research Williamson (1991, pp. 79,81) resumes the issue by stating that suppliers serve the needs of preferred customers first, as they are important in supplier's eyes. So “buyers are attempting to obtain [...] first preference relative to other customers in an unknown future supply situation” (Williamson, 1991, p. 79). This relationship can be established through long-term contracts. Regular customers on the other hand are “forced to wait in line” (Williamson, 1991, p. 81). Leenders and Blenkhorn (1988, p. 180) build upon the concept of “reverse marketing”, introducing a new buyer-supplier relationship with the focus on suppliers' development. Reversing the traditional roles of the relationship, having the buyer attempting to convince the supplier to provide, thus fulfilling their needs (Blenkhorn & Banting, 1991, p. 187). The idea again received more attention and was referred to as ‘interesting customer’, (Christiansen & Maltz, 2002, p. 178) and ‘customer of choice’, which is defined as “[...] a company that consistently receives competitive preferences for scarce resources from a critical mass of suppliers”(Bew, 2007, p. 1). Nowadays dynamic changes in the buyer-supplier relationship increased dependency of the buying firm, having the purchaser to ‘sell’ their company to potential suppliers (Nollet et al., 2012, pp. 1186, 1187).

Due to changes in the competitive landscape from a firm-level to a supply chain-level having the ‘best value supply chains’ is crucial in order to be able to exploit its resource, to solve problems and generate opportunities (Hüttinger, Schiele, & Schröder, 2014, p. 1266). To successfully achieve the preferred customer status and thus being able to generate a competitive advantage, its antecedents have to be understood (Hüttinger et al., 2014, p. 697).

2.1.2 The cycle of preferred customer ship based on the social exchange theory

The concepts of customer attraction and supplier satisfaction play a significant role in achieving the preferred customer status (Pulles et al., 2016, p. 129). Based on the Social Exchange Theory (SET) Schiele et al. (2012, p. 1180) introduced an overachieving framework linking all three concepts in the “cycle of preferred customership” (see Fig. 1.) The SET describes relational interdependence between resource exchange partners, thus can be applied to a buyer-supplier relationship (Schiele et al., 2012, p. 1180). These relationships develop over time through continual interactions, in which resources as relational benefits are received (Pulles et al., 2016, p. 131). An underlying assumption of the SET is “the notion of reciprocity, which entails that the more a supplier perceives its expectations to be fulfilled (i.e., satisfaction), the more the same supplier reciprocates these feeling by making relational investments” (Glavee-Geo, 2019, p. 2; Vos et al., 2016, p. 4615). The SET builds upon three core elements: the expectations (E), the comparison level (CL) and the comparison level of alternatives (CL_{alt}) (Hüttinger et al., 2014, p. 698).

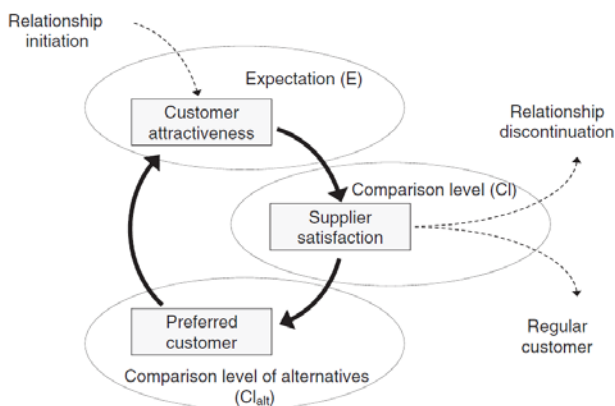


Fig. 1: The cycle of preferred customership (Schiele et al., 2012, p. 1180)

The cycle of preferred customership (see Fig. 1) illustrates that customer attractiveness, supplier satisfaction and the preferred customer status determine whether buying firms receive preferential treatment. This cycle has been extended in later research by the stages of supplier resource mobilization, which includes the effort from the buyers' side to influence the resource allocation from the suppliers (Pulles, Ellegaard, Schiele, & Kragh, 2019, pp. 1,3).

In order for a supplier to engage in a business relationship with a buyer, it needs to be considered sufficiently attractive (Schiele et al., 2012, p. 1179). Mortensen (2012, p. 1216) argues that attraction is the basis for the establishment and development of a relationship. The future value expected to be received is an indicator of the attractiveness (Pulles et al., 2016, p. 137). The “higher the expected value, the more motivated the supplier will be to accept an initial exchange” (Nollet et al., 2012, p. 1188). Thus, a customer is deemed attractive if the supplier has a positive expectation towards the future relationship. The requirement for this perception is that the supplier is aware of the

customer’s existence and its needs (Schiele et al., 2012, p. 1180). Hence, the expectations of the supplier are determined by the customer attractiveness and impact the decision on whether to initiate or further intensify the relationship (Hüttinger et al., 2014, p. 698; Schiele et al., 2012, p. 1180).

According to the SET, the performance of the exchange will be evaluated with regards to the suppliers' previously determined expectations (Hüttinger et al., 2014, p. 698). Once the expectations of the supplier are met or exceed by the customer, the outcome of supplier satisfaction is achieved (Schiele et al., 2012, p. 1181). Essig and Amann (2009, p. 103) defined supplier satisfaction as “[...] a supplier’s feeling of fairness with regard to buyer’s incentives and supplier’s contribution within an industrial buyer-seller relationship”. The perceived value during the relationship determines how satisfied the supplier will be (Pulles et al., 2016, p. 137). Supplier satisfaction increases the likelihood of having access to preferential resource allocation (Baxter, 2012, p. 1249). If a customer offers compared to alternative customers greater benefits, he/she will be rewarded with the preferred customer status (Nollet et al., 2012, p. 1188). The SET suggests that this decision is based on the comparison level of alternatives (Hüttinger et al., 2014, p. 698). Remaining customers will be assigned a regular status. If however the suppliers experience some dissatisfaction with the customer and the relationship does not surpass a minimum comparison level (CL_{alt}) the relationship will be terminated (Schiele et al., 2012, p. 1181). Therefore both concept customer attraction and supplier satisfaction have to be assessed differently, even though they are closely linked (Hüttinger et al., 2012, p. 1198). Hence, only if customers are perceived as attractive and provide higher supplier satisfaction than alternative customers, they will be rewarded with the preferred customer status (Schiele et al., 2012, p. 1181).

Empirical studies (Pulles et al., 2016, p. 137; Vos et al., 2016, p. 4621) showed that customer attractiveness and supplier satisfaction and the preferred customer status have a positive effect on privileged treatment. Hence the antecedents, and driver of the three elements will be explored in the following sections.

2.1.3 Customer Attraction and its antecedents: growth opportunity, operational excellence, relational behavior and geographic proximity

Attraction can elucidate why parties initiate a relationship, the underlying motivation and its future development (Mortensen, 2012, p. 1206). Baxter (2012, p. 1255) showed that suppliers offer different services and treatments based on a customer’s attractiveness. In early research Fiocca (1982, p. 57) classified factors into five categories that make customers attractive: (1) competition, (2) financial and economic, (3) market, (4) technological, and (5) sociopolitical factors. Ellegaard, Johansen, and Drejer (2003, p. 346) shifted from these fact and company-based factors to a more relationship-oriented perspective assessing and managing customer attractiveness. They concluded that one of the main issues with customer attractiveness is its measurement (Ellegaard et al., 2003, p. 355). Ramsay and Wagner (2009, p. 128) measured customer attractiveness by supplier value, which derives from characteristics of the buying firm, which are perceived as valuable from the supplier’s side. The higher the value received, the more attractive the supplier will be considered, either by being chosen as a customer or by favorable treatment (Ramsay & Wagner, 2009, p. 129). Several factors have been identified as sources of supplier value as finance, efficiency, overall trading relations and communication, ethical behavior, risk and uncertainty, technology, market linkages and corporate image (Ramsay & Wagner, 2009, p. 130). Baxter (2012, p. 1255) highlights in his study the importance of financial attractiveness

and its impact on preferential treatment, which is mediated by supplier satisfaction and commitment.

Hüttinger et al. (2012, p. 1203) identified in her peer literature review market growth, risk, technological economic and social factors as drivers of customer attraction. Two years later in a mixed-methods approach, Hüttinger et al. (2014) identified among eight antecedents: growth opportunity, operative excellence, relational behavior, innovational potential, reliability, support of supplier, supplier involvement, and contact accessibility, the first three as having a statistically significant influence on customer attractiveness.

Having a growing customer increases their attractiveness as well as the supplier's satisfaction (Hald, Cordón, & Vollmann, 2009, p. 964) since they offer the ability to grow together and generate potential business opportunities (Hüttinger et al., 2014, p. 703). Additional customer attractiveness is increased through relationships that offer access to new customers in new markets (Christiansen & Maltz, 2002, p. 188; Hald et al., 2009, p. 964; Ramsay & Wagner, 2009, p. 131). Lastly, growth potential can also be determined by the purchasing volume (Steinle & Schiele, 2008, p. 11). Operative excellence has been defined by Hüttinger et al. (2014, p. 703) as "the supplier's perception that the buying firm's operations are handled in a sorrow and efficient way". It is further enhanced if the buying company can reliably forecast and ensure planning reliability for its suppliers (Hüttinger et al., 2014, p. 718). Next, relational behavior is argued to enhance customer attractiveness, which is characterized by mutual trust, commitment to the partnerships and loyalty (Blonska, 2010, p. 40; Moody, 1992, p. 80; Williamson, 1991, p. 80). Tight-personal relationships, effective communication and information exchange play an essential role in determining a customer's attractiveness (Christiansen & Maltz, 2002, p. 193; Ellegaard et al., 2003, p. 354; Moody, 1992, p. 52; Nollet et al., 2012, p. 1990). Hüttinger et al. (2014, p. 718) also argue that openness and problem-solving abilities are essential aspects. Research by Steinle and Schiele (2008, p. 5) added a new variable and suggested that collaborative development is favored by geographical and cultural proximity.

2.1.4 Supplier satisfaction its antecedents: growth opportunities, profitability, relational behavior as first-tier and reliability, innovation potential, support, involvement and contact accessibility as second-tier antecedents

Wong (2000, p. 427) first acknowledge the importance of suppliers' satisfaction in a buyer-supplier relationship (Hüttinger et al., 2012, p. 1198). Since suppliers can "provide resources such as ideas, capabilities, and materials that build competitive advantages that might not be achieved otherwise, it plays a crucial role in the resource allocation" (Pulles et al., 2016, p. 129). Therefore researchers increasingly try to measure supplier satisfaction, as with a supplier satisfaction index, dividing satisfaction at the strategic, operational and accompanying level (Essig & Amann, 2009, p. 106). Meena, Sarmah, and Sinha (2012, p. 64) developed a conceptual model in which purchasing policy, finance/payment policy, coordination policy and corporate image influence supplier satisfaction. Most recently Hudnurkar and Ambekar (2019, p. 1478) developed a multi-criteria decision model (MCDM) to measure suppliers' satisfaction and further validate the supplier satisfaction index (SSI) model. The study resulted in five factors support, quality management, delivery and receipt of material, price and payment terms, delivery and receipt of material, and relationships. Those can be measured by 35 KPIs, which determine supplier satisfaction (Hudnurkar & Ambekar, 2019, p. 1487).

Hüttinger et al. (2014) identified that supplier satisfaction is influenced by growth opportunity, reliability and relational behavior. Innovation potential, operative excellence, support, supplier involvement had no significant impact within their sample group.

Vos et al. (2016, p. 4614) build upon the research of Hüttinger et al. (2014) by adding profitability as an unexplored new antecedent and distinguishing between first-tier and second-tier antecedents of supplier satisfaction. They concluded relational behavior, growth opportunity and profitability are antecedents of supplier satisfaction irrespectively of direct or indirect procurement. Relational behavior is only relevant in the context of direct procurement (Vos et al., 2016, p. 4621). Innovation potential, support, reliability, involvement and contact accessibility are second-tier antecedents, therefore having an indirect impact on supplier satisfaction (Vos et al., 2016, p. 4620). In accordance with other researchers they stress the importance of relational factors such as being reliable, operationally excellent and demonstrating good relational behavior compared to economic factors (Vos et al., 2016, p. 4621).

Contact accessibility, to have as the supplier a close contact person in the buying firm, positively influences operational excellence, and thus supplier satisfaction (Hüttinger et al., 2014, p. 718; Vos et al., 2016, p. 4620). Reliability is about the consistent fulfillment of implicit and explicit promises (Ellis, Henke, & Kull, 2012, p. 1265), adherence to agreements and acting in a reliable manner from the buyer's side (Hald et al., 2009, p. 965). Reliability is further influenced by fairness in dealings and transparency (Hüttinger et al., 2014, p. 718). Next, innovation potential has been identified as a second-tier antecedent. Several researchers argue that joint innovation projects, in which suppliers are involved in product developments enhance supplier satisfaction (Christiansen & Maltz, 2002, pp. 179,191; Ellis et al., 2012, p. 1265; Hüttinger et al., 2014, p. 718; Moody, 1992, p. 52). Suppliers' value increases if buyers share their know-how (Nollet et al., 2012) and allow suppliers to generate innovations through the buying firms' innovation capabilities (Hüttinger et al., 2014, p. 703). Further, their satisfaction is also increased by the buying firms' willingness to allow supplier suggestions for improvement (Essig & Amann, 2009, p. 106; Wong, 2000, p. 429).

An overview of the first-tier and second tier antecedents of customer attraction, supplier satisfaction and thus the preferred customer status can be found in appendix A, table 1.

Through the previously discussed antecedents, buying firms can be awarded with the preferred customer status. The buying company will receive different benefits, which will be explored in the next section.

2.2 Benefits of preferred customer status

Being awarded with the preferred customer status by suppliers can lead to a competitive advantage for the buying firm (Schiele et al., 2012, p. 1178; Schiele, Veldman, & Hüttinger, 2011, p. 18). This advantage derives from different benefits received due to preferential treatment. The pyramid of benefits (see fig. 2) visualizes how these benefits are exclusive to a smaller proportion of customers, which are awarded with the preferred customer status. Little preferred customers receive benefits which are not accessible to all customer, but they must pay. And at the lowest level of the pyramid, are benefits for all customers are available, but not for free.



Fig. 2: Pyramid of Benefits

These 'preferred' benefits can be distinguished into financial, technological, economic and interactional benefits, which will be presented in the following subsections. An overview of the benefits can be found in Appendix A, table 2.

2.2.1 Financial benefits

Blenkhorn and Banting (1991, p. 188) were among the first researcher to acknowledge that potential price savings up to 30 percent are common when adopting reserve marketing successfully. Accordingly, to a survey conducted by Bew (2007, p. 2), these additional cost savings range between 2 to 4% off the company's total spending.

Benevolent pricing behavior and costs saving have been identified as financial benefits as a consequence of being awarded with the preferred customer status (Bew, 2007, p. 2; Moody, 1992, p. 57; Schiele et al., 2011, p. 15). Several authors point out a power disequilibrium based on a buyers' dependency on innovative suppliers, which would have a negative effect on benevolent pricing behavior (Schiele et al., 2011, pp. 3,7). Schiele et al. (2011, p. 16) argue that suppliers are unlikely to engage in opportunistic pricing behavior and favorable pricing behavior is rather the outcome of the preferred customer status. Suppliers tend to offer lower purchasing prices. Besides, suppliers add value for the buying firms by the improvement of operational and acquisition costs (Nollet et al., 2012, p. 1187; Ulaga, 2003, p. 689). Nollet et al. (2012, p. 1187) further concluded that in future price negotiation, suppliers are more receptive and offer the lowest prices in the market.

2.2.2 Operational benefits

Having the preferred customer status ensures a privileged treatment concerning resource allocation, which can be crucial if bottlenecks occur, due to constraints in production capacities (Bew, 2007, pp. 1,2; Nollet et al., 2012, p. 1187; Schiele et al., 2012, p. 1178; Steinle & Schiele, 2008, p. 11). Efficiency can be increased through reduced lead time (Christiansen & Maltz, 2002, p. 182) and decreased cycle times since time-to-market is increasingly important (Ulaga, 2003, p. 685). Enhanced delivery reliability also derives from the preferred customer status (Nollet et al., 2012, p. 1187). Meeting delivery schedules, such as on-time delivery, as well as delivery flexibility are highly valued for the buying company (Ulaga, 2003, p. 684). Suppliers are also more likely to locate warehouses or safety stock close to the buying firms' facilities (Nollet et al., 2012, p. 1187).

2.2.3 Innovative and quality benefits

The preferred customer status is positively affecting a buying firm's innovation level (Baxter, 2012, p. 1250; Schiele et al., 2012, p. 1178). It is increasing a suppliers' goodwill to share new technology, products and service ideas first (Bew, 2007, p. 2; Ellis et al., 2012, pp. 1259,1265), engage in joint projects (Schiele & Vos, 2015, p. 144) and the customers access to important resources from the supplier (Hald, 2012, p. 1128). Suppliers offer innovation and are willing to enter into exclusive agreements (Steinle & Schiele, 2008, p. 11). As a result of the

supplier's commitment, suppliers give their input for new product developments (Baxter, 2012, p. 1252). Such suppliers' involvement enhances product quality (Primo & Amundson, 2002, p. 49), which results in consistent quality levels (Nollet et al., 2012, p. 1187).

2.2.4 Interactional benefits

Lastly, the preferred customer status leads to interaction benefits. "A supplier may dedicate its best personnel" (Schiele et al., 2012, p. 1178) to foster collaboration with selected buying firms. Suppliers' availability and responsiveness are enhanced as well as increasing information sharing on a timely basis (Nollet et al., 2012, p. 1187). Christiansen and Maltz (2002, pp. 184, 187) further point out through is case studies, that being an 'interesting customer' leads to commitment trust and knowledge sharing.

2.3 Buyer-supplier relationships during crises

After elaborating the concept of the preferred customer status and its antecedents and benefits, buyer-supplier relationships will be explored in the context of crisis situations. To examine this, the current epidemic outbreak of COVID-19 will be used as an aid. Additionally, past crises will be explored and its impact for the antecedents.

2.3.1 Supply chain risk can be distinguished into operational and disruption risk

Heckmann, Comes, and Nickel (2015, p. 130) reviewed critically exiting literature on supply chain risk and defined it as the following: "Supply chain risk is the potential loss for a supply chain in terms of its target values of efficiency and effectiveness evoked by uncertain developments of supply chain characteristics whose changes were caused by the occurrence of triggering-events". Generally, supply chain risk can be distinguished into operational and disruption (catastrophic) risks (Singhal, Agarwal, & Mittal, 2011; Sodhi, Son, & Tang, 2012, p. 16; Tang, 2006, p. 453) whereby operational risks include day-to-day disturbances as demand fluctuation, supply yield, supply lead times, and supply costs uncertainties (Tang, 2006, pp. 453-454). Disruption risks, such as natural disasters, occur less frequently but have a higher impact (Ivanov, 2020, p. 1). Crises situations can be categorized as disruption risks. Epidemic outbreaks are one specific case of supply chain disruptions (Singhal et al., 2011, p. 16) and are characterized by a longer-term disruption that can scale unpredictable and over multiple geographic regions, simultaneous disruption propagation and disruptions in supply, demand and logistics infrastructure (Ivanov, 2020, pp. 2,9). These disruptions can lead to difficulties in supplying all customers, causing supply risks. Zsidisin (2003, p. 222) define supply risk as "the probability of an incident associated with inbound supply from individual supplier failures or the supply market occurring, in which its outcomes result in the inability of the purchasing firm to meet customer demand or cause threats to customer life and safety."

2.3.2 Natural disasters disrupted supply chains, which led to bottlenecks

Many industries, including the automobile industry, have highly integrated supply chains, in which manufacturing and sourcing are crossing national boundaries (Abe & Ye, 2013, p. 567). This allows firms the allocation of scarce resources more efficiently, but "[...] the global supply chains are also becoming more vulnerable to disaster risk" (Abe & Ye, 2013, p. 568). The COVID-19 pandemic poses such a risk, exposing the vulnerabilities of supply chains across many industries (Park, Kim, & Roth, 2020, p. 2). Abe and Ye (2013) examined the

impact of natural disasters on supply chains based on the earthquake in Japan and the floods in Thailand in 2011. These events caused significant supply-chain disruptions locally and globally. Among other consequences, logistics systems were unable to operate, hence affecting the mobility of raw materials, products and final products negatively (Abe & Ye, 2013, p. 573). The earthquake in Japan long-term impacted the automotive industry worldwide for three-month. The automotive industry is characterized by just-in-time practices, which resulted in critically low inventories (Abe & Ye, 2013, p. 573). During the floods in Thailand in 2011, automobile plants of Nissan and Toyota halted production, even if they were physically not damaged, but due to shortages in supplies (Abe & Ye, 2013, p. 575). Hobbs (2020, p. 5) argues that just-in-time supply chains are effective and efficient under normal circumstances but during a crisis vulnerable to short-run disruptions. This can be seen for personal protection equipment products (PEP) during COVID-19. Just-in-time systems are implemented worldwide for materials needed for PEP products, which are now insufficient in meeting the demand (Park et al., 2020, p. 2)

As explained above, 2011 showed multiple examples of events disrupting the supply chain. Schiele et al. (2012, p. 1179) argues that due to disruptions, suppliers are highly selective regarding which customers receive remaining resources and new supplies after production ramps up again. Hence, “in cases of uncertainty, suppliers first attend to their strategically important preferred customers and only subsequently conduct business with their regular customers” (Schiele et al., 2012, p. 1179). Therefore, during crises buying firms need to understand what is valued by suppliers and how they can achieve the preferred customer status in order to receive supplies in bottleneck situations. Or they if they are already preferred customers, how they need to adapt to suppliers’ changing needs in order to keep the status.

2.3.3 Social exchange theory and crisis management

As previously mentioned, can the social exchange theory be used to explain buyer-supplier relationships. Cortez and Johnston (2020, p. 126) suggest that an abrupt crisis can be managed from a perspective of ties rooted in SET (Blau, 1964). Individuals enter and maintain a relationship to obtain a positive net value, meaning rewards exceed the costs. Thus buyer-seller relationships with such a positive net value adjust better to changing environmental demands, as it is necessary during a crisis (Cortez & Johnston, 2020, p. 126).

2.3.4 Shifts in the dynamic of buyer-supplier relationships during the economic crisis

Krause and Ellram (2014) studied the effect of the economic crisis, to explore dynamic shifts in buyer-supplier relationships. In their research a high mutual dependence characterized all buyer-supplier relations prior to the crisis (Krause & Ellram, 2014, p. 198). The researchers found out that the downturn has been severe for all case companies leading both suppliers and buyers to focus on key relationships. Sales revenue reduced, so suppliers’ financial viability became their immediate priority. Firstly, buying firms focused internally on their own survival. Secondly, suppliers were more dependent on the business of the buying firms, thus putting the them in a superior position. One of the participants stated that the power will shift back to the suppliers, therefore they do not want to take advantage of the suppliers by being in a more favorable position (Krause & Ellram, 2014, p. 200). Competitive priorities changed for the buying companies towards costs, or costs were deemed even more important than before. Still valuable, but secondary were priorities as quality and innovation. Most suppliers understood

the need for more cost-saving approaches by the buying companies, except one criticized that the buying company engaged in opportunistic behavior (Krause & Ellram, 2014, p. 199). Even though this highly interdependent relationship is characterized by commitment and stability, the economic crisis made it fragile. “ Thus, while there is a continuous need to make relational investments to demonstrate relationship commitment and interdependence, withdrawals from the relational investment account can be very costly, and be viewed very differently by the parties to the relationship, especially in an uncertain environment such as the downturn” (Krause & Ellram, 2014, p. 206). The other relationships got stronger and communication and contact have been increased (Krause & Ellram, 2014, p. 199). This study showed that during a crisis, some companies in relationships behave more cooperative and focus on mutual benefits, trust and commitment whereby other companies engage in competitive behavior to maximize their own individual outcomes (Krause & Ellram, 2014, p. 191).

2.3.5 The economic crisis caused liquidity problems and the termination of investment projects

Looking again at the economic crisis 2008-2009, buyers had to reduce costs without putting too much pressure on their suppliers who already had to deal with financial problems. Bankruptcy was often caused by a lack of cash flow since they received the payments often 60 to 120 days after the billing month. These payments terms are only sustainable for suppliers during a period of economic growth (Colin, Estampe, Allal-Chérif, & Maira, 2011, p. 861). Carlsson-Szlezak, Reeves, and Swartz (2020) also point out these liquidity and cash flow problems, which can result in capital and growth problems. Therefore Colin et al. (2011, p. 874) presented a “collaborative buyer” approach, which emphasis the importance of association and coordination instead of a systematically comparative approach as an anti-crisis solution.

The economic crisis in 2009 showed that Canadian supplier firms’ cost reduction activities got increased by 50% during the recession. Activities related to supplier development, new product development, innovation and continuous improvements were scaled down (Van Biesebroeck & Sturgeon, 2010, p. 14).

Paunov (2012, p. 24) explored the longer-term impact of the global financial crisis on firms’ investments in innovation. One out of four firms were forced to terminate innovation investment projects (Paunov, 2012, p. 25). The older the company is the higher is the probability of discontinuation of projects. Size on the other hand had no significant effect. Having access to public funding increases the continuation of innovation investments. Carlsson-Szlezak et al. (2020) also outlined how the already mentioned liquidity and cash flow problems hinder investments. The researchers support the findings from (Krause & Ellram, 2014, p. 199) that innovation is a secondary priority during uncertain times.

3. PROPOSITION OF RESEARCH MODEL TO EXPLAIN THE SHIFT IN ANTECEDENTS DURING COVID-19

It can be assumed that suppliers’ values in a buyer-supplier relationship change under such extreme situations and that therefore, the antecedents and benefits of the preferred customer status might vary during crisis situations. After exploring past crises and the current COVID-19 pandemic, the following research model “ Shift in the antecedents to the preferred customer status in the context of a crisis” (see Fig.3) regarding changes in the antecedents in the context of the crisis has been developed. The framework is based on previously reviewed

literature and on the model of Hüttinger et al. (2014) and Vos et al. (2016, p. 4620). Assumptions are based on literature of past crisis as well as the impact of the current COVID-19 pandemic. Profitability, operational excellence, relational behavior, reliability and geographic proximity are expected to be increasingly valued by suppliers. Growth opportunities and innovation potential on the other hand are expected to be less valued by suppliers. Strategic fit is expected to be not influenced by a crisis. This research model, which explains the shift of the antecedents for a crisis in general, will test the impact the COVID-19 pandemic had on individual companies.

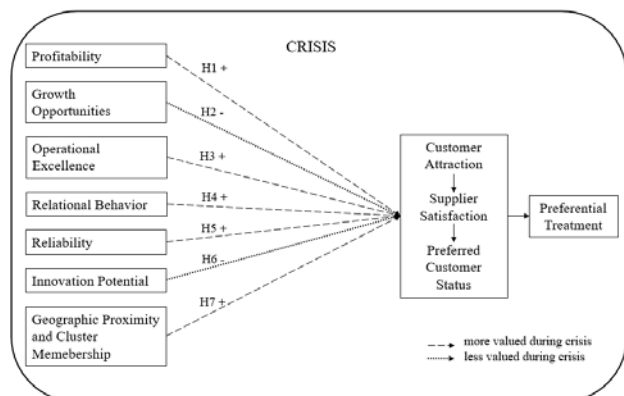


Fig. 3: Shift in the antecedents to the preferred customer status in the context of a crisis

Profitability: Sales revenue decreased during the economic crisis, so supplier financial viability became their immediate priority (Krause & Ellram, 2014, p. 200). Industries as the automotive industry, notice a decline in demand caused by COVID-19. Ralf Brandstätter, Chief Operation Officer of the Volkswagen Passenger Card brand said in March 2020: “The spread of the coronavirus in Europe is increasingly having an adverse impact on the demand situation” (Volkswagen Group, 2020). Since demand is uncertain and the turnover may be decreased for supplier, profitability, which is influenced by a buying firm’s purchasing volume, is increasingly important to ensure the suppliers own survival. To further support these assumptions, the hierarchy of needs by Maslow (1943) can be applied. He stated that “[...] the appearance of one need usually rests on the prior satisfaction of another, more pre-potent need” (Maslow, 1943, p. 370). Suppliers first need to fulfill their basic need for survival, which is ensured by profitability.

H1: Profitability is increasingly important during a crisis in order to achieve supplier satisfaction.

Growth opportunities: Growth opportunities on the other hand, might be less important since suppliers might suffer under supply chain disruption (Hobbs, 2020, pp. 1-2), thus having constraints in production capabilities and do not have the capacity to grow during such a period. This can be in terms of growing jointly in the relationship, or through access to new customers and markets.

H2: Growth opportunities have a less positive influence on supplier satisfaction during a crisis.

Operational excellence: The COVID-19 pandemic shows that demand is currently uncertain since durations and the extent of restrictions to prevent new infections are still unknowable. The demand for certain products has dramatically increased, and demand patterns for many consumer goods have become more difficult to predict (Khan, Jabbour, Mardani, & Wong, 2020). Demand-side shocks were noticeable in the food sector. Due to the anticipation of movement restrictions, consumers engaged in short-run panic buying behaviors (Hobbs, 2020, p. 2). For suppliers due to unreliable demand, it is crucial to get a reliable

forecast by buying companies to plan accordingly and not waste any resources. Contact accessibility, which also positively influenced operational excellence is assumed to be increased since both parties need to be in close contact to adjust quickly to the changing environment. Both parties are required to be flexible enough to adapt to changes in consumer demand immediately.

H3: Operational excellence, including demand reliability and contact accessibility are increasingly important during a crisis in order to achieve supplier satisfaction.

Relational behavior: Looking at relational factors, communication and information exchange are assumed to be increased in order to manage uncertainties that arise during a crisis. Servais and Jensen (2012) analyzed buyer-supplier relationships during the economic recession. They identified an indirect positive correlation between collaboration and customer satisfaction: “[...] although cooperation does not produce satisfaction [...], cooperation may reduce the prevalence of conflict and build trust, thereby increasing satisfaction” (Servais & Jensen, 2012, p. 26). Even though this research addresses customer satisfaction, it can also be assumed that in a reversed perspective, cooperation, which increases trust and reduces conflicts, also positively affects supplier satisfaction in periods of crises. Hobbs (2020, p. 5) further supports this assumption: “Collaborative buyer-seller relationships build trust among supply chain partners and flexibility in responding to unexpected shifts in demand or unanticipated supply disruptions.” (Hobbs, 2020, p. 5)

H4: Relational factors, including trust, commitment, information exchange, and communication increase supplier satisfaction more during a crisis.

Reliability: Reliability is about acting in a consistent and reliable manner, as well as adherence to contracts and agreements (Hüttinger et al., 2014, p. 703). Since suppliers depend on the buying companies (Krause & Ellram, 2014, p. 198) is it especially crucial that they can rely on the buying companies during a crisis. It is vital that buyers comply with payment terms because suppliers depend on them to ensure their own financial stability and survival. Additionally, Matopoulos, Didonet, Tsanasidis, and Fearn (2019, p. 9) suggest “[...] that (even) in times of crisis suppliers who perceive themselves to be fairly treated by their customers will devote additional resources to ‘go the extra mile’ for the benefit of both partners in the trading relationship”.

H5: Reliability, which goes along with contract compliance and fairness in dealings are increasingly important during a crisis in order to achieve supplier satisfaction.

Innovation potential: As observed in the economic crisis, innovation investments and projects got terminated or postponed (Paunov, 2012, p. 24; Van Biesebroeck & Sturgeon, 2010, p. 14). This can be often due to liquidity problems which are more likely during a crisis (Carlsson-Szlezak et al., 2020). Further enhanced through the increased demand uncertainty, costs needs to be reduced and innovation projects “with no direct importance for current activities” are likely to be cut (Paunov, 2012, p. 27). Joint innovation effort and supplier involvement may still be valued, but of secondary importance during a crisis (Krause & Ellram, 2014, p. 199). This assumption can be also further support by the hierarchy of need by Maslow (1943, p. 370). Since innovation potential is of secondary importance in critical circumstances and is only relevant after satisfying fundamental needs.

H6: Innovation potential has less positive influence on supplier satisfaction during a crisis.

Geographic proximity: Steinle and Schiele (2008, p. 3) argue that “achieving the preferred customer status is easier for firms located in the same regional or national cluster than it is for foreign firms attempting to access a remote supplier”. In response to the COVID-19 pandemic many members of the European Union announced restrictions to transportation (European Commission, 2020). Almost 80% of the international trade is carried by sea; thus containment policies profoundly negatively impact the operations (Heiland & Ulltveit-Moe, 2020). Further, transport and shipping constraints are caused by roadblocks and quarantine measures, a lower availability of freight and transportation containers and reduced workforce capabilities hinder transportations (Park et al., 2020, p. 3). Different industries experienced disruptions in transportation and supply networks (Hobbs, 2020, pp. 1-2). This can lead to complications to comply with lead times and deliveries. Therefore, the assumption can be made that during periods of crisis, geographic proximity is increasingly essential.

H7: Geographic proximity is increasingly important during a

In the following section the choice of data collection and alternative methods will be discussed. The collected data will be applied to the proposed research model in a later step.

4. METHODOLOGY: QUALITATIVE DATA COLLECTION

As the research design, in order to answer the research question, a qualitative approach has been chosen. This way of data collection is explorative in its nature and helps to gain in comparison to a quantitative approach, an understanding of underlying opinions, reasons, feelings and motivations. (Almalki, 2016, p. 291). Due to a smaller sample, the findings cannot be generalized (Rahman, 2017, p. 105) but can contribute to whether they support or contradict previous findings in the existing literature.

Focus groups are discussions on a topic, which are guided, monitored and recorded by a researcher and allow to generate a deeper and richer understanding of participants’ beliefs and experience. They provide in-depth insights, but no numerical and quantifiable results. (Gill, Stewart, Treasure, & Chadwick, 2008, p. 293). Another limitation is that participants might not share negative attitudes in a group-setting due to the concern about social disapproval (Folch-Lyon & Trost, 1981, p. 445). Since participants would discuss a topic, which might include confidential data, which they cannot or not wish to share openly with the other participants, focus groups are not an appropriate technique in this research (Gill et al., 2008, p. 293). Additionally, being in a group setting makes it more difficult to ask follow up questions to specific individuals to seek clarification, confirmation or re-interpretation of what has been said (Watts & Ebbutt, 1987, p. 30).

Thus, the chosen technique for the data collection is interviews, which will be held via an online telecommunication platform. Due to external circumstances, COVID-19, face-to-face interviews are not possible. This kind of data collection is obtrusive since the subjects are aware of them being studied. Furthermore, semi-structured interviews will be conducted, based on a prior to this study developed questionnaire. In comparison to structured interviews they are less limited and allow more in-depth answers. Unstructured interviews on the other hand offer little guidance and can be quite time-consuming. A semi-structured interview provides through its key questions guidance, but also its flexibility still allows the elaboration of new information more in detail. (Gill et al., 2008, p. 291). Drawbacks of the one-on-one in-depth interviews are that they are quite time-consuming and that participants might respond

biased since they want to portray themselves or the company they are representing in a better/different light (Boyce & Neale, 2006, p. 3).

Two questionnaires were developed, one for the purchasers with 13 key questions in total (see Appendix B, table 3) and one for the suppliers with 12 key questions (see Appendix B, table 4) in total. Both questionnaires consist of three parts. After some general question to start the interview, the first section focuses on the classification of the buyer or supplier. They are followed by the benefits which are received from their relationships. The third part investigates antecedents, which lead to the preferred customer status and whether these changed during the crisis of COVID-19. All questions are open-ended to allow the interviewee to answer more detailed and elaborate on their own experience.

This study collaborated with three companies in two different industries with two medium-sized and one large-sized company. From each company, one representative is interviewed. In addition, from two companies one important strategic supplier is interviewed. The buying companies selected the supplier under the assumption that the buying companies receive preferential treatment for it. All interviews were conducted in a one-on-one setting.

The transcriptions from all interviews can be found in Appendix E. Data collected from the interviews will be presented as mini cases as well as frequency tables with keywords will be created.

The following table shows an overview of the conducted interviews.

Case Company	Purchaser	Supplier
A	P1	S1
B	P2	S2
C	P3	-

Table 5: Overview of interviews

5. ANALYSIS AND RESULTS

5.1 Company Introductions

Left out due to confidentiality.

An overview of all interviewees, buying companies and the suppliers, with descriptions can be found in Appendix C.

5.2 Findings Case A:

5.2.1 P1 (Buyer 1)

5.2.1.1 Buyer- supplier relationships

The company develops collections themselves and suppliers produce these exclusively for the company. “This is a one-to-one relationship, which we take care of”. Due to the nature of the products, alternative sourcing is not easy, and they are closely tied to their suppliers in partnerships. P1 uses ABC analysis to segment their suppliers. 60-70 close partners of their 250 suppliers make up around 80% of their purchase volume. Additionally, they rate their suppliers accordingly to their quality, creativity, delivery reliability, problem-solving abilities etc. The management is also involved in the decision-making process concerning strategic suppliers. Close partners are invited to meetings, trade fairs, trips or the company is visiting them to discuss new topics such as yarn types, development, concepts and trends.

5.2.1.2 *Benefits received: First access to suppliers' innovation, close communication and joint projects*

Suppliers have collections rhythms for innovations and present them preferentially to the company. "We are the first to make the pre-selection for these new developments, new yarn types or concepts". Financial benefits are received depending on the purchasing volume. Suppliers have a great influence on the volume since the purchase price determines the market price. And selling in high volume also lies in their interest.

Additionally, the buyer-supplier relationship is characterized by joint innovation development efforts. Thus, the buying company is also benefitting from suppliers' innovative capacities. Lastly, the interviewee stated, "in general it is a trend that we demand more flexibility among suppliers", and this criterion is more fulfilled among suppliers, with whom they have a close relationship and assume to be preferred customer.

5.2.1.3 *The company offers a reliable long-term relationship, has a high purchasing volume and is the market leader, which makes them attractive*

The company sees itself as attractive because they are long-term oriented and establish a long-term partnership. They also buy in a stable and regular manner, thus are a reliable customer. Having a high purchasing volume further enhances the company's attractiveness for purchasers.

Since the company is global market leader in their field, they have a certain prominence and reputation, which increases suppliers' interest to enter into an exchange relationship with them.

5.2.1.4 *A high purchase volume, fairness in dealings, active communication, forecast reliability and support of suppliers causes satisfaction*

In order to become preferred customer with their suppliers, P1 reduced their supply base in the last 3-4 years to bundle the purchasing volume on reliable partners, thus reduced dispersion. Restructuring their supply base and focusing on fewer suppliers, lead to an increase between 10-15% on average to an existing purchasing volume for the suppliers, which increased their satisfaction. Especially partners, with whom they have a strategic alliance profit from this focus.

P1 investigates and improves in joint effort the suppliers' production, not with the sole goal to reduce the purchase price but to improve the profit for the articles on both sides. "The suppliers also live not only from the development of new articles, but also from the fact that we develop running articles into bestsellers, sometimes in joint cooperation". This shows the depth of the partnership, since they go into such detail into the production of suppliers, with the goal to effectively gain more for both sides.

The joint innovation projects also create benefits for the suppliers since the company shares their expertise and innovation capabilities.

"We approach quality issues with a sense of proportion". Quality issue cases are appraised specifically, as textiles differentiate due to their natural base. Thus, if the first production of a new collection has not the highest quality, they still accept the products under a discount of 20-30% and use it for the sample products, to not create a disadvantage for the suppliers. "In this way we minimize the damage to suppliers [...] and this also does not harm us or the customers afterwards". This aspect shows that the company approaches its suppliers with fairness and the additional expense for the company will be compensated by a discount.

The buying company is also very active in communication, and their supplier portal is supporting this further, in which the order process is mapped and communicated electronically. This created a flexible platform, which reduces the company's effort but also speeds up communication for the suppliers. The supplier is also automatically promoted to enter an update when the due date is exceeded. He can also communicate there if he has finished and shipped the product. P1 does not want to automate completely but support routine activities, to create capacity for critical communication concerning deadlines and inquiries. Thus, they concluded, that this active communication positively influenced their suppliers' satisfaction.

P1 is also doing a complete assessment of their inventory on a half-annual basis, with regards to continuation or termination of articles. This will also be directly communicated to their suppliers so that they can plan. But each article has a minimum running time of 3-4 years since suppliers invested in patterns. This increases the forecast reliability and minimizes the risk for suppliers.

Lastly, P1 also supports suppliers who get into financial difficulties. They might place additive orders or offer advanced payments, which depends on the individual case.

5.2.1.5 *Crisis leads to shutdowns: administrative workload increases, planning difficulties arise, and accessibility of suppliers is reduced; extensive inventories help to bridge supply shortages*

P1 is usually able to deliver immediately to its customers: "96% our daily orders can be processed and shipped on the same day". In order to guarantee this, it requires a perfectly functioning supply chain. Different degrees of shutdowns in their main procurement markets in Italy, Turkey and India are causing extreme difficulties in maintaining this level of service. The interviewee stated that "the administrative workload is disproportionately higher, as deadlines are [...] constantly changing and postponed by suppliers". COVID-19 is affecting the whole supply chain. Suppliers in Morocco and Italy shut down their productions and reduced production capacities in Turkey make production planning more difficult. Currently, there is less transparency because the accessibility of the suppliers is reduced. Such a global crisis as COVID-19 never affected the company before. In order to allow 96% delivery reliability, the company keeps 3 million meters of fabric in stock. At the beginning of the crisis, P1 did an inventory backup at their own risk for components and products from China, to bridge possible shortages and bottlenecks. But if the situation still arises that they are unable to serve a specific item, and the expected delivery date is not sufficient, then alternatives from other collections will be offered to their final customers. Next to their regular business P1 has contract business. And COVID-19 makes projects more challenging because larger quantities have to be ordered.

5.2.1.6 *Preferred resource allocation, and flexibility important for buyers; suppliers require continuity, planning reliability and open communication*

During a crisis the general factors, which are deemed important in a buyer-supplier relationship, do not change. Communication is more difficult, but more crucial than before. P1 tries to maintain close contact. Strategic partners get now contacted in regular intervals to know their situation regarding their general production. Usually, they only get contacted when specific issues about articles, orders, novelties or product impairments arise. Being in close contact with their supplier, allowed P1 to react

accordingly. For one case, the company got informed three days before a shutdown of one of their suppliers, which was enough time to call up the goods and to remain able to deliver. Generally, the company notices a lack of transparency with their suppliers due to COVID-19.

P1 signals understanding for the current situation; solely complaining will not lead to any improvement in the opinion of the interviewee. Joint problem solving is considered essential.

The main issue is that suppliers cannot deliver, but if they do, the company will pay immediately. The company also received feedback from their suppliers that their competition has often become very quiet and more reserved. The company also must deal with declines in sales and issues as short-time work, but they order nevertheless in their usual rhythm. It is crucial for the suppliers that the company is communicating openly with them and purchases products in a stable and continuous manner. Because only this continuity and stability will give the suppliers the ability to plan and have their production running on full capacity.

Suppliers reduced their yarn inventory and P1 ordered more individually. Having the full bandwidth in stock currently, would be too much capital commitment and risk for suppliers. Thus, the lead-times are increased but the suppliers are on the same side more flexible because they order their supplies more individually if orders come.

In the crisis, the company receives a preferred resource allocation and receives the remaining production capabilities due to their way of communicating. Additionally, suppliers show increasing flexibility. These are the most important benefits for the company during the crisis.

In past crises, strategic important suppliers were supported with additive orders, aid-packages or specific agreements were made. For partners that do not depend on their survival on the company, and only have a small purchasing volume, no additional measures were taken.

Regarding the crisis, current problems need to be tackled in cooperation with suppliers. Currently, fixed costs are still running, but the production is standing still. The long-term consequences of this and the buyer-supplier relationship are not foreseeable yet.

The interviewee sums up that the most important factors to satisfy their suppliers are in a crisis through continuity and planning reliability and open communication. There is a focus on the management of current issues and long-term projects are postponed if they do not offer significant monetary advantages for both sides.

5.2.2 S1 (Supplier 1)

5.2.2.1 Buyer-Supplier Relationship

S1 has three different product areas. They produce velvet for decoration, upholstery and contract market. S1 cooperates with P1 in all three product areas. In each area the top 25% receive extra attention, after the company realized in 2018, that due to increased demand not all customers can be treated equally, and therefore major customers receive special attention.

5.2.2.2 Preferred customers receive preferred resource allocation, financial bonuses, prioritized access to innovations; communications and compliance with delivery dates is enhanced

Strategic customers are well-cared for and employees check weekly whether operations work smoothly, and delivery dates can be met. If it comes to supply shortages, preferred customers

receive preferential resources allocation. They do not follow the principal 'first in, first out'. Strategic partners exclusively receive a bonus depending on their purchasing volume. New product developments are first presented to preferred customers. Generally, the company offers a high level of information exchange and enhanced communication to its customer through their customer portal. Customers can fill out complain forms or check stock levels, etc. During summer (week 32 and 33) production capacities of the company are reduced since employees are on vacation. Therefore, preferred customers are contacted, to let them know that if they still need to order they need to order in advance.

5.2.2.3 High purchasing volume, regular orders, market position, joint product developments makes customers attractive

Profitability is deemed most important. "Attractive is when we can make money". On one hand it depends on the purchasing volume and on the other hand it depends on regularity. Cooperation with companies are preferred, which order daily or weekly than once or twice a year. Strategic customers are served prior customer in the contract market. Additionally, collaborations with customers, which operate in the premium sector, and have a leading market position is highly appreciated. S1 is also interested in customers, with which they can have joint product developments.

S1 delivers worldwide but 75% of their turnover comes from western Europe. Nevertheless, the interviewee recognizes the need to expand in all direction to stay competitive. Cooperation with foreign countries present no difficulties, but agents as intermediaries are hired if language problems arise. S1 does not perceive geographic or cultural proximity as crucial.

5.2.2.4 Open communication regarding forecasts, problems, product developments, prices and living in a partnership makes S1 satisfied

In cooperation S1 deems close collaboration, open communication and a relaxed atmosphere as important. S1 aims to live in a partnership with its suppliers. They want collaboration instead of operating in the classical way, in which they customer dictate what to do.

S1 dealt in the past with quality problems with P1 and with open communication they solved the problem in joint effort and went into detail in the production. Working together solution-oriented increases S1 satisfaction.

High information exchange about product developments and discussing innovations, e.g. recycled yarn or flame retardant, is highly valued. They received for example from P1 recently innovative input, which will be further discussed in S1 product development department. Collaboration and exchange about marketing and sales activities to further stimulates sales is also perceived as positive by S1.

Since the company is in the higher price segment, competition from turkey and Italy is strong. Thus, open conversations about prices are valued. That customers share what competitors offer and in which price segment they want to position the final product.

Reliable forecasts are highly valued for the company so they can plan their production accordingly. They contact major customers to discuss future demand based on previous order. S1 perceive it as negative if customer give little or no input about forecasts, and then complain about noncompliance of delivery dates.

S1 appreciate it, when they can combine orders from their customers to reduce transportation costs, because they deliver

'franco'. That means they pay for all expenses regarding transportation.

5.2.2.5 Preferred Customer Status P1

P1 is awarded with the preferred customer status because they are a strategic partner, who order on a weekly basis in a high volume. P1 also has special order more than 10 times a year in large quantities. They further cooperate since 1971, which is valued. P1 is further deemed attractive since they operate in the high-end segment. Joint innovation projects as well as open, solution-oriented communication satisfies S1 in the relationship.

5.2.2.6 Demand decreased and production is adjusted; large inventories prevent supply shortage

Prior the COVID-19 crisis the company produced six days a week in three or four shifts. Due to a decline in demand and fewer orders, production is reduced to three to four days a week in two shifts. The company has until the current moment in time no problems in acquiring their supplies, since the majority of yarn suppliers have large stocks in Europe. Lead times for yarn from Asia are increased. But the company built up enough storage in order to be able to deliver and did not experience any bottlenecks so far.

5.2.2.7 Buyer-supplier relationship crisis

Area managers contact strategic customers on a weekly basis, to ask firstly about the customers well-being and secondly if any good etc. is needed. Concerning payments, they usually do not have any difficulties. And since corona if problems occur, customer pay immediately after being contacted and made aware of the situation.

During COVID-19 information exchange with customer is reduced because important fairs are postponed which are usually used to get creative input from customers for new collections. Additionally, most customer canceled their upcoming fall collection or reduced it. Thus, there are currently no new product developments. This affects S1 negatively because it is still highly valued for them. Visits by customers and to customers had to be canceled and communication was limited to calls and video conferences. The interviewee criticized that communication like this is less effective and is preferred in person. Now S1 starts to visit customers again, where restrictions allow it.

In addition, communication is reduced because it is less required due to the decrease in order, but S1 still values open communication on various levels. Reliable forecasts are crucial so they can plan their production accordingly and the company would appreciate if customers order again more so they can operate on 100% capacity.

5.2.3 Similarities in differences of the perception of buyer-supplier relationship case A:

An overview of the perception of P1 and S1 can be found in appendix D, table 8.

The perception about preferred customer benefits align between both parties. A preferred resource allocation, prioritized access to new product developments and a closer communication are mentioned by P1 and S1. P1 mentioned that the price decreases through a high purchasing volume. S1 added that P1 receives on top of low prices an exclusive financial bonus.

A high purchasing volume is deemed most attractive by S1, which is fulfilled by P1 since they purchase large quantities in a regular manner. P1 perceive itself as attractive due to its market position in the premium segment, which is also considered attractive from S1 side. Both value the duration of the relationship.

Looking at the antecedent satisfaction, S1 perceives that the communication is enhanced through P1's supplier portal. S1 further received support by P1 since they had quality problems in their production. P1 stated that they go with close partners in detail into their production. During the cooperation strategic customers, so customers which order on a weekly basis are preferred. Lastly P1 and S1 both stated that the joint innovation projects increase supplier satisfaction.

No contradictions could be found in the statements of the interviewees. Some points were only mentioned by one party, which does not necessarily mean that the other party would disagree.

5.3 Findings Case B

5.3.1 P2 (Buyer 2)

5.3.1.1 Buyer supplier relationship

P2 classifies its suppliers according to the Kraljic matrix. There is no knowledge of whether suppliers also classify their customers. However, for suppliers with whom they have a close relationship, they are quite confident that they are their preferred customer. For strategic suppliers, the management is also involved in meetings. Regular suppliers on the other hand meet with company representatives as the sales manager, service director or key accountant.

5.3.1.2 Company receives financial benefits, technical assistance and safety stocks

The main benefit P2 receives as a preferred customer are financial benefits, including better payment terms, bonus agreements, and special pricing due to the large purchasing volume. Suppliers are also more inclined to share information and give technical assistance, even in cases that are not related to their product. The interviewee mentioned that in case of a bottleneck in the production capacities of their suppliers, they are a priority and get still delivered. Lastly, some suppliers also keep safety stock in their warehouses for urgent deliveries, which is crucial since the contract market, in which the company mainly operates in, is characterized by large demand fluctuations.

5.3.1.3 Being one of the leading carpet companies in Europe, being financially solid, having strong purchasing power and high environmental and technical expertise makes the company attractive

P2 considers itself attractive since it is one of the leading companies in their field in Europe. They are in a good financial position; thus, the money is secure for their suppliers. And despite being a rather small company, they have a strong purchasing power. Lastly, they have high environmental and technical expertise, especially regarding sustainable products, which makes them attractive to enter into cooperation's.

5.3.1.4 Close communication, innovation, demand reliability and purchasing volume determine supplier satisfaction

In order to increase supplier satisfaction, communication is enhanced by regular meetings, two to three times a year. Innovation is also an important topic for P2. When they have innovative projects, they share their ideas with their suppliers, but also expect the same in return. To ensure planning reliability to their suppliers, the company provides 3-months of forecasts. The interviewee mentioned that through close communication and joint innovation projects, they build a close partnership with their suppliers, which gives them preferential treatment. For S2, their supplier, who got interviewed in the scope of this project,

the company entered their EcoNyl program. Nevertheless, P2 sees the purchasing volume as the most determining driver of supplier satisfaction and the preferred customer status.

5.3.1.5 Demand declined; P2 does not experience any supply shortages during COVID-19

Demand declined, and most of P2 customers are under lockdown. All of P2' main suppliers have not been under lockdown down and are continuously producing. Additionally, the company has enough yarn in stock. Thus, they are not experiencing any shortage in supply or bottlenecks in production capacities. In the past they experienced supply problems from one of their main suppliers who moved from Switzerland to China. Due to an explosion of the compound where they produced, the area got closed for a longer period by the government. But the company only had supply problems in individual cases. Sometimes suppliers also went bankrupt, but the company always managed to cope with it.

5.3.1.6 Changes in buyer-supplier relationship through crisis

During the crisis the company expects its suppliers to be flexible and the preferred resource allocations gained increasing importance. For the long-term innovation is still highly valued for the company. Furthermore, they expect fairness from their suppliers, that if any raw materials prices decrease, that the suppliers adopt their prices automatically. For their suppliers they assume that consistent and continuous orders are still important and that they can rely on the established partnership.

5.3.2 S2 (Supplier 2)

5.3.2.1 Buyer supplier relationship

S2 produces for three separate segments. The contract segment, which includes carpets and yarn for offices, banks, hotels, and other commercial applications, accounts for 50% of their sales volume. The automotive sector and private residential sector both accounts for 25% each. 20 percent of their customers account for 80 percent of their sales. So, with a few customers, they work together intensively on a large scale. The supplier prioritizes specific customers, which they maintain a close partnership with, and which have a good position in the market. One of the company's key competencies is regenerated fibers, called EcoNyl. They are made of waste, which is recycled back into raw materials to produce fiber. Hence, customers, which are involved in this segment, will be treated separately and very preferentially. Sales and purchasing volume are also an essential factor which lead to being awarded with the preferred customer status. Lastly, the company looks at what additional profit a customer can offer in terms of image, branding, and market position.

5.3.2.2 Being introduced to new innovations, enhanced communication and contact, technical assistance, visits and extra effort derive from the PCS

Customers who are of high importance for the company receive preferential treatment, which is characterized by benefits in different areas. S2 shares its innovation and introduces new products first to the prioritized customer rather than the entire industry. Secondly, a higher purchasing volume, leads to favorable pricing agreements and conditions.

Further communication is enhanced. S2 is in contact with preferred customer in all departments, e.g. purchasing, technology, plant management, sales, marketing, logistics. They provide training, marketing, information, and developments. Communication with the logistics department is regarding the

coordination of deliveries, budget planning, and forecasting. The company offers also technical assistance. Customers often contact the company when technical problems or obstacles arise, and the company visits them on their site due to the complexity of topics. They often have to take a look at the machines.

For preferred customers, the S2 puts in extra effort, but they try to be flexible and serve the needs, wishes, and special requirements of all their customers. "When a good customer with whom we have agreed a very, very close cooperation, we naturally try to fulfill as many wishes as possible."

5.3.2.3 Attraction is determined by purchasing volume, strategic fit, and market position

First, the purchasing volume of a customer is deciding whether to engage in a relationship, "at the end of the day, is the sales volume [most important], what sales can be generated."

Secondly attraction is determined by the market position of the customer, in which segment he operates and which brands he serves. If a premium customer uses the company's products, it helps to create access to new markets and customers. Customer's competition might also be interested in cooperation. But the company is selective and cannot serve every customer, since the company wants to offer each customer customized solutions.

Geographic and cultural proximity is less important, since the company operates globally. Even if most products are produced in Denmark and Germany, the company is represented on three continents and tries to serve global customers everywhere with the same products

5.3.2.4 Satisfaction is determined by continuity of cooperation, financial solidity, high purchasing volume, strategic fit, understanding, partnership, joint development projects

Satisfaction is similar to attraction determined by strategic fit, especially concerning sustainability. Moreover, it is also crucial that customers recognize the company's needs. So, if raw materials prices increase and S2 is forced to raise the price, and that there is a certain degree of understanding for each other.

Regarding interactional aspects is being open-minded about new technologies and new possibilities or optimizations of processes crucial for S2. For instance, if they propose a conversion from truck transport to rail transport in the logistics field.

Additionally, financial solidity of the customers is vital to ensure security of payment. 10-15 years ago, "many customers did it as a sport, delaying their payments, but there has been an improvement in payment morals." In addition, due to the low interest rates in the past years, companies generally have good capital resources and credit lines, and solvency is high. "We have a few candidates that are a bit shaky. However, that has less to do with the cooperation than with their [...] financial situation".

Profitability plays a central role. And supplier satisfaction would be more increased if P2 would focus more in them by increasing their purchasing volume.

In their relationships, joint development projects are a central topic. "We are already developing very, very targeted together with our customers." The company shares its innovation with customers and create projects out of them rather than having access to the innovation capabilities of their suppliers.

Having opportunistic customers who switch because of slight price increases to the next customer and do not show loyalty causes much dissatisfaction for the supplier. "For us, reliability, dependability [and] continuous cooperation is very important."

Forecast reliability and demand reliability is only important to a certain extent. Since cyclical trends are normal, and sometimes the markets develop better or worse, which is not under the power of the customers. Thus, the necessity of being flexible does not cause any dissatisfaction. The main factor is both parties work together on a continuous basis for the long-term. "Continuity in corporations is very important for us. That is very, very important." The most important antecedents to satisfaction are a high purchasing volume, financial solidity, and the market position in the premium segment.

5.3.2.5 Preferred customer status P2

Ege-Carpet has the preferred customer status assigned since they fulfill several criteria. The supplier generates high sales, but also the direction and strategy of the buying company align with the supplier. They have similar approaches, the "same corporate objectives in terms of [their] understanding of sustainability" and a very similar status in the market by being a premium brand with recycled and green products. Additionally, the company operates globally, which is interesting for the supplying company. Satisfaction could be more increased by more volume bundling on S2.

5.3.2.6 Crisis: production capacities are adjusted to decline in demand, but can be flexible ramped up again

Till the end of March 2019, S2 has been not affected by the COVID-19 pandemic, and since then a significant decline in sales is noticeable.

S2 has no constraints in production capacities but decided to adjust its production capacities to the low demand. If required, the company can ramp it up again, and operate at full capacity, so no bottlenecks occur. Workers are in short-time work. Even the production plants in Italy were still allowed under certain conditions to produce on a smaller scale. Hence, the company did not have to completely shut down any production plants as well as suffered no down-stream supply chain disruption, so enough raw materials were always available.

5.3.2.7 Communication and contact are limited to calls; demand planning, reliability, predictability, continuity and an understanding for each other are deemed most important during a crisis

Further the crisis also influenced the way S2 works and keeps in touch with its customers. Due to the complexity of the topics on-site visits are indispensable to give technical assistance. These are now no longer possible due to travel restrictions, and communication is limited to video conferences and phone calls. The company usually engages in regular visits to discuss customer needs and wishes in person. Due to the crisis, demand declined, and communication is significantly less since it is not necessary nor required.

Further, in a cooperation it is important to clarify demands and needs in order to avoid any short-term postponements and the company can produce when it is required again. Demand planning is the most crucial aspect. Further transparency is also vital to do reasonable planning and not unnecessarily provide personnel or raw materials.

The interviewee does not think that innovations are less important during the COVID-19 crisis. Since now new challenges regarding health and hygiene aspects arise, so different and new approaches have to be developed.

"In a crisis situation, the tone usually becomes a little rougher. Precisely because everyone is trying to save costs". But this can only be observed to a limited extent. Most customers are trying

to find a suitable solution for all parties involved. An understanding for each other is also deemed important. "Live in a partnership and everyone has their own needs; not only taking but also giving".

Thus, the company values reliability predictability and continuity most in the cooperation with buying companies during a crisis.

5.3.3 Similarities in differences of the perception of buyer-supplier relationship case B:

An overview of the similarities and differences of benefits and the antecedents can be found in appendix D, table 9. Differences are highlighted in grey. Concerning benefits, both parties consider technical assistance, preferred access to innovations and favorable pricing terms received by P2 as benefits resulting from the preferred customer status. Looking at the antecedents to attraction, geographic proximity within Europe plays a role for P2. S2 on the other hand aims to serve customers globally. Thus, this factor neither increases nor decreases attraction. However, they perceive P2 as attractive since they operate worldwide. Both parties perceive that a high purchasing volume in addition to the market position and the products make P2 attractive. In order to increase S2 satisfaction, P2 entered the EcoNyl program, which is one of the key competencies of the suppliers, thus making them satisfied in the collaboration. Both stress the positive effect of collaboration in multiple departments. P2 wants to increase operational excellence by a reliable 3- month forecast. S2, however, does not mind being flexible, and they value continuous cooperation.

5.4 Findings Case C

5.5 P3 (Buyer 3)

5.5.1 Buyer-supplier relationship

P3 introduced the X program, which contains the most strategic important suppliers. They have rating systems based on delivery performance, development performance, and sustainability criteria. But they have no direct specific classification or categorizations systems, to the knowledge of the interviewee. The company is committed to neutrality to the market; thus, every supplier can offer goods at any time.

There is no knowledge of whether suppliers classify the company. Purchasers can only have a subjective feeling about the how important a company is for suppliers as a customer, but this is not measurable.

There is no management commitment to reach the 'preferred customer status' with strategically important suppliers. The company, with its market position worldwide, needs to ensure that no suppliers receive a too large proportion of their sales from them. So, if an order expires and no new contract is set up, the supplier is not facing financial difficulties. "So rather the other way around if we get too strong with a supplier is it more of an alarm signal for us that we have to be careful there."

The company is assuming that they have the preferred customer status with all suppliers within the X program.

5.5.1.1 Joint innovation projects, adherence to agreements, and enhanced communication derive from the preferred customer status

Having a close relationship with the supplier in the X program, the company is receiving advantages. The interviewee states that the main advantage is close collaboration and joint innovation projects. Suppliers get early involved in the development process and contribute with innovative suggestions, which P3 can incorporate into their products or both parties put projects

together in series production. Advantages as short lead-times are irrelevant, since conditions are defined when a contract is concluded, and suppliers adhere. Financial benefits as better purchasing prices are not noticeable through this closer relationship.

Lastly, better communication derives as one of the main advantages from the preferred customer status. Information exchange regarding visions, strategies, and growths market is increased. Both parties discuss where they want to grow together and where are future markets.

5.5.1.2 Growth opportunities and sales opportunities make P3 an attractive customer

P3 sees itself as an attractive customer. Till the current crisis, the company grew almost continuously over the last decade. Thus, growth potential is one of the main factors which makes P3 attractive for potential suppliers. Industries reach their natural limits and sales opportunities. The industry, they operate in, offers due to its size and volume significant growth potentials for suppliers.

5.5.1.3 High purchasing volume, professional cooperation, joint innovation projects, early supplier involvement, and reliability satisfies their Suppliers

Being one of the largest manufacturers and having Joint Venture in China, thus producing a high number of products, numerous suppliers might classify P3 as their preferred customer.

The cooperation is very professional, and workers at all levels work together and “sometimes achieve the impossible” since projects are under extreme time pressure. Under normal circumstances, not during a crisis, the company can forecast future demand quite reliable; thus, suppliers do not need to be very flexible, and the company represents a reliable customer in terms of order volume. “We plan it relatively precisely and [...] our planning forecasts are very often very precise over the years”. The joint innovation projects the company is offering are assumed to increase supplier satisfaction. The company often nominates suppliers as development suppliers, which are involved exceptionally early in the creations of products and the projects. Suppliers who are relatively late integrated into projects perceive this as rather negative. Regarding the purchase volume, looking at absolute numbers, suppliers in the X program get high sales, but relatively speaking, globally diversified suppliers do not perceive the company as their dominant customer.

Suppliers might not always be satisfied because P3 is “keen to realize the services on the market at the best possible conditions,” thus they have to deal with a high price pressure. Another factor leading to dissatisfaction among the suppliers are the high quality and sustainability standards of the company, which are continuously checked, questioned, and adjusted. These continuous adjustments can be difficult for the suppliers since other customers of the suppliers have their own specifications and requirements. Thus, operating in such a complex industry can lead to dissatisfaction.

5.5.2 COVID-19 lead to shutdowns and disruptions in the supply chain

The company is facing multiple challenges caused by COVID-19. They were forced to shut down production worldwide. Thus, a large part of the workforce was on short-time work, which is now being gradually loosened again, but people are supposed to work from home-office as far as is it possible. Access to the factories is currently very limited and is only in emergencies in compliance with safety and hygiene measures allowed.

Major suppliers to the industry are located in China, where the COVID-19 Virus first broke out. This led to supply bottlenecks as well as interruptions in the supply flow. Thus, the whole industry was forced to shut down. Resources were difficult to obtain, but simultaneously the demand also declined. Having people worldwide under quarantine reduced their necessity to buy P1's products. Hence, “one problem solved the other, [...] when there is no one requesting any [our products], it solves the problem with the supply shortages”. Currently, Europe is still under a shutdown, but the Chinese economy is picking up again, leading for example to delivery problems in Asia from Italy.

Supply chain disruptions and bottlenecks also occurred in the past but only affected locally and not the global production, as the disaster in Fukushima with the nuclear power plant or big storms causing floods in the USA. “[Supplies] were no longer available from one day to the next.” The interviewee stated that this is problematic since the industry is globally networked and part and resources are needed in some form from all corners of the earth.

5.5.2.1 Changes in the Buyer-Supplier Relationship caused by the crisis

In order to increase attraction and satisfaction of suppliers P3 tries to start as soon as possible production again in alignment with the highest possible safety instructions without endangering anyone's health. Additionally, since the company cannot predict the future reliable during this period, suppliers must be more flexible.

“That's probably the more challenging part of the program, to create a relationship at eye level that is not directly shaken by a crisis.” It is important to trust each other and not to let any partners down, so the biggest challenge in the upcoming weeks is how everyone treats each other. That both parties do not just act in their self-interest. The interviewee concluded that a combination of flexibility, communication, and reliability are needed in the relationship, whereby communication and reliability are deemed more valuable.

5.6 Summary of Findings

A summary of the findings can be found in appendix D. Table 9 summarizes the impact of COVID-19. Table 10 connects all benefits found in practice to elements found in literature and groups them accordingly. In table 11 and 12 all antecedents to customer attraction and supplier satisfaction can be found and grouped accordingly to the antecedents presented in the literature review.

Additionally, key words have been counted and will be presented in frequency tables in the following.

The most important antecedents of customer attraction are respectively, growth opportunities, profitability, strategic fit, Operational excellence, geographic proximity, relational behavior, and reliability.

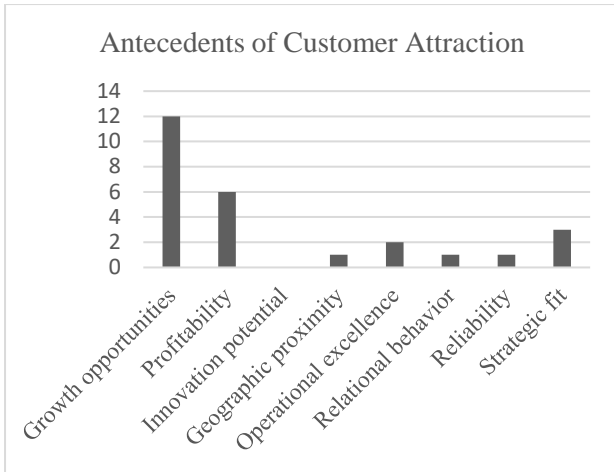


Table 13: Antecedents of Customer Attraction

The most important antecedents of supplier satisfaction are respectively relational behavior, growth opportunities, profitability, innovation potential, and relational behavior.



Table 14: Antecedents of Supplier Satisfaction

During the current crisis, the following aspect have been mentioned as important in buyer-supplier relationships. Reliability, in terms of demand and planning reliability, are deemed most important, followed by close communication, flexibility, continuity, fairness, an understanding for each other, close cooperation and different innovation approaches.

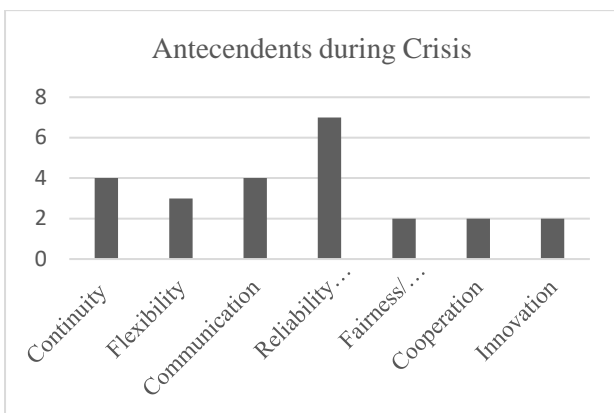


Table 15: Antecedents during Crisis

6. DISCUSSION OF THE FINDINGS

6.1 Confirmation and extension of benefits

Benefits, which the buying company receives due to their preferred customer status from suppliers align with findings in the current literature. An overview of the benefits and the elements in theory they connect to can be found in Appendix D, table 10. Financial benefits, in terms of lower purchasing prices or favorable or special agreements were mentioned by P1, P2, S1 and S2. Often these discounts are closely linked to the purchase volume. Benevolent pricing is in line with literature (Moody, 1992, p. 57; Nollet et al., 2012, p. 1187; Schiele et al., 2011, pp. 15-16). Cost reduction, in terms of acquisition and operational costs (Bew, 2007, p. 2; Nollet et al., 2012, p. 1187; Ulaga, 2003, p. 689) has not been found in practice. P3 said, that they do not notice any financial benefits, as lower prices, since their suppliers must compete against other suppliers in the open market. The company perceive it as rather counterproductive since suppliers in a close relationship might have the perception that they do not need to offer as 'low'. This contradict the assumption made by Schiele et al. (2011, p. 16) that opportunistic pricing behavior is rather unlikely.

Looking at operational benefits, P1, P2 and S2 experience preferred resource allocation, which is in line with the findings of Bew (2007, pp. 1,2); Nollet et al. (2012, p. 1187); Schiele et al. (2012, p. 1178); Steinle and Schiele (2008, p. 11). Supporting the findings of Nollet et al. (2012, p. 1187) P1 and P2 stated that certain suppliers keep safety stock at their warehouses. A higher delivery reliability is also perceived by P3, S1 and S2 as an preferred customer benefit (Nollet et al., 2012, p. 1187; Ulaga, 2003, p. 684). P1 and S2 further state, that due to the close relationship suppliers try to fulfill extra needs, wishes or requirements. S1 offers fulfillment of extra needs in terms, of offering flexible payment plans to preferred customers if needed. This benefit has not been stated so far in literature.

P1, P2, S1 and S2 experience prioritized access to new innovations by supplying companies, that suppliers present new products exclusively or that supplier first share ideas about innovative projects with them. Additionally, all buying companies perceive joint innovation projects as an advantage which derive from the close collaboration. Especially P3 points out, that suppliers are early integrated into NPD and give their inputs. These innovational benefits are in line with academic literature (Baxter, 2012, p. 1252; Bew, 2007, p. 2; Ellis et al., 2012, pp. 1259,1265; Primo & Amundson, 2002, p. 49). P2 further receives technical assistance and support from their supplier in multiple departments, which has not been stated so far in academic literature.

Lastly all buying companies experience closer communication. P3 stressed that the increased information exchange concerning vision, strategy and growth markets in order to develop a common understanding of the automotive future, is one of the greatest benefits. Visits by suppliers on the buying firms' side have been mentioned by S1, S2 as well as collaboration at multiple departments by S2 and P2. These benefits have no evidence in the current literature. No practical evidence has been found concerning interactional benefits as dedication of best personnel.

6.2 Growth potential (market position), operational excellence, relational behavior,

reliability, profitability, strategic fit as antecedents to customer attraction

The most mentioned factor which makes a customer attractive, is its market position, which includes subcategories as leadership, reputation, image and branding. All buying companies are one of the leading companies in their industry, which increases suppliers' interest to engage in a relationship. Hüttinger et al. (2014, p. 718); Ramsay and Wagner (2009, p. 130) mentioned keywords as corporate image, brand name and global player in their research, but the importance of the market position of a company has not been acknowledged to a larger extent in current academic literature. Being financially solid, in order to ensure security of payment for suppliers got mentioned by P2 and S2, which supports findings of Baxter (2012, p. 1255), who uses the term 'financial attractiveness'. P3 further sees his company attractive, since they are continually growing and S2 points out that they get access to new customers if customers use their products and promote them actively. These antecedents are also in line with academic literature (Christiansen & Maltz, 2002, p. 188; Hald et al., 2009, p. 964; Hüttinger et al., 2014, p. 703; Ramsay & Wagner, 2009, p. 131).

Next profitability also makes a customer attractive (P1, P2, P3, S1, S2), because in the end "it is important what sales can be generated" (S2), thus how high the possible purchasing volume is. This is in line with the findings of Vos et al. (2016, p. 4621).

Only P2 mentioned that collaboration with suppliers also located in Europe is more attractive for both parties. Steinle and Schiele (2008, p. 3) described that geographic proximity increases the ease to achieve the preferred customer status. S2 contradicted this, by saying that they want to serve customers globally and not only in geographic proximity. S1 serves mostly customer in western Europe but recognized the need to expand in order to stay competitive.

S2 stresses the importance of strategic compatibility between both parties. Customers are deemed attractive, if they have the same strategy, their products fit into their concept, they are in the both in the premium segment and have similar corporate goals. Strategic fit has been mentioned to a limited extent in literature, as 'mutual goals' or a 'shared sense of future' (Bew, 2007, p. 3; Blonska, 2010, p. 41).

Looking at relational factors, P1 perceive its company as attractive because they set up long-term partnership and are reliable in those, since they buy in a stable and continuous manner. S1 also appreciates relationships which last several years. This shows a commitment to partnerships, which has been mentioned in early research of Moody (1992, p. 52). Reliability as an antecedent of customer attraction further mentioned of Hüttinger et al. (2012, p. 711).

Looking at the antecedents of customer attraction found in practice growth opportunities, operational excellence, and relational behavior align with the findings of Hüttinger et al. (2014, p. 711). Reliability was also found in this study as having a positive influence on customer attraction. Profitability and strategic fit also show a positive influence on customer attractiveness, thus could be a valuable addition to the model of Hüttinger et al. (2012).

6.3 Growth opportunities profitability, innovation potential, operational excellence, relational behavior and reliability as antecedents to supplier satisfaction

Profitability was also mentioned as an antecedent to supplier satisfaction by all interviewees. A higher and regular purchasing

volume increases customer satisfaction. P1 reduced its supply base to focus their volume on less suppliers, but they also created additive profit for suppliers, by further developing products into bestseller or by increasing the profit margin for products.

All interviewees also highlight the importance of joint innovation projects, in which both parties share their innovation (Hüttinger et al., 2014, p. 703). P3 said, that suppliers appreciate it to be integrated at early stages in new projects, and late integration is perceived as rather negative. Ellis et al. (2012, p. 1265); Hüttinger et al. (2014, p. 718) already emphasized the value of early supplier involvement. P2 further outline the technical and environmental expertise. This know-how is shared with their suppliers (Nollet et al., 2012, p. 1189). P2 also shares innovations ideas and S1 receive innovative input from its customer, as P1.

P1 uses a supplier portal, which not only simplifies communication but also improve the operational process. This is confirmed by S1 (Hüttinger et al., 2012, p. 703) identified operation excellence as an antecedent to supplier satisfaction. It is further enhance through demand reliability and reliable forecasting (Ramsay & Wagner, 2009, pp. 131,134), which has been mentioned by all buyers. They perceive their companies as able to make reliable forecast to ensure planning reliability for its suppliers.

The antecedent reliability contains fairness of dealings as one of their subcategories. P1 shows fair approaches in dealing with its suppliers' multiple aspects. All their products have a minimum running time, since suppliers invested into pattern, they "approach quality issues with a sense of proportion", and accept products for samples which are below the quality requirements and are open to negotiations to realize the best possible outcomes for all parties involved. S2 further stated that an understanding for one another, that buying firms have to recognize the need if suppliers are forced to increase prices, is highly valued. Fairness in dealings as a subcategory of reliability to suppliers satisfaction has been mentioned in academic literature (Hüttinger et al., 2014, p. 718). Further all buying companies adhere to contracts and agreements. Also, the S2 does not experience any problems concerning payments. S2 and P1 point out that continuity, the usual order rhythm and thus even sales volumes create supplier satisfaction. Continuity has not been mentioned in literature but belongs to reliability since buyers act in a reliable and consistent manner.

Lastly relational behavior is deemed has having a positive influence on supplier satisfaction. Having close partnerships (P1) and professional cooperation makes suppliers in the exchange relationships satisfied. Commitment to partnership, which is characterized by continuous operations further enhances satisfaction (Moody, 1992, p. 52). P1 further pointed out that strategic important suppliers are invited to them, trade fair or trips, but that they also offer supplier support by additive orders or advanced payments if those are in financial distress. This kind of supplier support has not been mentioned so far in academic literature. P1 went into detail into suppliers' productions to make it more profitable and S1 received support by P1 when they dealt with quality issues. Hüttinger et al. (2014) mentioned supplier support offered by the buying firm in order to increase supplier performance as a possible antecedent to satisfaction. For S1 and S2 it is important to live in a partnership and to take everyone's needs into account. This reciprocity is also a basic assumption of the social exchange theory, explaining buyer-supplier relationships. (Glavee-Geo, 2019, p. 2; Vos et al., 2016, p. 4615). S1 appreciates also collaboration in sales and marketing, which is in line with existing literature (Blonska, 2010, p. 41). Communication is also for all interviewee enhanced. P1 further supports this by their supplier portal.

Vos et al. (2016) build upon the model of (Hüttinger et al., 2014) explaining supplier satisfaction. The findings of this case study support their findings of growth opportunities, profitability, relational behavior, reliability, and innovation potential as antecedents of supplier satisfaction. Innovation potential, as well as reliability, were viewed in this case study as first tier-antecedents.

6.4 H1, H2, H3, H4 and H5 can be supported with the findings of this case study

H1: Profitability has not been directly mentioned by the interviewees as more important during COVID-19. But the companies need to be able to operate in a way, that they are still profitable. P2 said that it most important for their suppliers to ramp up production again, so they order again and they supplier earn money again. S2 mentioned that there is more focus on cost-savings. P1 and P2 further assumed that suppliers value ordering in the same rhythm, which implies that also the same purchase volume as prior, since they are financially dependent on the buying companies. This is supported by S2 since for them it is important that they receive continuous orders. In the past P1 also supported suppliers in financial distress with additive orders or payments in advance. Therefore, it can be summed up that for suppliers it is more important to operate in a profitable way, in order to ensure their survival. This is in line with findings of academic literature which stated that if sales revenues decrease, financial viability becomes the supplier immediate priority (Krause & Ellram, 2014, p. 200)

H2 stated that *growth opportunities have a less positive influence on suppliers' satisfaction during a crisis*. S1 and S2 noticed decline in demand, and P3 specifically pointed out that they do not offer any growth opportunities for suppliers during COVID-19 but are confident that after the crisis growth will increase again. As already mentioned in the previous paragraph is continuity and the usual order rhythm prior the crisis highly valued. That indicates that supplier do not expect any growth during such a period but are satisfied if the status quo can be kept (S2). Suppliers interviewed in the scope of this study did not operate on their full capacity since demand declined and only aim to operate back at 100 percent. Thus, H2 can be supported and growth opportunities are less valued during COVID-19. Literature suggest that growth opportunities are reduced since supply suffer under supply chain disruptions (Hobbs, 2020, pp. 1-2), which causes constraints in production capacities, which is neither the case for S1 or S2. Nevertheless, is growth not of importance.

H3: Operational excellence has neither been directly mentioned as valued or not valued in this context. However, it can be argued that flexibility, which is more expected during a crisis, is closely connected to operational excellence. Thus, companies have to be able to adjust their operations. Contact accessibility is also enhanced since strategic partners are getting more contacted now in a more regular interval (P1). Subcategories as forecast and demand reliability on the other hand have been mentioned as most crucial during COVID-19. Planning reliability is through different degrees of lockdowns decreased (P1, P3), as well as transparency. All interviewees mentioned that reliability in order to be able to plan demand accordingly is increasingly important. So, demand is clarified, and no resources are wasted (S2). Therefore, H3 *Operational excellence, including demand reliability and contact accessibility are increasingly important during a crisis in order to achieve supplier satisfaction*, can be supported. These findings are also in line with existing literature, which suggest that demand patterns are more difficult to predict (Khan et al., 2020) thus flexibility is required. No concrete evidence in academic literature has been found, that planning

reliability is more important, but the assumption has been made in section three, since operations need to run smooth.

H4: stated that *relational factors, including trust, commitment, information exchange, and communication increase supplier satisfaction more during a crisis*. Even though most interviewees (P1, P3, S2) stated that close cooperation and open communication is more important during a crisis, the communication of most buyer-supplier relationship suffered under COVID-19 since contact was limited to calls and video conferences. S1 stresses the importance of physical interactions and actual visits. However, P1 contacted now strategic partners in regular intervals, which did not happen prior COVID-19. Additionally, for S1 and S2, communication was less required because the demand decreased. Due to COVID-19 new challenges and issues arise and P1 highlighted the importance of working solution-oriented and, show understanding and do not solely complain to their suppliers. Thus these findings support exiting literature which say that closer cooperation and communication, which creates trust is required (Servais & Jensen, 2012, p. 26).

H5: S1, S2 and P3 stated that reliability is among others most important. Suppliers of P1 complained that P1's competition got quieter, but that only continuity and ordering in the same rhythm will give their suppliers the ability to plan and have their production running on full capacity. S1 only received from one of their strategic customers additive orders so their production is still running. All other customers reduced their orders, which affects the company negatively. A subcategory of reliability is 'fairness of dealings. Since collaborative behavior and treating each other as partners is increasingly valued, this implies also that it is also more important to be fair to each other. And to not take advantage of the other party if the crisis pushes one side in a more favorable position. It is important that the suppliers can rely on the partnership (S1, S2) and that customers show commitment. Being able to rely on the partnership also implies that customer still order and continue the relationship and do not switch suppliers in order to save costs. Next profitability is deemed more important, and it can be only achieved if customer adhere to agreements as payments agreements. S2 said they are not stricter with payment terms, but customers must comply. Thus H5, *Reliability, which goes along with contract compliance and fairness in dealings, is increasingly important during a crisis in order to achieve supplier satisfaction*, can be supported. Matopoulos et al. (2019, p. 9) suggest "[...] that (even) in times of crisis suppliers who perceive themselves to be fairly treated by their customers will devote additional resources", which is in line with findings of this case study. Further these partnership are mutual dependent, therefore it is increasingly important that customers are reliable (Krause & Ellram, 2014, p. 198).

H6: P1 said that long-term projects are of secondary importance and innovation will only be realized if they have a large monetary benefit for both sides. Current issues need to addressed first. S2 said that innovations are still important since new approaches have to be developed in joint cooperation in order to tackle new challenges, for example, concerning hygiene. Through canceled fairs and decreased demand collections of customers are getting postponed or canceled for the upcoming fall. Thus, there are currently no new product developments. This affects S1 negatively because it is still highly valuable for them. This shows innovations, in terms of new product developments are still valued for S1 and S2. These different opinions could derive since the interviewees perceive the term innovation differently. P1 was talking about long-term projects as optimization of logistics, whereby S1 and S2 talked about innovations in terms of new product developments. Therefore, H6 cannot be supported, saying that *Innovation potential has less positive influence on*

supplier satisfaction during a crisis. Literature suggested that innovation projects with no direct importance for current activities are terminated (Paunov, 2012, p. 27), which aligns with these findings. But it cannot be supported that activities related to new product development (Van Biesebroeck & Sturgeon, 2010, p. 14), are less valuable.

H7: None of the companies mentioned a shift in the importance of geographic proximity. S1 mentioned that they do not see differences with customers who are closely located, or customer who are located further away. Transportation is not hindered by COVID-19 and communication is currently for all customer reduced to calls and videoconferences. Simultaneously no interviewee, except S2 considered geographic proximity more important prior the crisis. What is important is that the whole supply chain works smoothly. COVID-19 showed that not the distance between suppliers and customers is important, but their location, in terms of how the countries were able to handle the pandemic. Since no interviewee mentioned this antecedent no conclusion can be drawn concerning H7, that *geographic proximity is increasingly important during a crisis*. Thus, these findings cannot support existing literature from Steinle and Schiele (2008, p. 5).

7. CONCLUSION

This study supports the findings from Hüttinger et al. (2014) and Vos et al. (2016). Hüttinger et al. (2014, p. 711) found that growth opportunities, operational excellence and relational behavior have a statistically significant effect on customer attractiveness. This study supports their findings and found additionally that reliability, profitability and strategic fit are antecedents to customer attraction. However, growth opportunities refer rather to the market position a customer has than its ability to grow together. Looking at supplier satisfaction Hüttinger et al. (2012, p. 711) found that growth opportunities, reliability and relational behavior and Vos et al. (2016, p. 4620) found that growth opportunities, profitability, relational behavior and operational excellence have a statistically significant effect on supplier satisfaction. This study supports these findings and found additionally innovation potential as a first-tier, not second-tier antecedent (Vos et al., 2016, p. 4620) to supplier satisfaction.

Moreover, this study confirmed that buying companies awarded with the preferred customer status, receive preferential treatment. Benefits found in literature could be confirmed as well new benefits have been found.

These benefits are especially valuable during a crisis as COVID-19 showed, since in case of shortages, preferred customer receive remaining production capabilities.

Lastly this study showed that COVID-19 influences all companies operations and thus the buyer-supplier relationships. Demand declined and therefore supplier could not have production running on full capacity which causes dissatisfaction. Thus, it is valued if customers still order, but it does not seem that customers lose their preferred customer status if they do not satisfy their suppliers on all level. Even though antecedents as profitability, operational excellence, relational behavior and reliability are more valued during the crisis, no new antecedents could be found. P1 said that what is usually valued during a relationship does not change during a crisis. S1 further supports this by saying that it is difficult to make any statement, since these relationship ships are long-term strategic partnerships and you understand the needs and the way the other party operates, which does not change from on to the other day.

8. LIMITATIONS AND FUTURE RESEARCH

Practical findings from this research can confirm and verify current academic literature, thus reinforcing existing theories and knowledge. No new antecedents have been found context of crises, but this needs to be investigated in future research, so it can be verified. Questions regarding changes of antecedents and benefits were regarding the current COVID-19 pandemic, and cannot be generalized for all crises situation since they vary within their nature

The results of this study are only valid for this case and cannot be generalized due to the small sample size (Rahman, 2017, p. 106). Based on this qualitative data, no conclusion concerning significance nor magnitude can be drawn. A quantitative approach would allow generalizability at the expense of details and depth of the findings. The generalizability of the results can be increase by conducting further research with a larger sample size in different research settings, e.g., different countries, industries, company sizes, and crises.

Another limitation of this study is a lack of validity due to the so-called self-report bias in organizational behavior research (Donaldson & Grant-Vallone, 2002, p. 247). Interviewees tend to understate behavior, which is considered inappropriate and tend to exaggerate as good perceived behavior. Employees want to present themselves in the best possible way since they assume that there is the possibility of their employer gaining access to the interview. Also, the findings of this research relied on one representative of each company. It is presumed that the interviewee possessed the required information. However, his opinion could differ from that of other employees. Thus, increasing the number of representatives of a company to interview could enhance the validity of the answers.

Lastly since a semi-structured interview was used as a data collection method, follow up questions varied between the interviews having the researchers influencing the direction the interview goes, and thus certain keyword have been mentioned more often, thus being perceived more important than they are.

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APPENDICES

Appendix A: Antecedents and Benefits

First tier antecedents	Second tier antecedents	Academic literature
Growth potential	Financial attractiveness	Baxter 2012 p.1255
	Potential to generate new businesses; access to new customer in new markets; grow together	(Christiansen & Maltz, 2002, p. 188; Fiocca, 1982, p. 55; Hald et al., 2009, p. 964; Hüttinger et al., 2014, p. 703; Ramsay & Wagner, 2009, p. 131)
	Corporate image, Brand name, Global player, reputation	(Fiocca, 1982, p. 54; Hüttinger et al., 2014, p. 718; Ramsay & Wagner, 2009, p. 130)
Innovation potential	Joint innovation projects, collaboration in product development, supplier involvement in innovation projects	(Christiansen & Maltz, 2002, pp. 179,191; Hüttinger et al., 2014, p. 718)
	Early Supplier involvement in innovation projects	(Ellis et al., 2012, p. 1265; Moody, 1992, p. 52)
	Share know-how	(Nollet et al., 2012, p. 1189)
	Supplier can generate innovations through buying firms innovation capabilities	(Hüttinger et al., 2014)
Operative excellence	Operations are handled in a sorrow and reliable way	(Hüttinger et al., 2014, p. 703)
	Forecasting reliability, demand stability	(Ramsay & Wagner, 2009, pp. 131,134)
	Contact Accessibility	(Hüttinger et al., 2014, p. 718)
Reliability	Adherence to agreements, Acts in a consistent a reliable manner	(Hald et al., 2009, p. 965; Hüttinger et al., 2014, p. 703)
	Fairness in dealings, objective in supplier selection, transparency	(Essig & Amann, 2009, p. 104; Hüttinger et al., 2014, p. 718)
	Buyers consistent fulfillment if its implicit and explicit promises	(Ellis et al., 2012, p. 1265)
Geographic proximity and cluster membership		(Steinle & Schiele, 2008, p. 3)
Relational behavior	Mutual trust, commitment to partnership, strong bonds, loyalty	(Blonska, 2010, p. 40; Moody, 1992, p. 80; Williamson, 1991)
	Tight personal relationships	(Ellegaard et al., 2003, p. 354)
	Openness and problem solving in bad times	(Hüttinger et al., 2014, p. 718)
	Information exchange, communication	(Christiansen & Maltz, 2002, p. 193; Moody, 1992, p. 52; Nollet et al., 2012, p. 1190)
	Visits	
	Collaboration of multiple departments	(Blonska, 2010, p. 41)
Profitability	Purchasing Volume	(Hüttinger et al., 2012, p. 1201; Maunu, 2003, p. NA; Moody, 1992, p. 52; Ramsay & Wagner, 2009, p. 130; Vos et al., 2016, p. 4621)
Supplier development	Direct: Training program, education, provision of capital, credit, tools, equipment Indirect: supplier evaluations	(Blonska, 2010, p. 41; Ghijsen, Semeijn, & Ernstson, 2010, p. 24; Glavee-Geo, 2019, pp. 3,10)
Strategic fit	Shared sense of future, mutual goals	(Bew, 2007, p. 3; Blonska, 2010, p. 41)

Table 1: Antecedents to the preferred customer status

Benefits	Source
Financial benefits	
Benevolent pricing	(Moody, 1992, p. 57; Nollet et al., 2012, p. 1187; Schiele et al., 2011, pp. 15-16)
Cost reduction (Acquisition and operational costs)	(Bew, 2007, p. 2; Nollet et al., 2012, p. 1187; Ulaga, 2003, p. 689)
Operational benefits	
Preferred resource allocation	(Bew, 2007, pp. 1,2; Nollet et al., 2012, p. 1187; Schiele et al., 2012, p. 1178; Steinle & Schiele, 2008, p. 11)
Delivery reliability and flexibility	(Nollet et al., 2012, p. 1187; Ulaga, 2003, p. 684)
Closely located warehouses, safety stock	(Nollet et al., 2012, p. 1187)
Reduced lead time	(Christiansen & Maltz, 2002, p. 182)
Decreased cycle time	(Ulaga, 2003, p. 685)
Innovative and qualitative benefits	
Suppliers involvement and NPD increases product quality	(Baxter, 2012, p. 1252; Primo & Amundson, 2002, p. 49)
Prioritized access to suppliers' new innovations and ideas	(Bew, 2007, p. 2; Ellis et al., 2012, pp. 1259,1265)
Suppliers willingness to engage in joint projects	(Schiele & Vos, 2015, p. 144)
Interactional benefits	
Detication of best personnel	(Schiele et al., 2012, p. 1178)
Increased availability and responsiveness of supplier	(Nollet et al., 2012, p. 1187)
Commitment, trust and knowledge sharing	(Christiansen & Maltz, 2002, pp. 184, 187)
Enhanced communication and information sharing	

Table 2: Benefits of the preferred customer status

Appendix B: Interview guides for semi-structured interviews

General question	<ol style="list-style-type: none"> 1. Could you explain the nature of your firm and the commodities under your responsibility? 2. How is your company coping with Covid-19? 3. Have you experienced any crisis in the past that disrupted the supply chain?
Classification	<ol style="list-style-type: none"> 4. Do you classify the relationship you have with suppliers? If so, how(dependency)? Do you have indications that the suppliers are doing the same with you? 5. Is there management commitment to achieving preferred customer status with strategic suppliers? If so, how does this show? If not, how could management commitment help in this matter? 6. Whom do you have a preferred customer status with?
Benefits	<ol style="list-style-type: none"> 7. Do you notice shorter lead times, influences on the purchasing prices, better access to innovative capabilities and shared development projects? (explore in order to write a mini-case) 8. Which other benefits do you notice from having a preferred customer status? (pyramid)
Antecedents	<ol style="list-style-type: none"> 9. What have you done in the past to become a preferred customer of strategic suppliers? Are there other actions you did not undertake that could have helped in reaching a preferred customer status? 10. Do you consider your company an attractive customer to suppliers? What are the factors that are influencing this attractiveness? Have the factors for attractiveness changed during this crisis (sales volume, growth possibility, reliability)? 11. Is your company able to provide supplier satisfaction with important suppliers in exchange relationships? Which factors induce satisfaction in these relationships? And which cause dissatisfaction? And have these factors changed during this crisis? 12. Are there measures that are planned to be undertaken to become a preferred customer of other suppliers? Are these measures different during this crisis? 13. Which antecedents are valued more during this crisis (no focus on growth, maybe more on relational behaviour, reliability or flexibility?)

Table 3: Questionnaire for purchaser

General question	<ol style="list-style-type: none"> 1. Could you explain the nature of your firm and the commodities under your responsibility? 2. How is your company coping with Covid-19? 3. Have you experienced any crisis in the past that disrupted the supply chain? Have you due to a crisis in the past not been able to deliver to customers? Did you have to choose which customers to supply to first?
Classification	<ol style="list-style-type: none"> 4. Do you assign different status types to customers? Which status types do you assign? 5. Do you assign a preferred customer status to a customer company as a whole, or to different establishments or sub-branches of this company separately? 6. Have you assigned a preferred customer status to Company-X?
Benefits	<ol style="list-style-type: none"> 7. How do the status types influence your behaviour towards customers? What benefits do you offer to a preferred customer? (Remember the pyramid, check for logistics / production planning, innovation, special services, flexibility, earlier information etc.)
Antecedents	<ol style="list-style-type: none"> 8. Do you consider Company-X an attractive customer? What factors are affecting this perceived attractiveness? 9. Are you satisfied with the business relationship with Company-X? What factors are affecting your satisfaction or dissatisfaction in this relationship and are these factors different in this current crisis? 10. What are your company's motivations for giving Company-X a preferred customer status? What did Company-X do to achieve the status? What could Company-X do to further improve its status? Are there different motivations for giving a preferred customer status during this current crisis? 11. What do customers generally do to achieve preferred customer status? Does this differ from the behaviour you would like them to show? 12. Which antecedents are valued more during this crisis (no focus on growth, maybe more on relational behaviour, reliability or flexibility?)

Table 4: Questionnaire for Suppliers

Appendix C: Overview of participating companies

Left out due to confidentiality.

Appendix D: Findings

Category	Buyers view	Suppliers view
Benefits	P1: Receive remaining production capabilities during crisis	S2: If supply shortages occur, preferred resource allocation for PC, not 'first in, first out'.
	P1: Not mentioned	S2: Financial bonus for JAB
	P1: Supplier collections rhythm are presented preferentially to them	S2: Present new products development first to PC
	P1: close communication	S1: close communication
Attraction	P1: have a high purchasing volume	S2: Profitability is most important, purchasing volume, regularity
	P1: Market leader	S2: Customer who operate in the premium sector and have a leading market position, as JAB
	P1: Offers long-term relationships	S2: Appreciate long-term partnerships (with P1 since 1971)
Satisfaction	P1: have a supplier portal to support routine processes	S1: perceive communication is improved through P1's portal
	P1: Market leader	S1: leading in market area
	P1: go together into detail in supplier's production and improve	S1: had difficulties with quality and solved problem in joint effort
	P1: order in a stable and regular manner	S1: order frequently (weekly), as JAB
	P1: Joint innovation projects	S1: discuss product developments, get Customers input

Table 7: Similarities and differences in buyer supplier perceptions case 1

Category	Buyer view	Supplier view
Benefits	P2: gets technical assistance from suppliers	S2: visits customers when technical problems occur
	P2: expects suppliers to first share innovation with them	S2: shows new innovative products first with preferred customers
	P2: better payments terms, and special pricing	S2: a higher purchasing volume leads to favorable pricing agreements
Attraction	P2: prefers suppliers closely located (Europe)	S2: Wants to serve customers globally
	P2: certified sustainable carpet manufacturer (see Appendix C, Table 3)	S2: additional profit in terms of branding, and marketing position
Attraction/ Satisfaction	P2: strong purchasing power	S2: high purchasing volume
	P2: environmental expertise	S2: has recyclable and green products, strategic fit
Satisfaction	P2: part of the EcoNyl program	S2: treats customer in the EcoNyl segment preferentially
	P2: collaboration in multiple departments	S2: in contact with multiple departments of customers
	P2: gives reliable forecast for 3-month	S2: does not mind being flexible, values continuous cooperation

Table 8: Similarities and differences in buyer-supplier perception case 2

Case	Impact	Internal adjustment	Supply (chain) adjustments	Great examples	PC benefits
P1	Different degrees of shutdown of suppliers; Accessibility of suppliers is reduced; Planning reliability is reduced	Increase stock/inventories, offer alternative products to final customers	Strategic suppliers get contacted in regular intervals; prior crisis only when issues arise	Due to increased communication the suppliers called 3 days before shutdown, which allowed adjustments for the buyer	Preferred resource allocation
P1	Sales declined	Short-time work	-	Still order in the same rhythm to ensure give suppliers stability and continuity (received positive feedback from suppliers)	-
P1	Suppliers reduced their yarn inventory to reduce capital commitment	Orders were more individually and not whole band-width of collection is available	Lead times increased	-	Suppliers are more flexible for individual wishes
P1	Administrative workload is increased	Focus on current issues	Postponement of long-term projects if they do not offer mutual significant monetary advantages		
S1	Decline in demand	Production got decreased from 3-4 shift 6 days a week to 2 shift 3-4 days a week	-	-	-

S1	Fairs got canceled	More video conferences	Collections are postponed by half a year	Had 2-3 video conferences with P1 in the last months	-
S1	Lead time from Asia are increased	Build enough storage	-	-	If shortage arises PC will be served first
S2	Decline in demand	Short-time work	Production has been adjusted, if needed can be ramped up again; less communication required	-	-
S2	Contact and travel restrictions	Video and phone calls	No technical assistance on-side	-	-
P3:	Production shutdowns worldwide	If possible, home office	Demand also declined (so one problem solved the other)	-	-

Table 9: Summary of impact of COVID.19 on case companies

Benefits for Buying Company	Element in Theory
Financial Benefits (5)	
<i>P3: no direct financial benefits, company takes best offer in the market, even key suppliers have to face competition in the market</i>	
P2: better payment terms, bonus agreements, special pricing agreements, volume bonus, better conditions	Benevolent pricing (5)
P1: lower price will increase purchasing volume for supplier	
S1: Better prices and conditions, the greater the volume the better the pricing	
P2: If raw material prices fall suppliers pass the saving on to the company	
S1: financial bonuses are not for every customer	
Operational Benefits (11)	
P1: Preferential production, get production capacities as quickly as possible	Preferred resource allocation (3)
P2: Being first priority: get supplied when there where constraints in production capacity	
S1: Preferred customers are first served during shortages (not first in, first out)	
P1: Have new requirements (suppliers are flexible)	Fulfillment of extra needs (3)
S2: "try to fulfil as many wishes as possible", put in extra effort "If you have been working together continuously for a very long time, you know each other's produces and the way they work" "try to respond very, very intensively to their wishes and needs"	
S1: flexible to make payment plans if customers cannot pay immediately	
P2: Suppliers have a safety stock in their warehouse for prompt delivery	Safety stocks in suppliers' warehouses (2)
P1: Suppliers have buying firms products in their warehouses stored	
P3: contacts are concluded, and suppliers adhere. E.g. Delivery times	Delivery reliability and flexibility, contract adherence (3)
S2: Delivery flexibility and reliability	
S1: better compliance with delivery dates	
Innovation and Quality Benefits (9)	
P1: "Supplier has collections rhythms for collections innovations and that we are presented with them preferentially"	Prioritized access to new innovations (4)

“We are the first to make the pre-selection for these new development, new yarn types or concepts”	
S2: show innovations and new products bevor it is presented to the general public	
P2: Suppliers share their innovation ideas first with the company, or if they have exiting projects concerning sustainability	
S1: First show new product developments to preferred customers	
P2: Close collaboration in joint innovation projects	Joint innovation projects (4)
P3: Suppliers get early involved in the development process and contribute with innovative suggestions	
P3: Suppliers come with their innovations, which are included in the company’s products and projects and will be put in the market jointly	
P1: Suppliers visit, and Products are developed in joint effort with input from suppliers and their knowledge	
P2: get technical assistance from suppliers and marketing support	Technical assistance and support from suppliers (1)
Interactional Benefits (10)	
P1: Close communication, can react quickly (crisis)	Enhanced communication, increased information exchange (5)
P3: Communication, information exchange concerning vision, strategy and growth markets “This is one of the greatest advantages of developing a common understanding of the automotive future.”	
P2: better communication	
S1: offer high information exchange through customer portal; major customers get additionally contacted on a weekly basis	
S1: Preferred customers get contact to ask whether they need orders before the summer break	
S2: Customer visits on a regular basis to discuss their wishes and needs (less communication and contact in crisis, since it is not necessarily due to lower demand)	Suppliers visit Buyers (3)
S2: Customer often contact, when technical difficulties arise, and the suppliers visits their side	
S1: important customers are often visited	
S4: Communication in terms of having contact with all departments of a customer (purchasing, technology, marketing, hrm, development, logistics)	Collaboration at multiple departments (2)
P2: Communication and collaboration in all departments, especially marketing support	

Table 10: Benefits found in practice

Antecedents of Customer attraction found in practice	Element in Theory
Growth opportunities (12)	
P3: (except crisis), in the last 10 year almost continuous growth. “As the most attractive factor I see growth potential” (suppliers from different industries also switch to automotive industry due to its volume and sales opportunities)	Growth potential (Continuous growth, sales opportunities) (1)
S2: If a premium customer uses company’s products, customer competition might be also interest	Access to new customers (1)
P2: financially stable, money is secure for suppliers	Financial attractiveness (financially stable, security of payment) (2)
S4: financial solidity	
P1: world market leader in their field creates interest for suppliers, well known	Market position (reputation, market leader, expertise, image, branding) (8)
P2: Have environmental and technical expertise	
P2: one of the leading carpet companies in Europe, trendy	

S2: Additional profit in terms of image and branding etc.	
S2: Where the customer is positioned in the market, in which segment and which brand does he serve	
P3: as one of the largest manufactures is the number of products and projects is high	
S1: Customer which operate in the premium sector	
Profitability (6)	
P3: as one of the largest manufactures is the number of products and projects is high	Purchasing Volume (6)
P2: not the biggest company but quite high purchasing volume, strong purchasing power	
P1: High purchasing volume	
S2: it is important what sales can be generated (2)	
S1: Profitability is most important	
Geographic and cultural proximity (1)	
P2: being locally closer located (Europe)	Geographic proximity (1)
S2: produce mainly in Germany and Demark but want to serve customers globally	
S1: recognized the need that it is important to expand their customer base globally	
Operational Excellence (2)	
P1: buy in a continuous and stable manner	Continuous and regular orders (2)
S2: Buy regular, not 1-2 a year	
S2: if the customer operates globally; creates security in continuous cooperation, if company focus not only on one Danish market, but across Europe or worldwide; The certainty that the sales volume is secured over a longer period is higher	Security of purchasing volume by global operations
Relational behavior (1)	
P1: Set up long-term partnerships	Commitment to partnership (long-term) (2)
S1: strategic partnerships over long term are appreciated	
Reliability (1)	
P1: "We are reliable"	Reliability
Strategic fit (3)	
S2: Same direction and strategy, products fit into their concepts, similar market status	Strategic fit (same segment, mutual goals) (3)
S2: Market position, "does he fit in the culture of our products" same segment: premium area	
S2: both parties work in the premium sector: similar corporate goals	

Table 11: Antecedents of customer attraction found in practice

Supplier satisfaction	Element in Theory
Growth opportunities (2)	
S2: If a premium customer uses company's products, customer competition might be also interest	Access to new customers (2)
S2: "Customers sometimes actively promote our brand"	
Profitability (7)	
P1: Reduced supply base and focus more on suppliers, increased existing purchasing volume by 10-15 percent (volume bundling)	Purchasing Volume (5)
S2: satisfaction would be further increased if more there would be a higher focus	
P3: suppliers get absolute speaking high sales, but not always relative to the total purchasing volume of the suppliers (for some of their supplier like Siemens or SAP they are not the dominant customer)	
P1: additive profit for suppliers: further developed products to bestseller together; expand the colors, make it more attractive and reintroduce into market to extend the life cycle	
S1: it is important what sales can be generated; how high the purchasing volume is	
P2: When we are buying more	

P1: work together and increase profit for articles for both sides (reciprocity)	Profitability (1)	
Innovation potential (8)		
P3: select development suppliers: involved extremely early in the creation of products and projects, so they can influence the products in early stages	Early supplier involvement (1)	
P1: discuss new trends, concepts, developments with supplier	Joint innovation projects (4)	
S2: be open minded towards new technologies or optimization of processes (e.g. from truck transport to train transport).		
P3: joint innovation projects		
S1: joint product developments		
S2: Collaborate in product developments		
P2: Share innovation ideas and innovate together (e.g. recycled carpets)		
		Share know-how (3)
P2: Environmental and technical expertise		
S1: input from buyer about usage of recycled yarn		
Operational excellence (7)		
P1: Supplier portal displays ordering process	Operations are handled in a sorrow and reliable way (2)	
S1: Perceive the supplier portal from P1 as having a positive effect on the operations		
P3: can forecast future demand quite reliable “we plan it relatively precisely and that our planning forecasts are very often very precise over the years”.	Demand reliability (4)	
P2: Suppliers are getting forecasts for three months		
P1: Can make good predictions about future demand: do biannual an assessment of inventory with regarding the continuation or termination of certain articles		
P1: experience over years increases ability to predict		
P2: regular meetings (2-3 times per year)	Contact accessibility (1)	
Reliability (8)		
P1: If suppliers deliver, we pay immediately	Adherence to agreements (1)	
P2: “We always pay on time”		
S2: customer comply with agreements and no problems arise concerning payments; some years ago payments were often delayed but not a problem anymore		
S2: Continuity and an even sales volume creates satisfaction	Act in a consistent and reliable manner (2)	
P1: Order in the same rhythm to enable predictability and continuity for supplier		
P1: “We approach quality issues with a sense of proportion”	Fairness of dealings (5)	
P3 “That’s probably the more challenging part of the program, to create a relationship at eye level that is not directly shaken by a crisis.” Trust each other		
P1: minimum running time (3-4 years) of products (collections) since suppliers invest		
P1: Topic where you can approach suppliers with fairness still take products which do not meet the quality standards for a discount, to not create a disadvantage for suppliers		
S2: Understanding for one another: recognize suppliers need if for example raw material become more expensive, the supplier is forced to increase prices		
P1: open to negotiations to realize for both parties the best possible outcomes		

Relational behavior (15)	
P1: invite suppliers to them, trade fairs and trips and visit them	Visits (1)
P1: Supplier portal allows Xer and active communication	Information exchange (1)
P1: closely tied to each other and close partnership	Tight personal relationships (1)
P3: professional cooperation and joint effort to realize projects	Professional relationship (1)
S2: Living in a partnership; everyone has needs and that customers also have to give and can not only take (reciprocity)	Partnership, reciprocity (3)
S1: Living in a partnership; that customers do not dictate, but that both parties collaborate in joint effort	
S1: listen to suppliers' side, understand supplier's perspective	
S2: That the supplier can rely on the customers and they do not switch to competitors because of minimal price changes, so cooperation is continuous	Commitment to partnership, continuity (2)
S2: That customers make reliable forecast is only to a certain degree important ("cyclical trends are actually quite normal"), key factor is continuous cooperation	
P1: Help supplier in financial distress: additive orders or advanced payments	Support suppliers, joint problem (4)
P1: go into detail into supplier's production	
S1: Buying company helped with quality issues	
S1: solution-oriented working	
S1: Information exchange in sales or marketing	Collaboration in multiple departments (1)
S1: open discussion about prices, in which price segment will the final product be positioned, what do competitors offer	Transparency, open communication (1)

Table 12: Antecedents of Supplier Satisfaction found in practice

Changes in the crisis:	Elements in Theory
P1: Order in the same rhythm to enable predictability and continuity for supplier, so production capacities are used to the best possible extent	Same order rhythm, predictability, continuity
P1: "Communication is more important than ever", now suppliers get contacted in intervals before only regarding specific issues	Communication
P1: open communication and enable planning reliability	Open communication, planning reliability
P1: Supplier are more flexible during crisis, but lead times increased	Flexibility
P1: Focus is on current issues, long term projects (e.g. optimization of logistics) are postponed if they do not offer a huge monetary benefit for both sides	Long-term projects are of secondary importance
P1 "We try to maintain close communication also signal understanding for our partners. A mere complain policy does not lead to any solution"	Signal understanding
P1: find the best solution for everyone	Solution-oriented
P1: Support suppliers with additive orders or payments in advance	Supplier support
P2 "The most important is that [Suppliers] are flexible" and that the company receive the goods	Suppliers are flexible
P2: Still order as prior to the crisis	Continuity, consistency
P2: Can rely on the partnership	Reliability
P3: Communication, flexibility and reliability is most important in the current situation	Communication, flexibility, reliability
P3: Planning reliability is reduced	Planning reliability
P3: no growth currently, but confident that it will increase after Corona crisis	Growth stagnates, customer demand decreased

P3: during the crisis it is most important for suppliers that the company will start production again, under all hygiene requirements	Ramp up production
P3: “create a relationship at eye level, that is not directly shaken by a crisis”, makes sure that your own interest is not more important than the ones of your suppliers and work together	Fairness, equal relationship
S1: decline in demand; production is reduced from 3-4 shifts 6 days a week to 2 shift 3-4 days a week	Decline in demand, production reduced
S1: so far, no difficulties acquiring yarn, since they got a larger safety stock to be prepared	Safety stocks
S1: Concerning payments they usually do not have any difficulties and since corona if problems occur, customer pay immediately after being contacted and made aware of the situation.	payment
S1: Information exchange is decreased; only limited to calls and video chat	Communication is reduced
S1: important fairs have been canceled, which are usually used to get creative input from customers regarding new collections	no product developments, less information exchange about innovative input
S2: Customer visits are common, now communication is limited to phone calls and video conferences, no visits anymore	Communication is reduced
S2: Less communication is necessary due to decline in demand	Demand decreased less communication required
S2: Communication can get more aggressive since everyone want to save costs, but it is limited. Most customers try to find the best solutions for all parties involved	Communications more aggressive, focus on cost savings; joint problem-solving
S2: close cooperation is important to communicate and clarify the demands; so there are no postponements	Close cooperation, communication, clarify demands to enable planning
S2: Most important now: reliability, predictability and continuity	Reliability, predictability, continuity
S2: Innovations are still important; now new approaches have to be developed looking at hygiene factors	New focuses regarding innovations
S2: The company maintains long-terms collaborations and relationship and the effect of such a crisis is not foreseeable yet	Uncertainty
S2: no problems with incoming payments, not stricter but customer must company with payment terms	Not problems with security of payments

Table 13: Changes in Buyer-Supplier Relationship

Appendix E: Transcripts of Interviews

Left out due to confidentiality