

UNIVERSITY OF TWENTE.

Lappeenranta

University of Technology

Faculty of Behavioural, Management and Social Sciences
Department of Technology Management and Supply

Double degree Master Thesis
Master of Science (M.Sc.) Business Administration
Purchasing & Supply Management

**Fairness as a new antecedent for acquiring
and preserving supplier satisfaction through
the handling of conflict.**

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Number of pages: 57/66
Number of words: 19.946

Enschede, 7th of November 2022

The acknowledgement of my appreciation of the support provided to me

I would like to start by saying that if you asked me a few years ago to make a list of items that Covid would have influence on, I did not assume my research would be among them. To that extent I would like to thank my friends, family, supervisors and especially my partner for their patience during this process.

The guidance from my mentors at Supply Value not only allowed me to find a fitting case company, their support and network alleviated the process of the pre-testing the constructs and the item formulation thereby strengthening the core of my research.

The enjoyable collaboration with and the critical feedback received from Hans van Haarlem from C-Corp allowed me to bring both the questionnaire and the research to a higher level.

The flexible and pragmatic approach of my first supervisor; Professor Schiele allowed for an unorthodox yet fitting graduation process which could fit within my busy working schedule. This pragmatic approach is much appreciated as without it I believe I still would not have finished by now.

My second supervisor; Professor Vos was able to support me day and night during this process (literally), which has been much appreciated. His continued support kept my eye on the ball even when mental fortitude was wavering.

And finally, my partner, without whom's enduring support I would have never finished this research at all. They say that diamonds are made under pressure, so with the amount of pressure you put on me this research is bound to be good.

This research has both satiated my thirst for knowledge and any chance of me doing any type of research for the unforeseeable future. As my blood, sweat and tears have been poured into this research, I hope it is well worth the read, or at least be used to stabilize a table somewhere (then I can claim my research is the foundation that others build upon).

- Michael, Jelle, Bezoen

The abstract of the supplier satisfaction and fairness research paper

Purpose

The concepts known as supplier satisfaction and preferred customer status have been gaining importance within supply chain management research. As such, these concepts must be assessed and updated in new and divergent situations to strengthen the research. To that extent this research looks to replicate this research in a new setting, mitigate the detrimental effect of conflict on supplier satisfaction through the usage of Conflict Handling Satisfaction and fairness, and potentially add the loss of supplier satisfaction as a new research branch.

Design/methodology/approach

The collection of data has been done by means of a questionnaire focused on both sides of a buyer-supplier dyad. However, dyadic research plays a minor part in this paper and is primarily preliminary research to further build upon in the future.

Findings

The effects of the antecedents of supplier satisfaction, and the further correlation between supplier satisfaction and preferred customer status have been reaffirmed within a new local online context. Furthermore, the augmenting effects of fairness on Conflict Handling satisfaction and Conflict Handling Satisfaction on supplier satisfaction in a conflict setting has been established.

Research limitations

For a few items the specific formulation of questions created a bias in the answering of these questions. The limited target audience translated into a scarce availability of respondents. The anonymity of the data acquisition limits the analysability of the dyadic results of this research. There is an increased difficulty associated with testing for conflict without active conflict being present within the testing environment. That being said, it is equally difficult to find organisations dealing with active conflict willing to allow this situation to be researched from an academic point of view.

Research implications:

Replication of the supplier satisfaction model in a new contexts strengthens the model and increases the range of its usability, both in future research directions and greater comparison material. Furthermore, two aspects have contributed to the satiation of research gaps and pave the way for future research to expand in their respective subjects; The addition of “loss of supplier satisfaction” to the supplier satisfaction research chain, and the establishing of the augmenting effect of fairness on Conflict Handling Satisfaction, and the effect of Conflict Handling Satisfaction on supplier satisfaction.

Additionally, this research introduces a pre-liminary investigation of the unhabitual inter-organisational and dyadic buyer supplier perspective pertaining to conflict and fairness. This paper expands research done into fairness, conflict and Conflict Handling Satisfaction by investigating the underexamined subject of inter-organisational conflict and fairness,

Practical implications

The successful application of the supplier satisfaction model as input for supplier relationship assessment provides managers with new ways to analyse suppliers. Furthermore, this research has developed a fairness toolset to assist managers in mitigating or solving the negative effects of conflict on supplier satisfaction. Compared to the common antecedents of supplier satisfaction, conflict handling is a measure that is easier to implement. As such, it provides a wide range of companies with the ability to mitigate loss of supplier satisfaction.

Background information: Supply Chain Management, Supplier Satisfaction Preferred Customer Status, Fairness, Conflict.

Originality/value

Within the supplier satisfaction research chain the fairness principles have not been previously been introduced. As such, this research is the first to inaugurate these principles.

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Table 1: Index of abbreviations and definitions

Concept	Definition
AEF	Assumed Exhibited Fairness
AVE	Average Variance Explained
CA	Cronbach Alpha
CB-SEM	Covariance Base - Structural Equation Modelling
CR	Composite Reliability
Conflict	Throughout this research the concept of conflict includes aspects such as complaints and problems.
Fairness/Justice	Throughout research both the concepts of fairness and justice or the fairness/justice theory have been used synonymously, regardless of their respective differences. As such, this research will refer to the concept of fairness/justice as solely “fairness” throughout this paper.
HTMT	Heterotrait-monotrait
H	Hypothesis
PCA	Principle Component Analysis
PCM	Preferred Customer Matrix
PCS	Preferred Customer Status
PLS-SEM	Partial Least Squares – Structural Equation Modelling
PFV	Perceived Fairness Value
SEM	Structural Equation Modelling
SET	Social Exchange Theory
SS	Supplier Satisfaction

1. Accurate insight into supplier satisfaction as an increasingly crucial aspect in successful supply chain management

1.1 Introduction into the development of strategic supply chain management

Purchasing and its strategic implications for firms has long been a subject of interest in literature.¹ As an example, in the beginning of March 2020 firms reporting COVID-19 as their largest uncertainty source increased from 25 percent to nearly 90 percent.² Nearly half of firms named the pandemic as a significant disruptive impact. As such, the supply chain disruptive shock associated with the pandemic created a potential loss of up to 20 percent for companies leading up to 3.2 trillion euros in the US and Europe in costs.³

The general scarcity of resources in/and situations like COVID-19 puts pressure on purchasing and supply management. Shortages, ineffective contracting, and a sudden need for threat management and prioritisation display yet again how potentially fragile supply chains can be. Additionally, it displays the need to continuously innovate or respond to these situations in an agile way.⁴ Nowadays, organisations can spend up to 80 percent of their total cost on suppliers. Thus, as the volume that is acquired externally by organisations keeps increasing over time, so does the recognition of the importance of supply chain management.⁵

During this crisis companies have become even more aware of the importance of good supplier relationships.⁶ Which is why strengthening of relationships with suppliers has been named as a key action point and the second biggest concern in negating future disruptions in supply chains.⁷ Consequently, the role of suppliers is no longer that of “merely” suppliers. Suppliers are recognised as important sources of innovation, crucial chain partners and imperative sources of competitive advantage.⁸ Supply chains are perpetually extending their frontiers in attempting to find the right partners.⁹ As such, firm performance will increase if organisations collaborate with suppliers who excel at what they do. However, the acquisition of such suppliers comes with its fair share of challenges. For instance, the number of excellent suppliers that can help buying firms excel is quite small. In extend the resources these suppliers possess are scarce.¹⁰ Hence, due to the abundance of

¹ See Pulles et al. (2019), p. 1.

² See Altig et al. (2020), p. 5.

³ See the Economist (2021), p. 3 & 6-7.

⁴ See Knight et al. (2020), p. 4 & 6.

⁵ See Schiele (2007), p. 274; Dittrich et al. (2020).

⁶ See Banker (2020); Mollenkopf et al. (2020), p. 3.

⁷ See the Economist (2021), p. 4 & 15.

⁸ See Pulles et al. (2014), p 409; Latunreng & Nasirin (2019), p. 409; Pihlajamaa et al. (2019), p. 1; Supply Value (2020), p. 7.

⁹ See Alicke & Iyer (2020), p. 10.

¹⁰ See Córdón & Vollman (2008), p. 9; Schiele (2012), p. 44; Pulles et al. (2019), p. 1-3

options these suppliers hold power over the choice who they collaborate with and in extend make active choices in resource dedication to certain buying firms.¹¹

As suppliers will only share their capacity, expertise, knowledge, ideas, and in extend competitive advantage with their most attractive and valuable relationships, organisations determined at attaining competitive advantage through their suppliers require the acquisition of preferred customer status.¹² Hence, instigation of relationships with and management of said relationships with these chain partners is of high importance.¹³ According to research done by “Supply Value”, 82 percent of the surveyed procurement professionals state that management of suppliers is the highest-ranking purchasing trend of 2020. The focus increasingly lies on collaboration with these suppliers.¹⁴ Consequently, it is important to understand how to reach suppliers and what moves suppliers towards instilling relationships.

Thus, this research will investigate the crucial subjects of supplier satisfaction and attaining preferred customer status to a greater extend.¹⁵ To that extent the supplier satisfaction model will be replicated and evaluated with “C-Corp”, which leads to the following research questions: *RQ1. Can the supplier satisfaction model effectively be replicated in a local supplier online retail setting?* And *RQ2. How is supplier satisfaction related to preferred customer status, and preferential treatment within a buyer-supplier online retail setting?*

1.2 The potential key of nullifying the bleak effects of conflict on supplier satisfaction

1.2.1 The importance of conflict handling fairness as antecedent to supplier satisfaction

Despite the best intentions of firms, inter-organisational conflicts, complaints, or problems are nearly unavoidable, and have a potentially detrimental effect on cooperation, trust, and satisfaction. Furthermore, conflict damages the relationship itself and jeopardises its potential continuation.¹⁶ Moreover, conflict causes psychological disturbance and builds resistance towards future conflict resolution, making it harder to resolve and prevent conflict in the future.¹⁷ Mismanagement of conflict will not only have a deteriorating effect on the relationship, but it will also have an escalating effect on the accompanying conflict.¹⁸

¹¹ See Pulles et al. (2019), p. 1-3

¹² See Vos (2017), p. 2; Goldberg & Schiele (2019), p. 7.

¹³ See Pihlajamaa et al. (2019), p. 2.

¹⁴ See Supply Value (2020), p. 7-8.

¹⁵ See Vos (2017), p. 2.

¹⁶ See Rosenberg (1974), p. 73; Jehn (1994), p. 232; de Dreu & Weingart (2003), p. 744-745; Zhuang &

Tsang (2010), p. 140; Bobot (2011), p. 31; Srinivasan et al. (2018), p. 3.

27; Zhang et al. (2015), p. 451; Lu & Wang (2017), p. 1483; Vos (2017), p. 112; See Pulles & Loohuis (2020), p. 12.

¹⁷ See Rosenberg (1974), p. 73.

¹⁸ See Lu & Wang (2017), p. 1483.

When maintaining and building channel relations it is insufficient to focus exclusively on relationship building factors. A critical element in strong relationships and in extend supply chains is understanding the aspects that can potentially damage them, such as conflict.¹⁹ However, even though inter-organisational relationships [IOR] are prone to incidents and dilapidation related to conflict, knowledge about the underlying reasons and effects are in short supply.²⁰

According to research into relationship marketing all potential benefits associated with positive relationship marketing are bleak in comparison to the potentially negative effect of conflict.²¹ Additionally, the effect of a chain of significant positive investment might “easily” be undermined and undone by the relentless effect of only a few negative situations. Successful long-term relationship management is often more focused on preventing negative rather than invoking positive situations.²² Thus, it is crucial to understand how conflict potentially destroys relationships and how to alleviate the detrimental effect.

Supplier satisfaction leads to a multitude of benefits and is a crucial aspect in buyer-supplier relationships making it the central focus area of this research. However, despite this abundant relevance, research done into supplier satisfaction is still a relatively newer concept, and as such needs to be expanded upon.²³ The current research has uncovered a multitude of antecedents of supplier satisfaction, yet has not addressed the prevention of losing supplier satisfaction.²⁴ As conflict has a detrimental effect on satisfaction, and lowers the overall value extracted from the relationship, this paper will look further into this subject.²⁵ The maleficent effect of conflict is a potential hinderance in attaining and sustaining supplier satisfaction. In extend it is a hinderance in attaining and maintaining the benefits of preferred customer status.²⁶

However, when resolution of conflict is done well, it not only mends the initial relationship, but it also has the potential of exceeding expectations, thereby increasing the overall satisfaction of the relationship partner.²⁷ Despite the influence that conflict has on IOR, research done into conflict management is scarce. Both conflict on an organisational

¹⁹ See Palmatier et al. (2006), p. 151; Samaha et al. (2011), p. 99; Trada & Goyal (2017), p. 1.

²⁰ See Caputo et al. (2018), p. 104; Oliveira & Lumineau (2018), p. 232.

²¹ See Palmatier et al. (2006), p. 151; Samaha et al. (2011), p. 99.

²² See Baumeister et al. (2001), p. 362; Samaha et al. (2011), p. 99.

²³ See Vos et al. (2016), p. 1.

²⁴ See Schiele (2020), p. 139.

²⁵ See Rosenberg & Stern (1971), p. 440; Wilkinson (1981), p. 24; Gaski (1984), p. 26; Jehn (1994), p. 231; Vos (2017), p. 107; Oliveira & Lumineau (2018), p. 246-247.

²⁶ See Vos (2017), p. 112-114; Zijm et al. (2019), p. 69.

²⁷ See Schiele et al. (2012), p. 1181; Homburg & Fürst (2005), p. 95.

level of analysis and the supplier's perspective remain underexplored.²⁸ It is critical to understand the effect of conflict within supplier satisfaction research, and in extend its influence on preferred customer status. Thus, this research direction makes for an interesting setting due to its potential for both detriments and benefits. Which leads to the third research question: *RQ3. How is conflict handling satisfaction related to supplier satisfaction within a buyer-supplier relationship setting?*

1.2.2 Fairness as potential conflict mitigation and conflict augmentation in a supplier satisfaction context

A potentially conflict-alleviating effect is identified as the concept of “fairness” or “Justice”.²⁹ Fairness application within a buyer-supplier relationship positively influences both relational behaviour and long-term orientation of the firm. The enactment of fair treatment by one partner results in the reciprocation of the other partner. This is done through adopting a partnership-strengthening attitude and behaviour which in extend is not only associated with reduced conflict but also enhanced satisfaction.³⁰ Thus, the instigation of fair supplier treatment in a conflict setting is an indication of good faith, it shows the buying firm values their suppliers, it shows refrainment from opportunistic behaviour, and develops trust over time, leading to the supplier's interest in the continuation of the relationship.³¹

The concept of fairness within social psychology has been a substantial focus point due to the role that fairness plays in the guiding of social behaviour.³² As such, theories focusing on fairness are effective at analysing and explaining reactions and behaviour in conflict situations. Seeing as problems, conflicts and the accompanying complaints in a buyer-supplier context are a common example of a conflict situation, the fairness theory should be an effective measure to analyse and deal with conflict.³³

Successfully coping with conflict through the usage of fairness has been previously researched in the past.³⁴ However, the strong potential impact of fairness on supplier satisfaction and inter-organisational conflict management remains underexplored. Additionally, most research is focused on intraorganizational and an individual level. Scarce research has focused on the effects of fairness at an inter-organisational level or within inter-organisational relationships.³⁵ As conflict is quite an extensive principle, this research will

²⁸ See Lumineau et al. (2015), p. 54.

²⁹ See Emerson (1976), p. 353.

³⁰ See Brown et al. (2006) p. 173; Griffith et al. (2006), p. 94; Srinivasan et al. (2018), p. 3.

³¹ See Bartz & Rice (2017), p. 1; Son et al. (2019), p. 56 & 63.

³² See Van den Bos & Lind (2002), p. 2

³³ See Homburg & Fürst (2005), p. 97-98

³⁴ See Lissak & Sheppard (1983), p. 63.

³⁵ See Kim et al. (2017), p. 6.

focus on conflict through the handling of problems and complaints by “C-Corp” as a situational context. As such, the fourth research question within this paper is: *RQ4. How is the usage of fairness when handling conflict, problems, and complaints related to conflict handling satisfaction, supplier satisfaction, preferred customer status, and preferential treatment within a buyer-supplier relationship setting?*

1.3 Theoretical contribution of the paper for supplier satisfaction, conflict and fairness

The current supplier satisfaction research has uncovered a multitude of antecedents of supplier satisfaction, yet has not addressed the prevention of losing supplier satisfaction. This research aims to develop the supplier satisfaction model by adding onto the currently identified antecedents.

In previous research a negative correlation has been found between conflict and satisfaction. Furthermore, fairness has been found to mitigate conflict. However, the specific link within the model of supplier satisfaction has yet to be explored. As such, it is important to explore this research direction by excluding or incorporating fairness and conflict handling into the current model. This shall be done by exploring the application of fairness in a conflict-handling setting. The concept of perceived fairness will be assessed as an antecedent of Conflict Handling Satisfaction [CHS] in the supplier satisfaction research model. Additionally, the concept of conflict handling satisfaction and its effects on supplier satisfaction will be investigated. Previously, similar positive influences have been found between fairness and satisfaction.³⁶

Within this research the aspects of fairness that have a potentially significant influence on conflict and conflict handling satisfaction within the supplier satisfaction context, will be uncovered, assessed, and potentially adopted into the original model. Thus, the contribution of this research is adding onto the body of knowledge in both a theoretical and a practical sense.

This research strives to further limit the current gaps within fairness research, the supplier satisfaction research and ideally expand and strengthen the current model proposed by Dr. F. Vos.³⁷ This research contributes to supplier satisfaction literature by verifying significant influence factors of supplier satisfaction, preferred customer status and preferential treatment.

³⁶ See Orsingher et al. (2009), p. 171 & 181; Srinivasan et al. (2018), p. 3; le et al. (2019), p. 9.

³⁷ See Vos (2017), p. 47.

Additionally, this research does not only examines fairness in a general setting, but it also re-examines and empirically substantiates its effect within a conflict-handling setting. Furthermore, the four-tier antecedents of perceived fairness are validated, and their impact on satisfaction is made measurable. This research looks at both the buyer's and the supplier's perspective within a conflict setting between buyers and suppliers, thereby addressing current research gaps as displayed in table two.

Table 2: The current research gaps this paper addresses

Subject	Research Gap
Supplier satisfaction	Negative side of supplier satisfaction (focus on how not to lose supplier satisfaction) fairness/justice through conflict handling as a new potential antecedent. ³⁸
Conflict management	Conflict management research is mostly focused on internal conflict with employees or on customers. When it is focused on inter-organisational conflict it is on an individual level, not organisational level (figure one). ³⁹
Fairness research	Justice or fairness research is focused on one single point in time looking at either one entity or event. Furthermore, it is habitually studied from one side of the dyad and buyer centric. ⁴⁰ Additionally, there is a lack of research done into justice/fairness perception differences and the influence of situations such as, inter-firm conflict (figure two). ⁴¹

Conflict management research focus

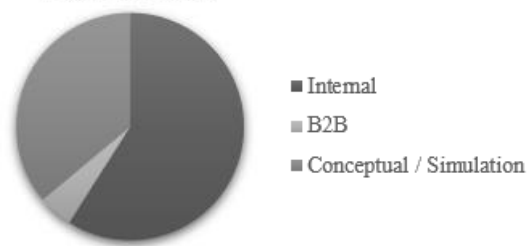


Figure 1: Conflict management research focus based on literature review (appendix I)

Fairness research focus

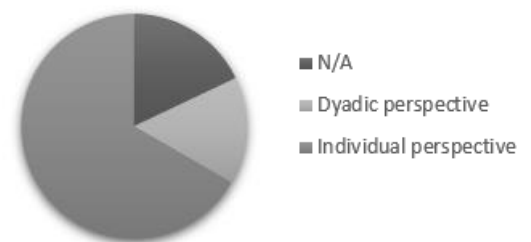


Figure 2: Fairness/Justice research focused based on literature review (appendix I)

Moreover, the current supplier satisfaction model is primarily focused on attaining, supplier satisfaction. However, the proposed research expands beyond the focus of attaining supplier satisfaction by including a focus on avoiding loss once it is acquired, which according to relationship marketing is a significant element in successful long-term

³⁸ See Schiele (2020), p. 139.

³⁹ See Caputo et al. (2018), p. 104; Oliveira & Lumineau (2018), p. 232.

⁴⁰ See Kim et al. (2017), p. 6; Bouazzaoui et al. (2020), p. 6; Pan et al. (2020), p. 362.

⁴¹ See Bouazzaoui et al. (2020), p. 6-8.

relationship management.⁴² As such, the result of this research not only strengthens the main model but also fills in a gap in research leading to potentially complementary effects.

In a practical sense this research contributes by striving to uncover insight and fairness applications connected to both conflict handling and supplier satisfaction. These should give managers and purchasing practitioners a more specific fairness usage toolset which they can use to acquire supplier satisfaction and in extend preferred customer status.

2. Theoretical framework; supplier satisfaction conflict handling research and the fairness principles

2.1 Introduction into the relevance of fairness for supplier satisfaction research

In this chapter the theoretical framework is explained. The Social Exchange Theory (SET) will be used as a central line through this section to further explain the individual theories. The central focus point of this research is supplier satisfaction research. As such, the importance of the individual elements of this research; customer attractiveness, supplier satisfaction, preferred customer status and preferential treatment will be explained. To this extent, the relevance of these aspects within buyer-supplier relationships are elaborated upon. Subsequently the supplier satisfaction theory, conflict handling theory and the fairness theory will be explained. Additionally, the current knowledge pertaining to fairness research in buyer supplier relationships will be further elucidated in this chapter.

2.2.1 Competitive advantage, strategic leverage, and increased performance as benefits of preferred customer status

Preferred customer status is attained when the supplier that the firm is connected to provides the firm with preferential resource allocation and preferential treatment.⁴³ Acquiring the coveted preferred customer status has been previously found to be crucial for buying organisations due to the attainable value.⁴⁴ According to a multitude of research, acquiring the coveted preferred customer status can lead to numerous benefits and privileges for the buying firm as displayed in table three.⁴⁵

⁴² See Baumeister et al. (2001), p. 362; Samaha et al. (2011), p. 99.

⁴³ See Schiele et al. (2012), p. 1178.

⁴⁴ See Vos (2017), p. 2.

⁴⁵ See Vos (2017), p. 2; Pulles et al. (2019), p. 2.

Table 3: The potential benefits and privileges associated with preferred customer status

Benefits and privileges	Sources
Strategic leverage and competitive advantage acquisition.	Liker & Choi, 2004, p. 3-4; Dyer & Hatch, 2006, p. 716-717; Pulles et al. 2019, p. 1
Access to knowledge and resources	Pihlajamaa et al. 2019, p. 2
Access to innovation, price reductions and more favourable delivery.	Baxter, 2012, p. 1255.
Increase in performance, quality, and efficiency, a decrease in costs and the potential to re-design products.	Ragatz et al., 1997, p. 199; Roberts, 2001, p. 30; Hoegl & Wagner 2005, p. 11; van Echtelt et al., 2008, p. 194; Luzzini et al., 2015, p. 11

These benefits and privileges result in the importance for said buying firms to focus on building a long-term relationship and striving to achieve a preferred customer status.⁴⁶ Yet, the trouble lies in attaining this status, especially since selection criteria of suppliers are becoming increasingly complex over time.⁴⁷ As such, to be able to attain the coveted preferred customer status an organisation must first prove its worth, which will be explained in the following chapter through the usage of the Social Exchange theory.

2.2.2 Customer attractiveness and supplier satisfaction as pre-requisites of preferred customer status

2.2.2.1 Business intention and perceived value as influencers within the circle of preferred customership

The Social Exchange Theory [SET] in essence revolves around the initiation of one party, the reciprocity of the other party, and as a possible consequence the establishment, discontinuation, or continuation of a relationship.⁴⁸ According to the SET, individuals will always attempt to create value, and as such will only initiate in or sustain a certain relationship if there is an influx of satisfactory benefits.⁴⁹

Connecting the SET to supplier satisfaction research leads to the circle of preferred customership. Both the attractiveness of the customer as well as the current and perceived future satisfaction of the supplier influence the choice of said supplier to grant a firm preferred customer status and in term allocate their resources to them. The attractiveness of the buyer/customer is a necessity/pre-requisite for the instigation of the initial relationship,

⁴⁶ See Pulles et al. (2014), p. 409 & 415.

⁴⁷ See Lemke et al. (2003), p. 18.

⁴⁸ See Cropanzano et al. (2017), p. 480.

⁴⁹ See Huttinger et al. (2014), p. 704.

as can be seen in figure three. It is therefore the first step in the circle of preferred customership.⁵⁰

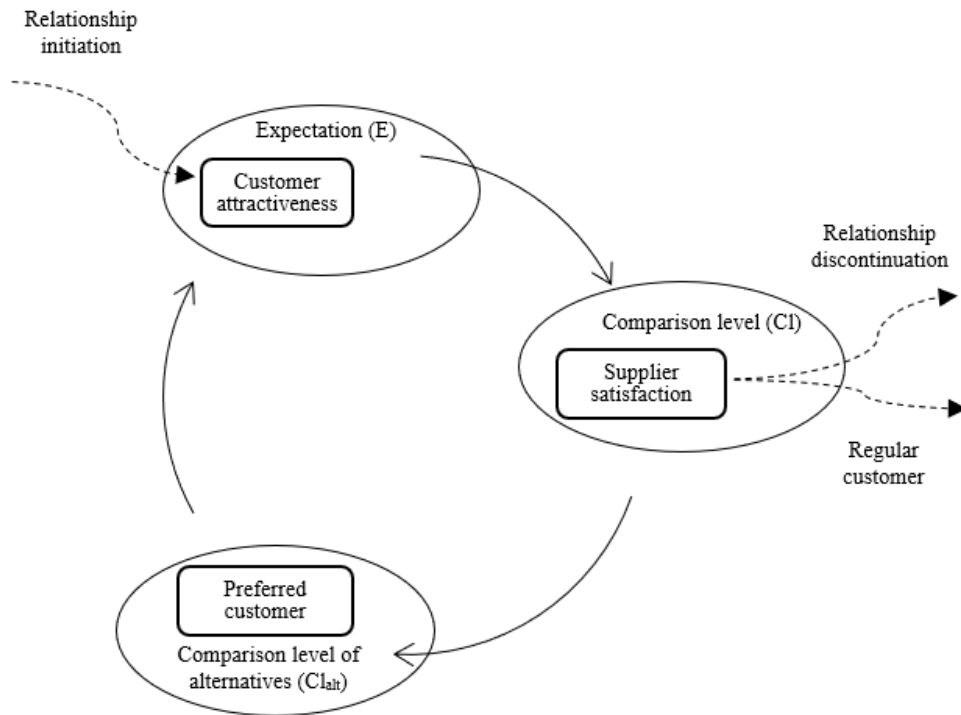


Figure 3: The circle of preferred customership (Adapted from Vos, 2017)

The circle of customership has three elements on which individuals judge whether to discontinue, continue or enhance the current relationship: the Expectation [E], Comparison level [CI], and comparison level of alternatives [CI_{alt}]. “E” entails the firm’s expectation of the relationship, where firms will only initiate relationships they expect to be valuable. “CI” entails the comparison between the expectation of the firm to how the actual relationship unfolds, thereby defining how satisfied they are with the relationship. The more satisfied with the relationship, the more likely it will be upgraded. “CI_{alt}” entails the comparison of this specific relationship to other relationships the firm has, where again the more satisfied the relationship, the more likely it will be upgraded.⁵¹

Within the circle, the intensity of the exchange between business partners must be equal to the essence of the business they are involved in, and the effort put into the relationship should be equivalent to the reward extracted from said relationship.⁵² Pertaining

⁵⁰ See Schiele et al. (2012), p. 1181; Vos et al. (2016), p. 9; ⁵² See Wagner & Boutellier (2002), p. 79-80; Pulles et al. (2016), p. 3. Homans (1961), p. 75.

⁵¹ See Hutter et al. (2014), p. 698.

to the commitment shown within the relationship, the nature of said relationship must be pivotal for partners, as to justify the effort necessary for maintaining said relationship.⁵³

The benefit that a supplier can derive from the exchange with the buying firm is the supplier's perceived value.⁵⁴ The supplier's choice whether to instigate a relationship with a particular buying firm or not, is based on the potential they expect [E] to receive from said relationship: the previously mentioned expected perceived value.⁵⁵ Thus, if the supplier expects to receive value from the potential relationship, they will perceive the potential customer as attractive.⁵⁶ Hence, a supplier will be incentivised towards a (tighter) partnership if a buying company displays attractiveness.⁵⁷ The factors influencing attractiveness are explained in chapter 2.2.2.2.

In the next part of the circle, suppliers compare the satisfaction attained through a specific buyer-supplier relationship with similar relationships, where supplier satisfaction is defined as a buyer's capability to meet (or exceed) the required expectancy of the supplier [CI].⁵⁸ As such, the satisfaction of the supplier is affected by the quality of- and the value attainable through the buyer-supplier relationship, and the business intention of firms in the future in term is influenced by supplier satisfaction.⁵⁹

In this context, suppliers, differentiate between potential "discontinuation of the relationship" -customers, "regular" -customers and "eligible for preferred status" -customers. Only by meeting or exceeding the expectations of the supplier [CI_{alt}], higher satisfaction can be attained, and preferred status will be awarded.⁶⁰ When striving for preferred customer status, supplier satisfaction must be attained first.⁶¹ The following chapter will look further into the known antecedents influencing supplier satisfaction.

2.2.2.2 Economic value, relational behaviour, and operational excellence as antecedents for acquiring supplier satisfaction and in extent preferred customer status

As stated before, when aiming for preferred customer status acquisition, both the attractiveness of the buyer and the satisfaction of the supplier are key elements.⁶² Thus, for organisations working with suppliers it is crucial to understand the factors and situations influencing attractiveness and supplier satisfaction.⁶³

⁵³ See Morgan & Hunt (1994), p. 230.

⁵⁴ See Ramsay (2005), p. 556.

⁵⁵ See Ellegaard et al. (2003), p. 352; Mortensen et al. (2008), p. 801-802.

⁵⁶ See Schiele et al. (2012), p. 1180.

⁵⁷ See Ellegaard et al. (2003), p. 352; Mortensen et al. 2008, p. 801-802).

⁵⁸ See Vos et al. (2016), p. 1; Vos, (2017), p. 3-4.

⁵⁹ See Schiele et al. (2012), p. 1181; Vos et al. (2016), p. 1 & 9.

⁶⁰ See Vos, (2017), p. 3-4.

⁶¹ See Zijm et al. (2019), p. 69.

⁶² See Goldberg & Schiele (2019), p. 17.

⁶³ See Vos (2017), p. 2; Caniëls et al. (2017), p. 1.

The current model proposed by Dr. F. Vos, is divided in three distinct branches influencing both customer attractiveness and supplier satisfaction: economic value (which consists of innovation potential, growth opportunity and profitability), relational behaviour (which consist of support, reliability, and involvement), and operational excellence (which consist of contact accessibility). Supplier satisfaction influences preferred customer status, which in extend influences preferential treatment. The model displays those variables that firms can focus on to improve both customer attractiveness and supplier satisfaction, and in extend achieve preferred customer status.⁶⁴

2.3 Explanation of conflict handling theory; potential of mending of relationships and ability to exceed expectations

Conflict handling is a topic broadly discussed in research and shares similarities with the previously mentioned SET. Hence, the SET will be used to better analyse the effect of conflict handling satisfaction. As previously mentioned according to the SET, firms compare expectations to actual outcome, thereby defining their satisfaction level.⁶⁵ In conflict handling theory, the expected outcome and process of the complaint handling procedure will be compared to the actual outcome and process (CI), thereby leading to either satisfaction or dissatisfaction with both the conflict handling process and the outcome (expectation effect).⁶⁶

Conflict or complaint-handling satisfaction are concepts commonly used in customer-oriented research.⁶⁷ However, due to the necessity of a reverse-marketing approach in attaining supplier satisfaction, these concepts will be used in supplier-oriented research.⁶⁸

While some forms of conflict can be beneficial for organisations, most conflict must be successfully handled to be able to maintain the relationship and effectively create value.⁶⁹ The continuity and success of interorganisational relationships are directly influenced by the way conflict is resolved during this relationship.⁷⁰ Within cooperative relationships the relationship is maintained through mutual benefit by employing effective conflict resolving mechanisms.⁷¹ Unlike individual inter-personal conflict, interorganisational conflict resolution requires an inter-organisational governance mechanism.⁷² Within collaborative buyer-supplier exchanges, the most effective way to deal with or resolve conflict in a

⁶⁴ See Vos (2017), p. 42-43.

⁶⁵ See Huttinger et al. (2014), p. 698.

⁶⁶ See Oliver (1980), p. 466; Orsingher et al. (2009), p. 169-170.

⁶⁷ See Orsingher et al. (2009), p. 169-170.

⁶⁸ See Schiele & Vos (2015), p. 145.

⁶⁹ See Ellegaard & Andersen (2015), p. 458 & 465.

⁷⁰ See Monczka et al. (1998), p. 559.

⁷¹ See Claycomb & Frankwick (2004), p. 20.

⁷² See Luminea et al. (2015), p. 44.

satisfactory manner is the usage of compromising or problem-solving tactics: for instance, openly dealing with and finding solutions to conflict through a conflict handling procedure.⁷³

A positive initiation such as conflict handling leads to a positive reciprocating response. To that extent, if a relationship has satisfactory benefits such as for instance conflict handling procedures, this is additional value and partners are more likely to sustain the relationship.⁷⁴

Moreover, not only can potential complaints be resolved by an effective complaint recuperation process, but satisfaction of organisations can also be restored, and discontinuation of relationships can be prevented.⁷⁵ Additionally, when resolution of conflict is done well, it not only mends the initial relationship, but it also has the potential of exceeding expectations (the difference between E and CI), thereby increasing the overall satisfaction of the relationship partner.⁷⁶ Satisfaction with how a complaint, problem or conflict is handled influences the overall attitude towards the conflict-handling organisation and translates into a higher overall satisfaction and positive loyalty/intent to return (which is a crucial aspect in the continuation of the relationship).⁷⁷

2.4 Fairness theory: handling of inevitable conflicts through the application of fairness as potentially new determinant of satisfaction

2.4.1 The reciprocity principles of the SET as foundation of the fairness theory

The essence of the SET revolves around the reciprocity norms (expectation of providing and receiving benefits of a relational nature) affecting the interaction between business partners.⁷⁸ Within buyer-supplier relationships the aspect of social exchange is a crucial factor.⁷⁹ The SET has been widely used to examine the relational exchange between business partners. As such the SET can be utilised to analyse, explain, and predict buyer-seller relationships, by gaining better understanding of the underlying motivation and behaviour of suppliers to engage in cooperation.⁸⁰

In essence the SET revolves around the initiation of one party, the reciprocity of the other party, and as a possible consequence the establishment, discontinuation, or

⁷³ See Ellegaard & Andersen (2015), p. 460.

⁷⁴ See Huttinger et al. (2014), p. 704; Cropanzano et al. (2017), p. 480.

⁷⁵ See Orsingher et al. (2009), p. 169.

⁷⁶ See Homburg & Fürst (2005), p. 95; Schiele et al. (2012), p. 1181; Huttinger et al. (2014), p. 698.

⁷⁷ See Ambrose et al. (2007), p. 30; Orsingher et al. (2009), p. 170-171; Mahmoud et al. (2018), p. 15.

⁷⁸ See Pulles & Hartman (2017), p. 2.

⁷⁹ See Griffith et al. (2006), p. 95; Narasimhan et al. (2009), p. 384.

⁸⁰ See Narasimhan et al. (2009), p. 384; Schiele et al. (2012), p. 1179-1180; Jeong & Oh (2017), p. 116.

continuation of a relationship.⁸¹ According to the SET, individuals will always attempt to create value, and as such will only initiate in or sustain a certain relationship if there is an influx of satisfactory benefits.⁸² A positive initiating action will lead to a positive reciprocating response, likewise a negative initiating action will lead to a negative reciprocating response.⁸³

Consequently, initiating behaviour that is active and desirable will have a strong active and desirable reciprocal response. Thus, for instance high fairness initiation will lead to high trust.⁸⁴ As such, a buyer displaying positive behaviour such as using fairness will likely lead to the supplier responding by showing positive behaviour, leading to higher satisfaction within the relationship.⁸⁵

According to the SET, social values within the relationships between buyers and suppliers influence the attractiveness of one party and the commitment of the other.⁸⁶ Thus, activities such as fair treatment of suppliers when handling and resolving of conflict, problems, and complaints will likely increase the attractiveness of the buyer and the commitment of supplier.⁸⁷ Conversely, initiating behaviour that is active and undesirable will have a strong active undesirable response as can be seen in figure four.

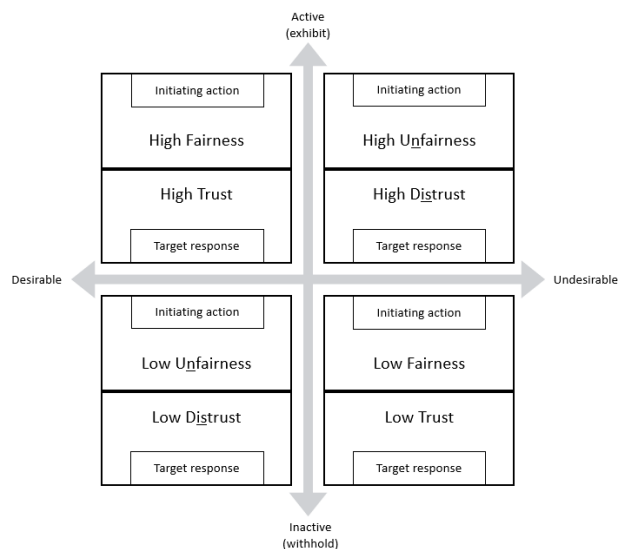


Figure 4: The dimensions of Social Exchange (adapted from Cropanzano et al. 2017, p. 498)

For instance, high un-fairness initiation will lead to high distrust and conflict.⁸⁸ Previous research has shown that negative aspects of interorganisational relationships such

⁸¹ See Cropanzano et al. (2017), p. 480.

⁸² See Huttinger et al. (2014), p. 704.

⁸³ See Cropanzano et al. (2017), p. 480.

⁸⁴ See Cropanzano et al. (2017), p. 498 & 501.

⁸⁵ See Cropanzano et al. (2017), p. 480.

⁸⁶ See Patrucco et al. (2020), p. 1.

⁸⁷ See Son et al. (2019), p. 63; Patrucco et al. (2020), p. 6.

⁸⁸ See Cropanzano et al. (2017), p. 498 & 501; Oliveira & Lumineau (2018), p. 247.

as conflict and opportunism limit the value extracted by the relationship partner.⁸⁹ Consequently, unfair treatment and perceived unfairness has been found to have a strong negative influence on the relationship, and a strong influence on opportunistic behaviour displayed within relationships.⁹⁰ Hence, both aspects ([un-]fairness and conflict) in turn have been identified as key elements within relationship research, due to their potential in “destroying/poisoning” relationships.⁹¹

This study will focus on fairness to mitigate the potential negative (opportunism and relationship decay) and enable the potential positive (exceeding expectations and satisfaction) effects associated with conflict, and strengthen the current supplier satisfaction model.

2.4.2 The unfolding of the fairness theory into its four sub-components: distributive, procedural, interpersonal, and informational

Regardless of the context or situation individuals will automatically distinguish or perceive the fairness of that context or situation. Individuals contemplate and appraise the fairness of the results, the fairness of the procedure used to reach those results, and how they are treated by other during the process. The perception of fairness pertains to the rules and guidelines used to distribute outcomes, the decision-making procedures, how people are treated during the process and how and what information is dispensed during the process. As such, these four fairness-aspects are interwoven dimensions of perceived fairness influencing human behaviour.⁹²

The fairness theory finds its origins in 1961 in the sociological literature and is adapted from the equity theory and social exchange theory.⁹³ However, individual segments that make up the theory can be traced back as far as to 350 BC. Initially, the theory contained only two aspects: distributive and procedural fairness.⁹⁴ Then, in 1986 interactional fairness was added as an additional aspect. In 1993, this aspect was split into interpersonal and informational fairness, which was supported and validated by Colquitt in 2001 as can be seen in figure five.⁹⁵

⁸⁹ See Oliveira & Lumineau (2018), p. 247.

⁹⁰ See Samaha et al. (2011), p. 110-111; Trada & Goyal (2017), p. 10.

⁹¹ See Samaha et al. (2011), p. 110-111; Trada & Goyal (2017), p. 10.

⁹² See Pieró et al. (2014), p. 4693-4694

⁹³ See Homans (1961), p. 75; Patterson et al. (2006), p. 264.

⁹⁴ See Homans (1961), p. 75; Adams (1965), p. 272.

⁹⁵ See Greenberg (1993). P. 1; See Colquitt (2001), p. 396.

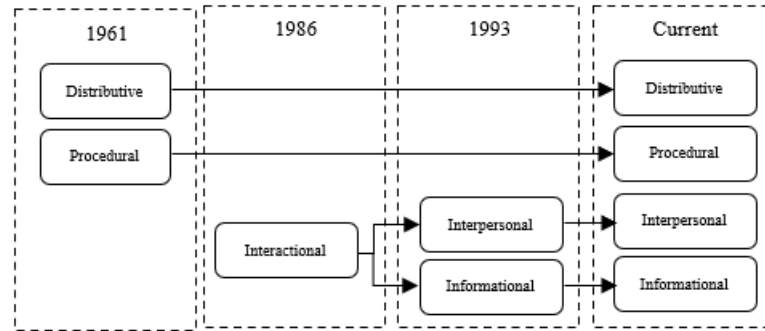


Figure 5: The development of the fairness model over time

The concept of distributive fairness can be defined as the evaluation of the distribution of socioemotional or economic value, which is reflective of the merit of individual parties.⁹⁶ Procedural fairness can be defined as the evaluation of whether the procedures used during the interaction adhere to the required level of fairness.⁹⁷ Interactional fairness can be defined as the behavioural quality individuals perceive. Interactional fairness is a good indicator of whether individuals generally feel treated fairly or unfairly, regardless of the distributive or procedural standpoint, thereby interactional fairness can uncover potential hidden issues.⁹⁸ Interpersonal fairness can be defined as how well individual are treated during the process with regards to politeness, dignity, and respect.⁹⁹ Informational fairness can be interpreted as the degree at which information pertaining to procedures or potential end-results is being shared with the other party. This includes clarification of the associated reasoning.¹⁰⁰

The specific theory and model that will be used throughout this paper is the fairness theory by Colquitt. Colquitt has successfully validated the individual fairness aspects and assembled them into a four-factor structure. The current theory consists of four antecedents influencing perceived fairness.¹⁰¹ Based on the academic engine used in the search process, the paper by Colquitt has been cited 2400+ times putting it in the 99th percentile and indicating the centrality of the paper and the relevance of the model.¹⁰² As such, the following model will be used as the basis of the fairness theory as can be seen in figure six.

⁹⁶ See Aristotle (ca. 350BC/1925), p. 1131a10-29; Chiu et al. (2010), p. 149.

⁹⁷ See Le et al. (2019), p.4.

⁹⁸ See Orsingher et al. (2009), p. 171.

⁹⁹ See Chiu et al. (2010), p. 148; Le et al. (2019), p. 4; Orsingher et al. (2009), p. 171.

¹⁰⁰ See Chiu et al. (2010), p. 150; le et al. (2019), p. 4.

¹⁰¹ See Colquitt (2001), p. 396.

¹⁰² See Scopus (2021).

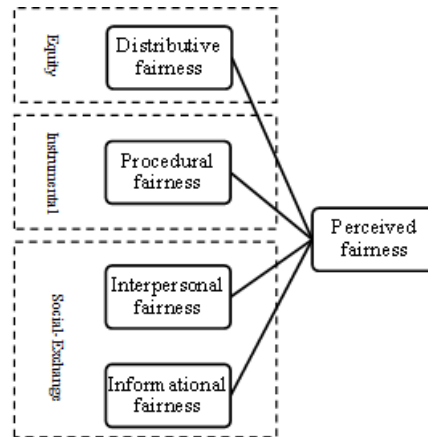


Figure 6: the current fairness theory

Alternative justice/fairness models are available which focus on two or three of the fairness antecedents or combine inter-personal and informational fairness into interactional fairness. However, as Colquitt stated, the four-factor model has shown to be better than the available alternatives.¹⁰³ This is supported by Ambrose in 2007 who assessed, explained and proved that the four-factor model proposed by Colquitt is superior to the alternative models.¹⁰⁴

2.4.3 The connection of perceived fairness in a conflict handling section

Pertaining to conflict handling, distributive fairness refers to the degree of fairness that the supplier perceives the outcome, solution, or rectification of the conflict to be.¹⁰⁵ When the distribution associated with the handling of the conflict is perceived as fair this has a strong influence of the satisfaction associated with the general handling of conflict.

Procedural fairness reflects the degree of fairness that the supplier perceives the conflict handling process to be.¹⁰⁶ The conflict handling process comprises of: the criteria, policies and procedures used by the buying organisation to resolve the potential dispute.¹⁰⁷ This includes the supplier having the option to explain their point of view regarding the conflict and allowing them to present information relevant to the situation,¹⁰⁸ As such, procedural fairness positively influences the commitment of the supplier, inter-organisational cooperating and sharing of knowledge.¹⁰⁹

¹⁰³ See Colquitt (2001), p. 392.

¹⁰⁴ See Ambrose (2007), p. 30.

¹⁰⁵ See Greenberg (1993), p. 1; Homburg & Fürst (2005), p. 98; Orsingher et al. (2009), p. 170-171.

¹⁰⁶ See Greenberg (1993), p. 1; Orsingher et al. (2009), p. 171.

¹⁰⁷ See Greenberg (1993), p. 1; Orsingher et al. (2009), p. 171.

¹⁰⁸ See Homburg & Fürst (2005), p. 98.

¹⁰⁹ See Srinivasan et al. (2018), p. 3.

Interactional fairness portrays the fairness of behaviour that the buying organisation expresses when dealing with conflict of the supplier. The focus of this aspect lies on the quality of the interaction during the procedure, where satisfaction is expressed pertaining to the way how the complaint or conflict is managed. This includes aspects such as perception of empathy, honesty, and the effort that the buying organisation is willing to spend to solve or resolve the conflict.¹¹⁰

An advantage can be attained by focusing on the relational aspect of conflict handling, by putting emphasis on the effectiveness of the interaction during the process, not just the process itself.¹¹¹ Taking emotion into consideration during the conflict handling process can potentially avoid escalation of the initial conflict.¹¹² Interactional fairness has been shown to portray respect and honesty in the shape of direct feedback which is an important aspect in collaborative problem-solving.¹¹³ This aspect not only shows that the buying organisation is interested in the problem, but they also show they understand the supplier and display willingness to solve the problem or come to a fair solution.¹¹⁴ According to previous research, showing willingness and putting effort into solving the problem has an enhancing effect on the recipient's perception of the outcome.¹¹⁵

Informational fairness can be interpreted as the degree at which the buying firm shares accurate information, adequate information, and adequate explanation pertaining to the problem handling process. The usage of reasonable and thorough information exchange has a positive effect on the generally perceived fairness.¹¹⁶

This research looks at the handling of conflict through perceived fairness to not only gain but also avoid losing or decay of supplier satisfaction, preferred customer status and preferential treatment once it is acquired. This research is attempting to uncover elements complementary to the main supplier satisfaction model. The concept of fairness has been used in multiple contexts and backgrounds to elucidate individual's response to conflict circumstances. As such, this research will "take a page out of their book" and do the same.¹¹⁷

¹¹⁰ See Greenberg (1993), p. 1; Homburg & Fürst (2005), p. 98; Orsingher et al. (2009), p. 171.

¹¹¹ See Claycomb & Frankwich (2004), p. 20.

¹¹² See Pulles & Loohuis (2020), p. 13.

¹¹³ See Srinivasan et al. (2018), p. 3.

¹¹⁴ See Zaefarian et al. (2016), p. 5.

¹¹⁵ See Tax et al. (1998), p. 72.

¹¹⁶ See le et al. (2019), p. 4.

¹¹⁷ See Tax et al. (1998), p. 61.

Figure seven displays the proposed structure adapted from Ambrose and supported by the fairness theory.¹¹⁸

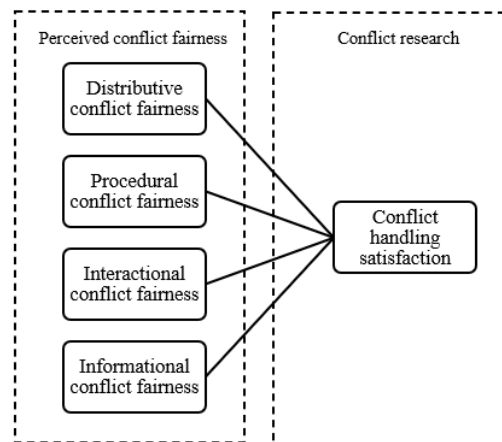


Figure 7: The proposed structure supported by the fairness theory

2.4.4 What is currently known about fairness in buyer-supplier relationships

Within buyer-supplier relationships the concept of fairness was first introduced in 1987 by Dwyer. In 1995 Kumar et al. found out the relation between supplier fairness and relationship quality, trust, commitment, and relationship continuation expectation. Additionally, the effect of fairness on conflict reduction was introduced.¹¹⁹

Within buyer-supplier relationship research, fairness has been previously linked with increased strategic alliance performance, increased cooperation outcomes through operational and financial performance, increased relationship performance, and a decreasing effect on opportunism.¹²⁰

Since then, fairness has been found to have impact on multiple existing theoretical frameworks. Fairness influences the way transaction costs are calculated in Total Cost Economics,¹²¹ the comparison of rewards versus costs in the Social Exchange Theory, thereby influencing behaviour.¹²² Next to that, fairness influences the relationship affected by dependence circumstances in the Resource Dependency Theory,¹²³ and the accumulation of social capital is impacted by fairness in the Social Capital Theory.¹²⁴ Within the Social Exchange Theory, fairness influences the value extracted from, the procedures used during,

¹¹⁸ See Colquitt (2001), p. 392; Ambrose (2007), p. 30.

¹¹⁹ See Kumar et al. (1995), p. 60-61; Shaikh et al. (2018), p. 552.

¹²⁰ See Luo (2007), p. 658; Luo (2008), p. 40-41; Liu et al. (2012), p. 364; Luo et al. (2015), p. 6.

¹²¹ See Ireland & Webb (2007), p. 494; Crosno et al. (2013), p. 12; Trada & Goyal (2017), p. 10.

¹²² See Griffith et al. (2006), p. 94; Hofer et al. (2012), p. 205; Luo et al. (2015), p. 6-7; Qiu (2018), p. 16-17.

¹²³ See Hoppner et al. (2014), p. 1704; Zaefarian et al. (2016), p. 9; Qiu (2018), p. 16-17.

¹²⁴ See Kim et al. (2017), p. 17-18.

and the interactions had during a relationship or partnership.¹²⁵ Fairness safeguards and reinforces the formal and informal exchange structure within a buyer-supplier interaction.¹²⁶ As fairness within buyer-supplier relationships in the past has resulted in a multitude of positive outcomes this paper will look further into this concept.

3. Hypotheses: An extension of supplier satisfaction by introducing the fairness principle in a conflict handling setting

3.1 Introduction into the fairness hypotheses and how they connect to conflict handling

In this chapter the hypotheses proposed in this research will be explained. In the first section of this chapter the original model its hypotheses will be replicated. In the second section of this chapter the fairness antecedents will be explained. Subsequently, the hypotheses connected to the fairness theory and its influence on the original model will be elaborated. Finally, the resulting research model will be displayed and explained.

3.2 Replication of the original model in a new online retail setting

As stated before, this research will build upon the current model proposed by Dr. F. Vos. In previous studies that used this model a significant positive relationship was found between the four first tier antecedents: Growth opportunity, Profitability, Relational behaviour, Operational excellence, and Supplier satisfaction. Additionally, a significant positive relationship between Supplier satisfaction and Preferred Customer status was found.¹²⁷ Thus, it is expected a similar relationship will be observed during this study. As such, the following hypothesis derived from this theory will be replicated during this research.

Economic value and growth opportunity reflect the attainable monetary value on the short- and long-term through the buyer-supplier relationship. As the suppliers' perception of the overall economic value in relationship is influenced by the innovation potential, growth opportunity and profitability of said relationship the following hypotheses are replicated:¹²⁸

- *Hypothesis 1A: Innovation potential has a positive effect on Growth opportunity.*
- *Hypothesis 1B: Growth opportunity has a positive effect on Supplier satisfaction.*
- *Hypothesis 2: Profitability has a positive effect on Supplier satisfaction.*

¹²⁵ See Ariño & Ring (2010), p. 1055.

¹²⁶ See Luo et al. (2015), p. 6.

¹²⁷ See Hüttinger et al. (2014), p. 716-717; Vos (2017), p. 42-43.

¹²⁸ See Vos (2017), p. 31.

The buyer's relational behaviour reflects both the perception of their reliability, support, and willingness to involve suppliers in their processes. Relational behaviour develops over time and includes aspects such as reciprocity and openness and reflect the professional and cooperative mindset of the buying organisation.¹²⁹ As such, the following hypotheses are replicated:

- *Hypothesis 3A: Support has a positive effect on Relational behaviour.*
- *Hypothesis 3B: Reliability has a positive effect on Relational behaviour.*
- *Hypothesis 3C: Involvement has a positive effect on Relational behaviour.*
- *Hypothesis 3D: Relational behaviour has a positive effect on Supplier satisfaction.*

The satisfaction of suppliers can be negatively influenced by aspects such as slow processing or procedures due to their hindering of effective business. Additionally, the accessibility of the buyer firm regarding contact can be affected by a supplier's perception of the firm's operational excellence. Having a direct contact within the buying firm enhances the general operational excellence. As such, the following hypotheses are replicated:¹³⁰

- *Hypothesis 4A: Contact accessibility has a positive effect on Operational excellence.*
- *Hypothesis 4B: Operative excellence has a positive effect on Supplier satisfaction.*

Connecting the SET and the concept of reciprocity to supplier satisfaction, suppliers who perceive their expectations to be met or exceeded by buyers/customers will reciprocate this incentive and invest further into the relationship.¹³¹ Thus, as suppliers only grant preferred status and treatment to those buyers/customers who provide the most supplier satisfaction the following hypothesis is replicated:¹³²

- *Hypothesis 5A: Supplier satisfaction has a positive effect on granting Preferred customer status.*

The theory of planned behaviour states that there are three factors influencing behavioural intention: attitude, a subjective norm, and perceived behaviour control. Attitude revolves around the evaluation of the potential (to be performed) behaviour. The subjective norm revolves around the perceived social pressure pertaining to executing said behaviour. Perceived behavioural control revolves around the ability or ease of which to execute said behaviour. Generally, there is a strong positive relationship between the attitude, subjective norm and perceived behavioural control and the intention to perform said behaviour.¹³³

¹²⁹ See Vos (2017), p. 47.

¹³⁰ See Vos (2017), p. 48.

¹³¹ See Pulles et al. (2016), p. 3-4.

¹³² See Hüttinger et al. (2012), p. 1203; Pulles et al. (2016), p. 8; Zijm et al. (2019), p. 69.

¹³³ See Ajzen (1991), p. 188.

Consequently, there is a strong positive relationship between the intention and the definite behaviour.¹³⁴

When looking at theory of planned behaviour there is separation between behavioural intent and definite behaviour.¹³⁵ Figure eight displays the customership situation where granting preferred customer status can be seen as the intention of the supplier and granting preferential treatment can be seen as the definite behaviour of the supplier.

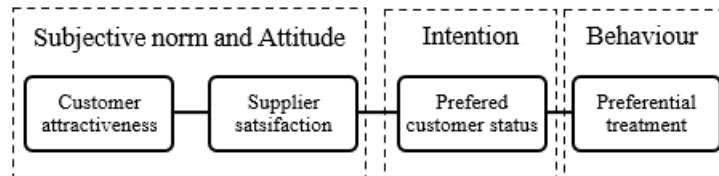


Figure 8: The theory of planned behaviour applied to the current model

However, as it is the supplier's choice to grant preferred customer status and in extend preferential treatment, this also means they have a strong influence on the perceived behavioural control. Following the logic of the theory of planned behaviour, the combination of behavioural intention and perceived behavioural control provide an explicit forecast for definite behaviour.¹³⁶ Eliciting preferred customer status will likely lead to preferential treatment. As previously a connection between preferred customer status and preferential treatment has been observed the following hypothesis is replicated:¹³⁷

- *Hypothesis 5B: Preferred customer status has a positive effect on granting Preferential treatment.*

3.3 The beneficial application of the fairness theory on conflict handling satisfaction and in extend its promising effect on supplier satisfaction

3.3.1 The necessity of balance between effort and reward stemming from the equity roots of distributive fairness

The roots of distributive fairness can be traced back to the equity-logic, where the core focus is the need for balance between effort and reward. The firm will be perceived as demonstrating distributive fairness if the partner's effort and relational investments are equivalent to their received rewards.¹³⁸

In the context of conflict/complaint handling, distributive fairness refers to the degree of fairness that the supplier perceives the outcome, solution, or rectification of the conflict

¹³⁴ See Ajzen (1991), p. 188.

¹³⁵ See Ajzen (1991), p. 206.

¹³⁶ See Ajzen (1992), p. 184.

¹³⁷ See Schiele & Vos (2015), p. 143; Vos (2017), p. 43.

¹³⁸ See Srinivasan et al. (2018), p. 3.

to be.¹³⁹ When the distribution associated with the handling of the conflict is perceived as fair this has a strong influence of the satisfaction associated with the general handling of conflict. In previous studies distributive fairness has been found to have a positive influence on conflict handling satisfaction,¹⁴⁰ and relational behaviour.¹⁴¹ Hence, distributive fairness positively influences the suppliers attitude related to the event. In extend, this influences the willingness to participate in the procedure as well as perception of the outcome of conflict and the conflict handling procedure and as such influences conflict handling satisfaction.¹⁴² As such the hypothesis derived from this theory is:

Hypothesis 6: Usage of distributive fairness during conflict/complaint handling procedures has a positive effect on conflict handling satisfaction.

3.3.2 Consistency, unbiasedness and ethicalness stemming from the instrumentality roots of procedural fairness

The roots of procedural fairness can be traced back to the instrumentality-logic, where the core focus is the quality of the instrument regarding biases, consistency, and ethicalness.¹⁴³ Procedural fairness allows the counter partner to accurately assess the quality of the relationship on the long-term.¹⁴⁴ In the context of conflict/complaint handling, procedural fairness reflects the degree of fairness that the supplier perceives the conflict handling process to be.¹⁴⁵ This includes the supplier having the option to explain their point of view regarding the conflict and allowing them to present information relevant to the situation,¹⁴⁶ which in previous studies has been found to be beneficial for the recovery from conflict situations.¹⁴⁷

When the conflict/complaint-handling procedure is perceived as fair, the frequency and intensity of conflict and disputes is lower, regardless of the outcome being favourable or not.¹⁴⁸ With that in mind, one can say that through fair procedures cooperative behaviour can be attained.¹⁴⁹ Thus, procedural fairness positively influences the attitude related to the system. In extend, this influences the perception of the fairness of the conflict handling procedure, the willingness to cooperate with the procedure, the acceptance of the outcome

¹³⁹ See Greenberg (1993), p. 1; Homburg & Fürst (2005), p. 98; Orsingher et al. (2009), p. 170-171.

¹⁴⁰ See Blakely et al. (2005), p. 268; Orsingher et al. (2009), p. 170-171.

¹⁴¹ See Griffith et al. (2006), p. 95.

¹⁴² See Tax et al. (1998), p. 69; Smith et al. (1999), p. 366; Ambrose et al. (2007), p. 22 & 30; Orsingher et al. (2009), p. 170-171.

¹⁴³ See Srinivasan et al. (2018), p. 3.

¹⁴⁴ See Ambrose (2007), p. 22.

¹⁴⁵ See Greenberg (1993), p. 1; Orsingher et al. (2009), p. 171.

¹⁴⁶ See Homburg & Fürst (2005), p. 98.

¹⁴⁷ See Ellegaard & Andersen (2015), p. 460.

¹⁴⁸ See Aibinu et al. (2008), p. 688.

¹⁴⁹ See Aibinu et al. (2008), p. 690.

and the potential value attainable (through relationship quality assessment)/ Through these aspects procedural fairness influences conflict handling satisfaction.¹⁵⁰ Thus, the hypothesis derived from this theory is:

Hypothesis 7: Usage of procedural fairness during conflict/complaint handling procedures has a positive effect on conflict handling satisfaction.

3.3.3 Quality of interaction stemming from the social-exchange roots of interpersonal fairness

The roots of inter-personal are strongly related to fairness displayed during the interaction. As such, interpersonal fairness can be traced back to the social exchange-logic, where the core focus is the quality of the interaction between two parties.¹⁵¹ In the context of conflict/complaint-handling, interactional fairness portrays the fairness of behaviour that the buying organisation expresses when dealing with conflict of the supplier. The focus of this aspect lies on the quality of the interaction during the procedure, where satisfaction is expressed pertaining to the way how the complaint or conflict is managed. This includes aspects such as perception of empathy, honesty, and the effort that the buying organisation is willing to spend to solve or resolve the conflict.¹⁵²

Previous studies pertaining to conflict put emphasis on the importance of how conflict is expressed, as it influences the behaviour during conflict. As such, the process of communication: interaction and information exchange during the conflict is important in guiding behaviour.¹⁵³ This displays the importance of the way how the outcome is achieved, not only the outcome itself.¹⁵⁴ In the context of conflict/complaint-handling, interpersonal fairness portrays showing concern for the individuals who submit complaints or conflicts. Interpersonal fairness is effective at reducing anger felt by the counterparty.¹⁵⁵ Additionally, interpersonal fairness is effective at mellowing the response towards potential outcomes, particularly in unfavourable situations.¹⁵⁶ Thus, interpersonal fairness positively influences the perception of both the conflict handling procedure and the outcome of the procedure, and

¹⁵⁰ See Tax et al. (1998), p. 69; Smith et al. (1999), p. 366; Ambrose et al. (2007), p. 22 & 30; Orsingher et al. (2009), p. 171.

¹⁵¹ See Greenberg (1993), p. 1; Srinivasan et al. (2018), p. 3.

¹⁵² See Greenberg (1993), p. 1; Homburg & Fürst (2005), p. 98; Orsingher et al. (2009), p. 171.

¹⁵³ See Ellegaard & Andersen (2015), p. 464-465; Weingart et al. (2015), p. 246-247; Pulles & Loohuis (2020), p. 10.

¹⁵⁴ See Tax et al. (1998), p. 72.

¹⁵⁵ See Greenberg (1993), p. 1.

¹⁵⁶ See Ambrose et al. (2007), p. 26.

as such influences conflict handling satisfaction.¹⁵⁷ The hypothesis derived from this theory is:

Hypothesis 8: Usage of interpersonal fairness during conflict/complaint handling procedures has a positive effect on conflict handling satisfaction.

3.3.4 Accuracy, adequacy, and effectiveness of communication as core aspects of Informational fairness

Informational fairness stems from the aspect known as interactional fairness and can be traced back to the social exchange theory where the core focus is the quality of the interaction between two parties.¹⁵⁸ In the context of conflict/complaint-handling informational fairness can be interpreted as the degree at which the buying firm shares accurate information, adequate information, and adequate explanation pertaining to the problem handling process. The usage of reasonable and thorough information exchange has a positive effect on the generally perceived fairness.¹⁵⁹

Previous studies pertaining to conflict put emphasis on the importance of how conflict is expressed as it influences the behaviour during conflict. As such, the process of communication: interaction and information exchange during the conflict is important in guiding behaviour.¹⁶⁰ Effective communication between relationship partners is crucial in resolving conflict.¹⁶¹ Additionally, the exchange of information between conflict partners is crucial in making adequate decisions and results in better communication.¹⁶² Informational fairness allows suppliers to assess procedures through open communication enhancing overall trustworthiness.¹⁶³ Thus, informational fairness positively influences both the assessment of the process and the process of conflict handling itself through enhanced communication, and as such influences conflict handling satisfaction.¹⁶⁴ The hypothesis derived from this theory is:

Hypothesis 9: Usage of informational fairness during conflict/complaint handling procedures has a positive effect on conflict handling satisfaction.

¹⁵⁷ See Tax et al. (1998), p. 69; Smith et al. (1999), p. 366; Ambrose et al. (2007), p. 30; Orsingher et al. (2009), p. 171.

¹⁵⁸ See Greenberg (1993), p. 1; Srinivasan et al. (2018), p. 3.

¹⁵⁹ See le et al. (2019), p. 4.

¹⁶⁰ See Ellegaard & Andersen (2015), p. 464-465; Weingart et al. (2015), p. 246-247; Pulles & Loohuis (2020), p. 10.

¹⁶¹ See Claycomb & Frankwich (2004), p. 20.

¹⁶² See Srinivasan et al. (2018), p. 3.

¹⁶³ See Ambrose (2007), p. 24.

¹⁶⁴ See Tax et al. (1998), p. 69; Smith et al. (1999), p. 366; Ambrose et al. (2007), p. 30; Orsingher et al. (2009), p. 171.

3.4 Conflict handling as a tool to create value, exceed expectations, and as such become a potential new antecedent to supplier satisfaction

As the success and continuity of interorganisational relationships are directly influenced by the way conflict is resolved during this relationship, the previously explained conflict handling satisfaction research will be added to the known supplier satisfaction model.¹⁶⁵ Organisations continuously strive to attain value. A positive initiation such as conflict handling leads to a positive reciprocating response. To that extent, if a relationship has satisfactory benefits such as conflict handling procedures, this is additional value and partners are more likely to sustain the relationship.¹⁶⁶

Within relationships organisations compare expectations to actual outcome, thereby defining their satisfaction level.¹⁶⁷ Pertaining to a conflict situation, the conflict handling satisfaction will as such be based on the variance between expected and actual outcome.¹⁶⁸ An effective conflict recuperation process can potentially resolve conflicts and complaints, restore satisfaction, and prevent discontinuation of relationships.¹⁶⁹ Moreover, not only the outcome of the conflict resolution process but also how this outcome was achieved is important. The way a complaint or conflict is handled influences the overall attitude of organisations thereby influencing the overall satisfaction, loyalty and return-intent.¹⁷⁰

Additionally, effective conflict resolution not only mends the relationship, but can potentially exceed expectations (variance between E and CI). To that extent, it can be stated that effective conflict resolution has the ability to increase overall satisfaction.¹⁷¹

The effective handling of conflict will likely have a negative effect on conflict itself. As conflict is negatively related to satisfaction, handling of said conflict will logically increase satisfaction.¹⁷² The management of conflict has been previously found to be an indicator for supplier satisfaction and crucial in beneficial relationships.¹⁷³ Thus, as conflict handling satisfaction positively influences the value attainable by suppliers in this relationship, overall satisfaction, and exceeds expectations (CI) a similar positive effect is expected on supplier satisfaction. As such the hypothesis derived from this theory is:

Hypothesis 10: Conflict handling satisfaction has a positive effect on supplier satisfaction.

¹⁶⁵ See Monczka et al. (1998), p. 559.

¹⁶⁶ See Huttinger et al. (2014), p. 704; Cropanzano et al. (2017), p. 480.

¹⁶⁷ See Huttinger et al. (2014), p. 698.

¹⁶⁸ See Oliver (1980), p. 466; Orsingher et al. (2009), p. 169-170.

¹⁶⁹ See Orsingher et al. (2009), p. 169.

¹⁷⁰ See Ambrose et al. (2007), p. 30; Orsingher et al. (2009), p. 170-171; Mahmoud et al. (2018), p. 15.

¹⁷¹ See Homburg & Fürst (2005), p. 95; Schiele et al. (2012), p. 1181; Huttinger et al. (2014), p. 698.

¹⁷² See Griffith et al. (2006), p. 95; Mahmoud et al. (2018), p. 15.

¹⁷³ See Essig & Amann (2009), p. 105-106.

There is no prior research done into the connection between conflict handling satisfaction and either preferred customer status or preferential treatment. Furthermore, following the logic of the theory of planned behaviour the addition of conflict handling satisfaction is not expected to directly influence these aspects (PCS or PT). Thus, there is no correlation expected between these aspects. However, it is important to affirm this assumed non-significant correlation for further research purposes. As such, the hypotheses derived are:

Hypothesis 11: Conflict handling satisfaction does not have a significant effect on preferred customer status.

Hypothesis 12: Conflict handling satisfaction does not have a significant effect on preferential treatment.

3.5 The resulting research design pertaining to perceived fairness, conflict handling satisfaction and supplier satisfaction

To address the matters uncovered in the previous chapters a quantitative study is designed. This research will observe buyer-supplier relationships where the emphasis lies on the antecedents of supplier satisfaction and the effects of conflict handling on the main model. To assess these effects the model as displayed in figure nine is designed.

The model tests for the individual effects of perceived fairness on conflict handling satisfaction, and the effect of conflict handling satisfaction on supplier satisfaction within the original supplier satisfaction model. The figure displays the merger of the original model and the additional constructs that are added and evaluated in this research. The additional constructs added to the paper are specifically focussed on conflict and conflict handling situations of the buying firm.

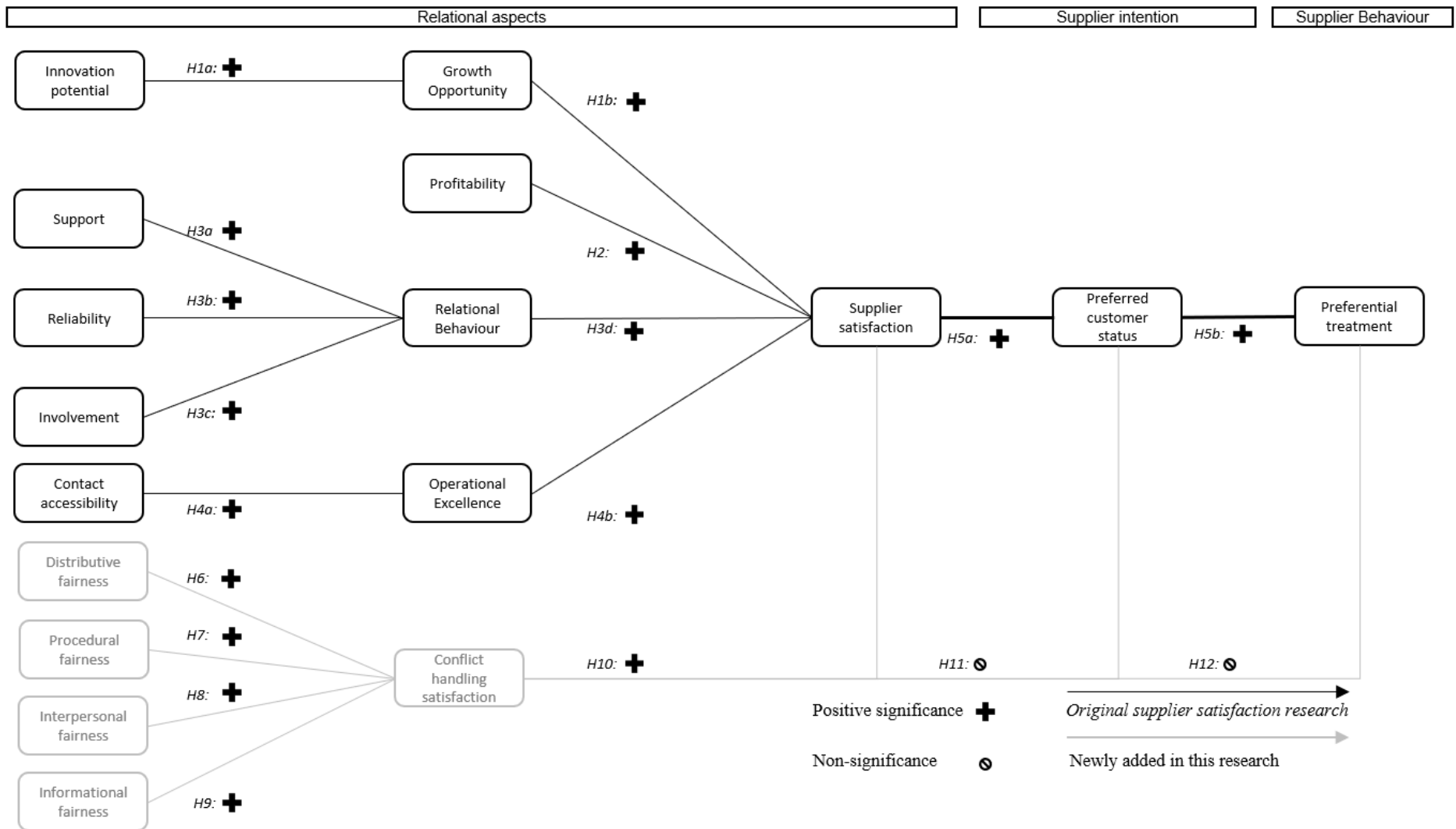


Figure 9: Visual representation of the research design (Adapted from Vos, 2017)

4. Method Section: explanation of the used items, replication of the supplier satisfaction research with a fairness component, and analysis of the quality of data

4.1 introduction into the research methods

Within this chapter the methods applied during this research are elaborated. Initially the literature review applied during the preliminary stages of this research is explained. Furthermore, the pre-testing stage and survey design of this research is elucidated. Moreover, the data collection method and sample size are described.

4.2 Literature review pertaining to the fairness and conflict handling theory

The full process of the literature review can be found in appendix I.

4.3 The replication of the supplier satisfaction measures, and the addition of the fairness and conflict measures

4.3.1 Successful pre-testing of the new fairness and conflict handling measures

During this research, the pre-test consisted of three phases to ensure the validity and reliability of the research. The initial phase consisted of a collaboration with C-Corp to make the questions contextually fitting for the online retail setting in which C-Corp operates. Additionally, the phrasing of questions within the questionnaire is done based on the recipient's "level of understanding." To that extent, the phrasing of certain questions were altered to fit a general understanding, opposed to a specialist understanding of the subject matter. The formulating/re-formulating of the questions in such a manner is done to negate potential misinterpretation or misunderstanding of the questionnaire, and thus limits the unreliability of response.¹⁷⁴

The second phase consisted of an in-depth session with two supply chain professionals, who were asked to fill in the fairness/conflict subsection of the questionnaire. They were asked to judge the survey based on: the clarity of the instructions and the questions themselves, and whether it was clear what is requested from the person filling in the questionnaire. Additionally, they were asked about their comments or suggestions.¹⁷⁵ As a result, minor changes to the formulation of questions were made.

¹⁷⁴ See Forza (2002), p. 168 & 171-172.

¹⁷⁵ See Forza (2002), p. 171.

The third phase consisted of a small sample size testing based on the input of multiple procurement professionals.¹⁷⁶ Based on the feedback from this pre-test both a Cronbach's Alpha and factor analysis were performed. The Cronbach's Alpha is used to ensure the internal consistency of the construct and the factor analysis is used to ensure that the questions sufficiently explain the observed variance. Both scores should be at least .70.¹⁷⁷ All five constructs and their respective questions were found to be "strong enough" to use in this research (above .70). The outcome of these tests can be found in table fifty-five in appendix VII.

4.3.2 A replication of the original supplier satisfaction research through quantitative research

This supplier satisfaction section builds on and is a replication of the research done by Hüttinger et al. (2014) and Dr. F. Vos et al. (2016).¹⁷⁸ Replication and extension strengthens the core research by increasing its generalisability as well as provide potential new insights pertaining to supplier satisfaction and preferred customer status.¹⁷⁹ The research is conducted with the organisation known as "C-Corp". The supplier satisfaction model has been predominantly tested within the industrial and manufacturing markets and companies. Thus, C-Corp is a type of company that hasn't been explored before. Application to this context provides valuable insights into the adaptability of the model. A quantitative research design is used to find an answer to the previously presented research question and associated hypotheses. The data will be collected by means of a survey adapted from Dr. F. Vos et al. (2016). The questions revolve around the antecedents influencing supplier satisfaction, preferred customer status and preferential treatment. Likewise, the measures used in the survey are adapted from the same source and can be found in table forty-two in appendix II.

These instruments were adopted and used due to the good statistical outcomes when used in previous studies, hence usage of these instruments will strengthen the validity of this research. Excluding questions pertaining to background information, the survey items use a 5-point Likert scale ranging from "strong disagree" till "strong agree".

The data collection procedure is conducting a survey to both C-Corp and their suppliers. A total of thirteen survey items are shared with C-Corp and a total of twenty-five survey items are shared with their suppliers.

¹⁷⁶ See Forza (2002), p. 172.

¹⁷⁷ See Hulland (1991), p. 198; Field (2013), p. 675.

¹⁷⁸ See Hüttinger et al. (2014); Vos et al. (2016).

¹⁷⁹ See Vos et al. (2016), p. 4621.

4.3.3 The questionnaire design and measures pertaining to fairness, supplier satisfaction and conflict handling

A quantitative research design is used to find an answer to the previously presented research questions and associated hypotheses. The data will be collected by means of a questionnaire. The measures used in the design of the questionnaire are based on pre-existing measurements.

The fairness items are adapted and strengthened keeping the conflict handling logic in mind. The introduction of the questions and the questions themselves have been altered to be focused on the process of resolving or handling of complaints, problems, or conflict. The individual items and their origin can be found in table thirty-eight in appendix II. As such, the fairness constructs are based on research by Ambrose et al. (2007) and Hess & Ambrose (2010). These measures are originally meant to be used in an intra-organisational conflict setting. However, within this research, these items are used in an inter-organisational conflict setting. As such, these measures and the construct overall were pre-tested to ensure both validity and reliability.

Like previous measures, the measure “conflict handling satisfaction” is taken from Ambrose et al. (2007). However, to strengthen the three-item construct, a fourth item was added based on Oliver and Swann (1989), which is where the original paper of Ambrose et al. (2007) based their questions on. As Oliver and Swann’s (1989) questions are less situational fitting they were not chosen to keep the current strength in order.

Item ‘CHS_4’ was altered based on feedback from the pre-test to limit its similarity to item ‘CHS_3’. These measures can be found in table forty-four in appendix II.

These instruments were adopted and used due to the good statistical outcomes when used in previous studies. As such, the usage of these instruments will strengthen the validity of this research. Excluding questions pertaining to background information, the survey items use a 5-point Likert scale ranging from “strongly disagree” to “strongly agree”. All other questions were measured using a combination of a slider or an open textbox.

As fairness research is habituality studied from a single point of the dyad this paper has added a preliminary research using a dyadic perspective by looking at both the buyer and the supplier. As such, for the dyadic part the original questions pertaining to conflict handling and fairness have been mirrored and slightly altered to accurately reflect the buyer’s perspective. As the sample size that is used in this research is considered quite small (n=13), the dyadic part of this research is considered as only preliminary to pave the way for future research. To this extent the outcomes of this preliminary research will not be added to the

main body of the paper but can be found in appendix IX. The full formulation of the items used in the questionnaire can be found in appendix III.

4.4 The rise of a new online market and its exponential growth during the pandemic, a new local supplier and online retail setting

“C-Corp” is a relatively new online retail concern. They believe in providing sustainable and quality products to their consumers while making both a positive environmental and social impact. To do so, they use of a network of local suppliers in their industry, providing the principle of the farm-to-table concept to their customers.¹⁸⁰ Additionally, their distribution network makes use of 100 percent electrical transport, minimizing their ecological footprint. While other companies might have been negatively influenced during the times of the pandemic, C-Corp has experienced significant growth, making it an interesting company to study.¹⁸¹

4.5 Data collection method and definition of the sampling

The acquisition of a fitting company for this research was assisted by the supply chain consultancy “Supply Value” that used their professional network to find “C-Corp”. The initial collaboration with C-Corp consisted of examining the theory and supported research to create the right setting. Additionally, a list of the right type of suppliers deemed fitting to the goal of the research was developed, as identifying the right respondents is a crucial step.¹⁸² Individual points of contact were selected based on their professional background or position within the suppliers’ company to ensure the most homogeneous population possible.

By means of the pre-test, the questions were made contextually fitting for the online retail setting in which C-Corp and their suppliers operate in. Additionally, the questionnaire is available in both English and Dutch, to allow the recipients to answer in the manner they are most accustomed to.

C-Corp provided the contact details of the selected suppliers so that they could be contacted for the questionnaire. Additionally, they engaged in the communication design process, as to maximise the effectiveness of the interaction with the suppliers. Qualtrics, a survey software was used for the data collection and indirect communication with the

¹⁸⁰ See C-Corp. (2021); C-Corp (2021a); Van Haarlem, (2021).

¹⁸¹ See De Ondernemer (2020).

¹⁸² See Forza (2002), p. 169.

suppliers. The suppliers were provided with a cover letter and the questionnaire itself. The questionnaire consisted of clear instructions and descriptions followed by the questions itself. To that extent the recipients were informed of the nature of the research and their anonymity within it. This was done to maximise the chance of receiving their honest and unbiased opinion.

A total of 182 suppliers were found suitable to be part of this research and were contacted. The initial opening of the survey and invite to suppliers was sent on the 20th of June. A total of one hundred and twenty-two responses were collected. The response rate during the collection period was 67 percent. According to Baruch and Holtom (2008), an organisational level survey response rate should fall between 17 and 41 percent. Therefore, the response rate is above average.¹⁸³ In the end, ninety-three responses were found fitting to continue with. Some respondents did not fill in all the answers or were considered to have too limited knowledge about the relationship to accurately answer the questions. Additionally preliminary dyadic research was performed with a minor sub-group of this population containing thirteen respondents. An overview of the characteristics of the sample can be found in table four.

Table 4: Demographics of the case company

Relationship length	Number of employees	
< one year 4 (4%)	<20 65 (72%)	
One year 35 (39%)	21-50 12 (14%)	
Two years 24 (26%)	51-100 7 (7%)	
Three years 21 (23%)	101-500 6 (6%)	
> Three years 7 (8%)	>500 1 (1%)	

Industry	Target market	First tier or second tier Supplier
Food Production 51 (56%)	Big retail (32%)	First tier 82 (90%)
Bakery 10 (11%)	CHR (31%)	Second tier 9 (10%)
Beverages 7 (8%)	Small retail (21%)	
Wholesale & CHR 6 (7%)	SME's (16%)	
Fruits and vegetables 5 (5%)		
Healthcare 1 (1%)		
Other 11 (12%)		

¹⁸³ See Baruch and Holtom (2008), p. 1151.

A common issue in quantitative data analysis is asserting the sample data's generalisability of the whole dataset and as such the existence of a non-response bias in the data. This bias is checked by comparing the response of the early respondents and late respondents of the data collection period using an Levene's homogeneity of variances test. Late respondents are chosen as they are the closest in similarity to non-respondents.¹⁸⁴ According to the test none of the variables used in this research are significantly different between the two groups, as none of the significant levels are 0.05 or less. The full outcome of the Levene's test can be found in appendix IV. Based on the outcome the sample is a good representation of the entire population.

4.6 Analysis of the data with PLS-SEM and Smart PLS 3

The initial assessment of the data is done using IBM SPSS Statistics 27. Further assessment of relationships between the individual constructs is done using "SmartPLS 3", which mimics the analysis done by Dr. F. Vos (2017).¹⁸⁵

The instrument CB-SEM or SEM based on covariance is not used during this research as it has limitations pertaining to assumptions compared to PLS-SEM. PLS goes beyond what CB can solve.¹⁸⁶ Conversely, Smart PLS makes use of partial least squares structural equation modelling [PLS-SEM]. PLS-SEM is a fitting instrument for this research for two specific reasons:

First, PLS-SEM is able to deal with complex models with multiple constructs and relationships.¹⁸⁷ By using a causal predictive perspective, it can predict causality within statistical models, allows assessment of the predictive capability of the research model itself, and provides a foundation for the creation of managerial implications.¹⁸⁸

Secondly, PLS-SEM is adept at dealing with smaller sample sizes.¹⁸⁹ The maximum number of formative indicators to measure a construct can be used to determine the minimally acceptable sample size. The largest number of formative indicators in this research is six, multiplying this by ten leads to a minimum sample size of sixty. This research has a sample size of ninety-three, fulfilling the requirements to use PLS-SEM as an analytical tool during this research.¹⁹⁰

¹⁸⁴ See Armstrong and Overton (1977), p. 396;

Paulraj et al. (2008), p. 51.

¹⁸⁵ See Vos (2017), p. 38-39; Ringle et al. (2015).

¹⁸⁶ See Vos (2017), p. 21; Hair et al. (2019a), p. 5.

¹⁸⁷ See Hair et al. (2019), p. 3 & 5.

¹⁸⁸ See Vos (2017), p. 21; Hair et al. (2019a), 4; Hair et al. (2019b), p. 11-12.

¹⁸⁹ See Hair et al. (2019a), p. 6.

¹⁹⁰ See Hair et al. (2014), p. 109.

4.7 Quality assessment of the data and research the model, a closer look at the reliability and validity of the individual constructs and the model

4.7.1 introduction into the quality assessment tools

The Partial Least Squares Structural Equation Modelling [PLS-SEM] multistage process is followed during this analysis. This chapter will look at specification of the research model, evaluation of the inner model (reliability and validity of the measuring constructs) and evaluation of the outer model (quality of the outer model based on its predictive ability of the endogenous constructs).¹⁹¹ The specification of the fairness research model is done based on the theory derived from chapter two, and the hypotheses from chapter three. As such, the created model, and the individual constructs (including their relation towards each other) is based on both theory and logic.¹⁹²

To assess the outer model the data received from C-Corp and their suppliers is analysed using both 'SPSS 28' and 'Smart PLS 3'. Using 'SPSS 28' a Principal Component Analysis [PCA] is performed to make an initial assessment of the data, which assesses whether the individual items measure the correct construct. Additionally, it is used to connect a substantial number (of the variables used) to a smaller number of constructs or components.¹⁹³ The PCA is a tool to assess factor loadings while maintaining the item's unique variance on their aspired constructs.

4.7.2 Principle Component Analysis

During the principle component analysis the Varimax option is used. Varimax is the most used rotation method as it limits the complexity of the components by enhancing the components loadings variance.¹⁹⁴ The varimax option with 11 fixed components for the supplier satisfaction model, and 6 fixed components for the fairness model leads to the highest loadings while removing the least number of indicators. All items successfully load above the required range of .5. and most items even load above the advised .7 range (as this research is using what is considered a small sample size).¹⁹⁵

Noteworthy is that both preferred customer status and preferential treatment load on the same component. However, this is not very surprising as they are quite similar in nature, and one strongly influences the other. Yet, when looking at the individual items that measure

¹⁹¹ See Hair et al. (2014), 109 -113.

¹⁹² See Hair et al. (2014), p. 110.

¹⁹³ See Tabachnick & Fidell (2013), p. 612; Tabachnick & Fidell (2019), p. 476.

¹⁹⁴ See Tabachnick & Fidell (2013), p. 643; Tabachnick & Fidell (2019), p. 487.

¹⁹⁵ See Tabachnick & Fidell (2019), p. 481

the individual components, noticeable differences can be found. Additionally, development and involvement also load on the same component. As both these constructs are meant to measure relational behaviour certain communality is not considered odd. When looking at the specific items measuring either constructs a certain overlap can be found. Due to the overlap with the original construct “involvement” the new construct “development” is removed as its benefits to the model are limited.

Despite the resulting fit, several indicators have either a low or misplaced loadings. Misplaced factor loadings entail individual items loading on a different construct than intended and as such must be removed. The cut-off point for the loadings is .55 as that level is considered good. However, items that fall in between the good (.55) and fair (.45) range might still be considered depending on their specific situation.¹⁹⁶

The items S_Growth_20_4 loaded on a different component compared to the other variables that are part of the construct. S_OperativeExc_40_3, S_OperativeExc_40_4, S_RelBehavior_80_1, S_Profitability_90_1 and Conflict_Handling_Satisfaction_1 load below .55 and as such will be removed from further analysis.

To assess the PCA, the communalities test, the Kaiser-Meyer Olkin Measure [KMO], and the Bartlett’s Test of Sphericity are used. Within this research all requirements set by these three test are met. The outcome and explanation of the individual tests can be found in appendix V.

4.7.3 Assessment of the overall model

Following the PCA and the analysis of the quality of the PCA, PLS-SEM is used to further analysis the data. Using ‘Smart PLS 3’, a PLS Algorithm test is done to assess the overall model.¹⁹⁷ The focus of this test lies on the Composite Reliability [CR], Cronbach’s alpha [CA], and the Average Variance Extracted [AVE]. Within this research, CR is used to assess the internal consistency reliability of a construct. Even though, Cronbach’s Alpha is a more traditional indicator, it comes with some potential shortcomings. CA assumes that the loadings of all indicators are equal within the sample, while CR does not have the same assumption. As the individual reliabilities of indicators are being prioritised by the PLS-SEM algorithm, this makes CR a more fitting concept.¹⁹⁸

Additionally, the number of indicators influences the CA, making it more sensitive. As such, CA tends to underrate the internal consistency reliability of constructs. Thus, using

¹⁹⁶ See Tabachnick & Fidell (2013), p. 654; Tabachnick & Fidell (2019), p. 509.

¹⁹⁷ See Ringle et al. (2015).

¹⁹⁸ See Hair et al. (2014), p. 111.

composite reliability, the algorithm is capable of allocating varying reliabilities per indicator and avoid the underrating associated with the CA.¹⁹⁹ Nevertheless, the CA is calculated for sake of comparison.

To assess the overall validity of the constructs both the convergent and discriminant validity must be taken into consideration. The Average Variance Extracted [AVE] and the individual outer loadings are used to assess the convergent validity of the constructs. An AVE score of .5 indicates that more than 50 percent of the variance of the indicators of the construct is explained by the construct. When both the outer loadings and the AVE for each construct is sufficient there is sufficient convergent validity. When individual constructs are empirically distinct from each other, and their measurement is as intended (they measure what they are supposed to measure) one can speak of discriminant validity. This can be assessed by comparing a construct's cross-loadings with its own loadings and the Heterotrait-monotrait ratio [HTMT], where the own loadings should be higher than cross-loadings, and the HTMT ratio should be below the threshold of .85.²⁰⁰

As can be seen in table five, the required level of .7 for the CR, outer loadings, CA, and the required level of .5 for the AVE are achieved.²⁰¹ Furthermore, table fifty in appendix V shows that none of the cross-loadings either outrank their own loadings or are above the .85 threshold.²⁰² As such, it can be concluded that the quality of the data is sufficient to proceed with.

¹⁹⁹ See Hair et al. (2014), p. 111.

²⁰⁰ See Hair et al. (2014), p. 111-112

²⁰¹ See Bagozzi & Yi (1988), p. 82; Field, 2013, p. 710; Hair et al. (2014), p. 111-112.

²⁰² See Henseler et al. (2015), p. 121; Voorhees et al. (2016), p. 130.

Table 5: Correlations, Means, Standard Deviations, and Reliability of Constructs

	1 CA	2 GO	3 IP	4 OPEX	5 R	6 S	7 I	8 RB	9 P	10 SS	11 PCS	12 PT	13 DF	14 PF	15 IPF	16 IFF	17 CHS
1 Contact Accessibility	-																
2 Growth opportunity	.408**	-															
3 Innovation Potential	.241*	.516**	-														
4 OPEX	.358**	.240*	.148	-													
5 Reliability	.370**	.425**	.310**	.241*	-												
6 Support	.237*	.419**	.286**	.096	.309**	-											
7 Involvement	.305**	.292**	.403**	.996	.188	.336**	-										
8 Relational behaviour	.519**	.456**	.427**	.318**	.539**	.334**	.396**	-									
9 Profitability	.350**	.537**	.452**	.200	.388**	.339**	.308**	.452**	-								
10 Supplier Satisfaction	.495**	.544**	.452**	.311**	.585**	.305**	.275**	.652**	.608**	-							
11 Preferred customer status	.337**	.514**	.337**	.121	.317**	.328**	.289**	.504**	.562**	.552**	-						
12 Preferential treatment	.211*	.355**	.332**	-.084	.298**	.276**	.352**	.364**	.342**	.356**	.667**	-					
13 Distributive fairness	.287**	.296**	.114	.188	.156	.237*	.183	.482**	.239*	.370**	.246*	.173	-				
14 Procedural fairness	.296**	.258*	.294**	.196	.220*	.182	.284**	.459**	.281**	.358**	.294**	.362**	.579**	-			
15 Interpersonal fairness	.329**	.178	.153	.097	.253*	.078	.227*	.456**	.150	.276**	.229*	.360**	.551**	.702**	-		
16 Informational fairness	.306**	.189	.181	.111	.328**	.177	.346**	.456**	.198	.378**	.304**	.273**	.579**	.734**	.729**	-	
17 Conflict handling satisfaction	.162	.138	.137	.136	.203	.093	.265*	.443**	.111	.276**	.259*	.254*	.619**	.702**	.674**	.771**	-
Mean	4.07	3.48	2.78	3.07	4.25	2.92	3.06	3.98	3.18	4.49	3.39	3.27	3.68	3.63	3.98	3.66	3.71
SD	0.75	0.67	0.84	0.76	0.56	0.72	0.78	0.51	0.58	0.51	0.83	0.72	0.59	0.57	0.59	0.65	0.70
Composite reliability	.91	.82	.92	.85	.91	.88	.90	.88	.88	.96	.93	.90	.95	.96	.97	.95	.96
Cronbach's alpha	.85	.72	.89	.80	.86	.81	.81	.84	.82	.93	.91	.84	.95	.94	.96	.94	.96
Average Variance explained	.77	.53	.75	.59	.71	.70	.71	.61	.60	.78	.73	.68	.82	.85	.88	.81	.86

5. Findings of the supplier satisfaction and fairness model: the successful replication and merging of the models

5.1 Introduction into the findings: explanation of the build-up of the chapter

Within this chapter, the results extracted from the data-analysis process are elaborated. Both the replication of the original supplier satisfaction model as the fairness model are assessed within this chapter. Furthermore the hypotheses are answered and the resulting research model will be presented.

5.2 The supplier satisfaction model, the fairness model and hypothesis testing: assessing the quality of the inner model

5.2.1 Introduction into the findings by making use of smart pls3

This research makes use of the PLS-SEM method opposed to the CB-SEM method. As such the inner model and the hypotheses proposed in chapter three are assessed differently than traditionally. PLS-SEM does not possess the conventional goodness-of-fit aspects. To evaluate the quality of the supplier satisfaction model, PLS-SEM focusses on the ability of the model to predict the endogenous constructs. This is done by looking at the following aspects: Coefficient of determination [R^2], cross-validated redundancy [Q^2], path coefficients, and the effect size [f^2].²⁰³

Smart pls consistent path modelling bootstrapping is used to analyse these criteria. To ensure that the conclusions taken from this method are meaningful 5000 sub-samples will be used. As the relationship between the variables is expected to be either positive or negative a one-tailed test with a significance level of .05 is used.²⁰⁴

The first analysis looks at the coefficient of determination [R^2]. R^2 indicates the predictive power of the model. The predictive accuracy values of R^2 range from weak (.25), to moderate (.50) to substantial (.75).²⁰⁵

Cross-validated redundancy [Q^2] is used to assess the predictive relevance of the inner model, by using a data matrix that omits and reuses samples. As such, the bigger the difference between the value that is predicted and the actual value the smaller the Q^2 , where the size of Q^2 indicates the predictive accuracy of the model.²⁰⁶ However, Q^2 Does not explain the quality of the prediction, only the relevance.²⁰⁷

²⁰³ See Hair et al. (2014), 109 -113.

²⁰⁴ See Kock (2015), p. 5; Streukens & Leroi-Werelds (2016), p. 5.

²⁰⁵ See Hair et al. (2014), p. 113.

²⁰⁶ See Hair et al. (2014), p. 113.

²⁰⁷ See Hair et al (2014), p. 114.

The path coefficients represent the hypothesised influence of individual structures on each other. Path coefficient values can range between -1 and +1, where -1 indicates a strong negative relationship and +1 indicates a strong positive relationship.²⁰⁸

The last analysis looks at the effect size [f^2]. The f^2 for the individual paths is calculated by analysing Cohen's f^2 . The value of f^2 is determined by examining the effect that removing a specific construct from the model has on the change in R^2 . The effect size can be small (.02), medium (.15) or large (.35).²⁰⁹

5.2.2 Analysis of the supplier satisfaction, fairness and conflict handling hypotheses

Table six displays the outcomes of the combined supplier satisfaction and fairness models and answers the previously stated hypotheses from chapter three

Table 6: The hypotheses for the supplier satisfaction model

Hypothesis	Variable name	Path	t	β	f^2	Q^2	Result
H1a	Innovation potential	IP \rightarrow G**	7.2	.51	0.90	.15	Supported
H1b	Growth opportunity	G \rightarrow SS	1.9	.13	0.03	.43	x
H2	Profitability	P \rightarrow SS**	4.1	.33	0.17	-	Supported
H3a	Support	S \rightarrow RB	1.3	.13	0.01	.18	x
H3b	Reliability	RL \rightarrow RB**	6.3	.43	0.60	-	Supported
H3c	Involvement	I \rightarrow RB*	2.3	.22	0.01	-	Supported
H3d	Relational behaviour	RB \rightarrow SS**	4.2	.35	0.12	-	Supported
H4a	Contact accessibility	CA \rightarrow O**	5.5	.44	0.54	.09	Supported
H4b	Operational excellence	O \rightarrow SS*	1.8	.21	0.13	-	x
H5a	Supplier satisfaction	SS \rightarrow PC**	8.8	.55	0.52	.21	Supported
H5b	Preferred customer status	PC \rightarrow PT**	8.9	.67	1.39	.29	Supported
H6	Distributive Fairness	DF \rightarrow CHS*	2.2	.19	.07	.57	Supported
H7	Procedural Fairness	PF \rightarrow CHS	1.8	.19	.04	-	x
H8	Interpersonal Fairness	IPF \rightarrow CHS	1.5	.16	.03	-	x
H9	Informational Fairness	IFF \rightarrow CHS	3.4	.41	.19	-	Supported
H10	Conflict handling Satisfaction	CHS \rightarrow SS**	3.8	.31	.11	-	Supported
H11	Conflict Handling Satisfaction	CHS \nrightarrow PCS	1.0	.11	.02	-	Insignificance supported
H12	Conflict Handling Satisfaction	CHS \nrightarrow PCS	1.2	0.9	0.1	-	Insignificance supported

β = standardized coefficient beta; t = t -statistic; SE = Standard Error of β ; f^2 = effect size of variance explained by predictor; * = $p < .05$ (one-sided); ** = $p < .01$ (one-sided); CA=Contact accessibility; G=Growth opportunity; I=Involvement; IP=Innovative potential; O=Operational excellence; P=Profitability; RL=Reliability; RB=Relational behaviour; S=Support; SS=Supplier satisfaction; PC=Preferred Customer Status; PT=Preferential Treatment. DF = Distributive fairness; PF = Procedural fairness; IPF = Interpersonal fairness; IFF = Informational fairness; CHS = conflict handling fairness.

The results of the analysis indicate that support cannot be found for H1b, H3a, H4b, H7 and H8. However, empirical support can be found for H1a, H1b, H2, H3b, H3c, H3d, H4a, H, H5a, H5b, H6, H9, H10, H11 and H12. As can be seen in table fourteen: Innovation potential has a strong significant effect on Growth opportunity (H1a: $t=7.2$; $\beta=.51$ $f^2=.90$),

²⁰⁸ See hair et al. (2014), p. 114.

²⁰⁹ See Hair et al. (2014), p. 114.

Profitability has a significant effect on supplier satisfaction (H2: $t=4.1$; $\beta=.33$ $f^2=.17$), Reliability has a strong significant effect on Relational behaviour (H3b: $t=6.3$; $\beta=.43$ $f^2=.60$), Involvement has a significant effect on Relational behaviour (H3C: $t=2.3$; $\beta=.22$ $f^2=.01$), Relational behaviour has a significant effect on Supplier satisfaction (H3d: $t=4.2$; $\beta=.35$ $f^2=.12$), Contact accessibility has a significant effect on Operational excellence (H4a: $t=5.5$; $\beta=.44$ $f^2=.54$), Supplier satisfaction has a significant effect on Preferred customer status (H5a: $t=8.8$; $\beta=.55$ $f^2=.52$), and Preferred customer status has a strong significant effect on preferential treatment (H5b: $t=8.9$; $\beta=.67$ $f^2=1.39$). Furthermore, distributive Fairness has a significant positive effect on Conflict Handling Satisfaction (H6: $t = 2.2$; $\beta=.19$; $f^2=.07$). Informational Fairness has a significant effect on Conflict Handling Satisfaction (H9; $t = 3.4$; $\beta= .41$; $f^2=.19$). Conflict Handling Satisfaction has a significant effect on supplier satisfaction (H10; $t = 3.8$; $\beta= .31$; $f^2=.11$). Conflict Handling Satisfaction does not significantly influence Preferred Customer Status (H11; $t=1.0$; $\beta= .11$; $f^2=.02$), and Conflict Handling Satisfaction does not significantly influence Preferential Treatment (H12; $t=1.2$; $\beta= .09$; $f^2=.01$).

Within the model, H1a, H2, H3b, H3d, H4a, H5a, H5b H9 and H10 are significant at an alpha level of .001 indicating the strength of their significance. Figure nine displays the combined fairness and supplier satisfaction model.

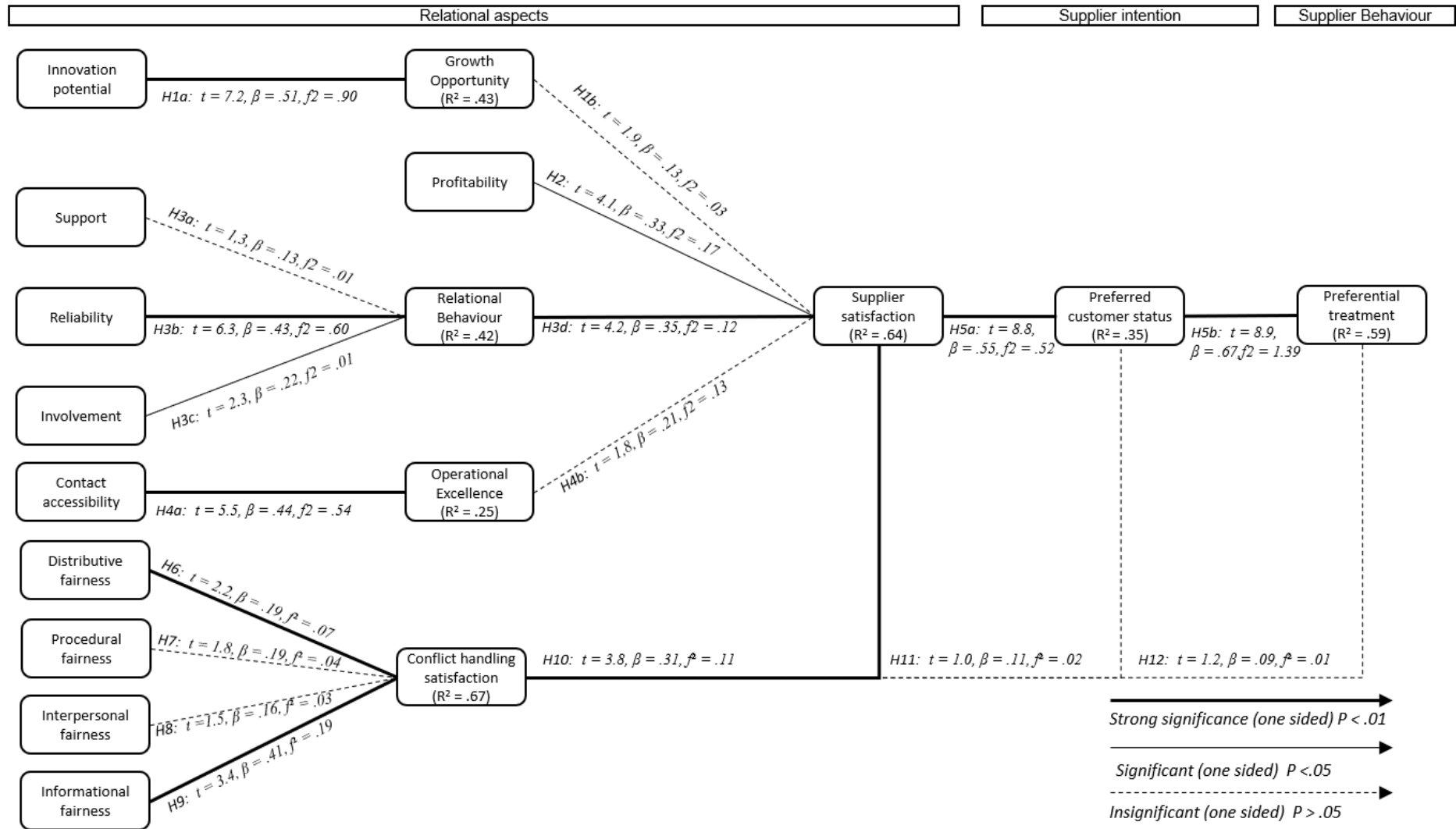


Figure 10: the complete research model – merge between the fairness principles, conflict handling satisfaction and supplier satisfaction model

6. Discussion and Conclusion: the successful connection between fairness and supplier satisfaction through the means of conflict handling

6.1 Introduction into the effect of fairness, conflict handling satisfaction, and supplier satisfaction

The aim of this research is threefold and is related to combining the fairness principles in a conflict setting within the supplier satisfaction model, thereby assessing the usability of fairness in negating the loss of supplier satisfaction through conflict handling satisfaction.

The first aim is to test and revalidate the supplier satisfaction model in a new context, namely that of online retail with local suppliers. This is done to broaden the usability of the model and to strengthen the overall research.

The second aim is related to gaining insights into the effect of conflict handling satisfaction on supplier satisfaction. This is done to fill in a previously known research gap and to pave the way into a potentially new research direction.

The third aim is related to gaining insight into the effect of fairness on conflict handling satisfaction within the supplier satisfaction model. This is done to assess the usability of fairness and conflict handling satisfaction in mitigating the negative effects of conflict on supplier satisfaction. Furthermore, this is done to analyse the usability of fairness and conflict handling satisfaction as potentially new antecedents.

The remainder of the discussion and conclusion chapter consist of six subchapters. In subchapter two, the replication of the supplier satisfaction model in a new online context will be explained. This is followed by the augmenting effects of the fairness model on conflict handling in subchapter three. In subchapter four the theoretical contributions are explained as well. Subchapter five elaborates the managerial implications of this research. Lastly, in subchapter six both the limitations within this research and the potential future research directions are explained.

6.2 The successful replication of the supplier satisfaction model in a new online context

In chapter five, the successful significant correlations between (most of) the antecedents of supplier satisfaction - supplier satisfaction, supplier satisfaction - preferred customer status, and preferred customer status - preferential treatment are supported. The effect of Growth opportunity on supplier satisfaction (H1b: $t=1.9$; $\beta=.13$; $f^2=.03$), support on relational behaviour (H3a: $t=1.3$; $\beta=.13$; $f^2=.01$) and operational excellence on supplier

satisfaction (H4b: $t=1.8$; $\beta=.21$; $f^2=.13$), has not been supported. When looking at the statistics, for all three variables the t-statistic is below the minimum point. Additionally, for growth opportunity and support the effect size is considered quite small.

The insignificance of the variable growth opportunity might be related to two things; “misloading” of items, and formulation of the questions. During the principle component analysis the construct was split in half as two of the four items did not load on the right construct, likely limiting the strength. Additionally, C-Corp deals with a certain type of supplier who are likely to focus on growth potential, as their partnership with C-Corp is focused on expanding their individual brand. However, providing the potential for growth can be done in multiple ways, also in ways not formulated within these survey questions. C-Corp provides a new platform for their suppliers, yet this is not the same as providing “dominant market position”, “attracting new customers” or “new market opportunities”. Hence, the specific formulation potentially makes it harder for certain suppliers to identify themselves with these items.

The insignificance of the variable support might be related to the formulation of the survey questions. When going deeper into the individual items (I), differences can be found ($I1= .68$, $I2=.54$, $I3=.54$). The first item is a more general formulated question, while the other two item-questions are focused on technological and quality advice. Looking at these formulations within the context of the relation between the case company and suppliers, the formulation of these questions might be less situationally fitting. The case company has a different expertise compared to the “products” that the suppliers produce. To that extent, it is less likely the case company will provide technological and quality based feedback or advice. As such, these findings propose a possible explanation for the non-significance.

As with growth potential, the insignificance of the construct operational excellence can potentially be explained by two things; “misloading” of items, and formulation of the questions. During the principle component analysis, two of the construct items “misloaded”, thereby potentially limiting the strength of the construct. As such, the construct operational excellence is only translated by the concept “demand planning”. Looking at the way C-Corp does business, there is a lessened focus on demand planning. Aspects such as the alignment or attunement of the supplier’s and the organisations processes or systems would potentially have been more fitting to analyse the operational excellence.

Hence, the misloading of construct items and the current formulation could be a potential barrier towards the significance to these aspects.

Figure nine is used to answer the first research question: *RQ1. Can the supplier satisfaction model effectively be replicated in a local supplier online retail setting?*

The findings of chapter five indicate that the supplier satisfaction model can be effectively used in an online retail context with local suppliers. Based on the findings, it can be concluded that the original supplier satisfaction model has been successfully replicated in this new context.²¹⁰ Thereby successfully answering the research question.

Additionally, table six (chapter 5.2.2) is used to answer the second research question: *RQ2. How is supplier satisfaction related to preferred customer status, and preferential treatment within a buyer-supplier online retail setting?*

As can be seen, supplier satisfaction is strongly related to preferred customer status ($\beta = .55^{**}$) and preferred customer status is strongly related to preferential treatment ($\beta = .67^{**}$). Supplier satisfaction, preferred customer status and preferential treatment in an online retail setting are connected through strong significant relationships, which successfully answers the research question.

6.3. Discussion: the augmenting effect of the distributive and informational fairness principles on conflict handling satisfaction and conflict handling as a potential antecedent of supplier satisfaction

The main theory used in this part of the research is the fairness theory, as such this subchapter will start by looking at the individual effects of the fairness theory on conflict research.

Within this research, distributive fairness has the expected significant impact on conflict handling satisfaction. This supports the equity theory which indicates that there is a need for balance between effort and reward. According to data gathered for this research the suppliers feel their efforts and relational investments are sufficiently equivalent to the rewards they receive. Hence, the organisation is perceived as displaying distributive fairness.²¹¹ Due to the exhibition of distributive fairness during the conflict handling procedure this significantly influences the conflict handling satisfaction associated with the conflict. The findings indicate that distributive fairness positively influences conflict handling satisfaction. This is in line with kindred research that found similar effects.²¹²

²¹⁰ See Vos (2017), p. 36.

²¹¹ See Srinivasan et al. (2018), p. 3.

²¹² See Tax et al. (1998), p. 69; Smith et al. (1999), p. 366; Blakely et al. (2005), p. 268; Ambrose et al. (2007), p. 30; Orsingher et al. (2009), p. 170-171.

However, as the aspect known as conflict handling satisfaction is a newly developed variable this is a favourable outcome and contributes towards the known theory.

Procedural fairness does not have the expected significant impact on conflict handling satisfaction. As such, within a conflict situation the instrumentality research is not supported. Instrumentality research states that the quality of the instrument regarding biases, consistency, and ethicalness provides procedural fairness.²¹³ Procedural fairness was expected to influence conflict and conflict handling satisfaction through lowering the frequency and intensity of conflict and disputes.²¹⁴ However, the expected influence of procedural fairness on conflict is related to the process used during the conflict. This is done by putting emphasis on the quality of non-bias, consistency and ethicalness of the tools used during that process.²¹⁵ Therefore, the lack of genuine conflict is likely to reflect a lack of exposure to conflict management processes, making it difficult to measure the effectiveness of procedural fairness.

What is interesting to see is the discrepancy between the results of SmartPLS3 and SPSS. On one hand SmartPLS3 shows a non-significant relationship between procedural fairness and conflict handling satisfaction, SPSS shows a strong significant correlation between procedural fairness and conflict handling satisfaction ($\beta = .72^{**}$), emphasising that under certain circumstances there is a correlation between these two aspects, which supports previous research into the influence between fairness and conflict.

Interpersonal fairness did not have the expected significant impact on conflict handling satisfaction. Interpersonal fairness values did not have the expected effect on conflict handling. The expected influence of interpersonal fairness on conflict is related to its ability to effectively reduce potential “anger felt” by the counterparty,²¹⁶ and mellow the response of unfavourable situations.²¹⁷ Therefore, the lack of genuine conflict is likely to reflect a lack of potential anger, making it difficult to measure the effectiveness of interpersonal fairness. As such, this lack of conflict also potentially explains the non-significance of this variable.

The strength of interpersonal fairness lies during the conflict handling process by putting emphasis on the effectiveness of the interaction.²¹⁸ However, respondents of this research were not presented with conflict, merely with a fictional situation. As such,

²¹³ See Srinivasan et al. (2018), p. 3.

²¹⁴ See Aibinu et al. (2008), p. 688.

²¹⁵ See Srinivasan et al. (2018), p. 3.

²¹⁶ See Greenberg (1993), p. 1.

²¹⁷ See Ambrose et al. (2007), p. 26.

²¹⁸ See Claycomb & Frankwich (2004), p. 20.

interpersonal fairness was not capable of emphasising effective interaction because there was no interaction.

Furthermore, the same discrepancy found for procedural fairness can be found for interpersonal fairness. SPSS finds a strong significant correlation between interpersonal fairness and conflict handling satisfaction ($\beta = .68^{**}$), emphasising that under certain circumstances there is a correlation between these two aspects, which supports previous research into the influence between fairness and conflict.

Informational fairness has the expected significant impact on conflict handling satisfaction. Access to transparent information pertaining to what to expect in a conflict handling situation seems to be of especial importance, as the findings indicate the strongest influence on conflict handling satisfaction. This is an expected outcome as conflict leads to uncertainty, uncertainty leads to uncertainty avoidance, which in turn leads to an increase in information coveting.²¹⁹

Within a conflict situation the informational side of the social exchange theory is supported. This theory emphasises the necessity for quality of interaction between two parties, through the usage of reasonable and thorough information exchange.²²⁰ This outcome supports the previous finding that informational fairness positively influences both the assessment of the process and the process of conflict handling itself. Hence, through enhanced communication, informational fairness influences conflict handling satisfaction.²²¹ Informational fairness has the strongest influence of the four principles on conflict handling satisfaction. This finding makes a strong contribution to the conflict theory, which could be further explored in the future.

The new addition to the supplier satisfaction model adds the effect of conflict handling satisfaction on supplier satisfaction and the effects of fairness on enhancing conflict handling satisfaction. Based on the findings it can be concluded that conflict handling satisfaction has a strong effect on supplier satisfaction. As such, conflict handling satisfaction could be seen as a potential situational antecedent of supplier satisfaction. Thereby successfully answering the third research question: *RQ3. How is conflict handling satisfaction related to supplier satisfaction within a buyer-supplier relationship setting?*

The findings indicate that fairness enhances conflict handling satisfaction and conflict handling satisfaction has a positive effect on supplier satisfaction. It can be

²¹⁹ See Brashers (2001), p. 482.

²²⁰ See Greenberg (1993), p. 1; Srinivasan et al. (2018), p. 3; le et al. (2019), p. 4.

²²¹ See Tax et al. (1998), p. 69; Smith et al. (1999), p. 366; Ambrose et al. (2007), p. 30; Orsingher et al. (2009), p. 171.

concluded that fairness strengthens the effect of conflict handling satisfaction. Thus, using fairness in a conflict handling situation can be used to augment the effects of conflict handling satisfaction on supplier satisfaction.

The model used in this research is a combination of the earlier explained fairness and supplier satisfaction model. As such, the four factors of fairness: distributive, procedural, interpersonal, and informational, have been tested for their effect on conflict handling satisfaction, and conflict handling satisfaction has been tested for its effect within the supplier satisfaction model.

As expected, the findings indicate there is no significant relationship between conflict handling satisfaction and preferred customer status or preferential treatment. However, when looking at the correlations table in chapter five (table five), it can be concluded that there is a certain relationship between the beforementioned aspects. So under certain circumstances there is a relationship between these beforementioned aspects. However, as preferred customer status leads to a multitude of benefits and privileges, it is likely conflict handling satisfaction is influenced by preferred customer status instead of the other way around.

To that extent the outcome of this model answers the research question proposed in chapter one: *RQ4. How is the usage of fairness when handling conflict, problems, and complaints related to conflict handling satisfaction, supplier satisfaction, preferred customer status, and preferential treatment within a buyer-supplier relationship setting?*

Conflict has a strong negative influence on supplier satisfaction.²²² However, conflict handling satisfaction can be used to indirectly alleviate this negative effect on supplier satisfaction. In extend, the individual aspects of fairness can be used to strengthen the influence of conflict handling satisfaction within the supplier satisfaction model. Fairness enhances conflict handling satisfaction and conflict handling satisfaction has a positive effect on supplier satisfaction.

Hence, conflict handling could be used as a potential antecedent in supplier satisfaction research. Alternatively, supplier satisfaction research could be split into acquisition and retention of supplier satisfaction. The retention aspect of supplier satisfaction could be further build upon the fairness and conflict principles.

²²² Vos et al. (2021), p. 9.

Noteworthy is that conflict handling satisfaction does not influence preferred customer status and preferential treatment. The lack of significant influence was an expected result and as such successfully answers all aspects of the fourth research question.

6.4 Theoretical contributions: Minimizing the gaps of the current research and expanding the effectiveness of the current supplier satisfaction model

6.4.1 Theoretical contribution: introduction into supplier satisfaction research, conflict research and fairness research

This paper strives to provide a number of theoretical contributions pertaining to supplier satisfaction research, conflict research and fairness research. Hence, the following sections of this subchapter will be used to elaborate these.

6.4.2 Minimizing research gaps through successful replication of the supplier satisfaction model and the addition of loss of supplier satisfaction

Thus far, supplier satisfaction research has made great inroads into identifying the antecedents of supplier satisfaction. The supplier satisfaction model has been tested in multiple industries and should be tested in as many situations as possible to strengthen the model. However, the industries this model has been tested in have been predominantly industrial and manufacturing markets and companies.²²³ As such, the model has not been previously tested with a company that focuses on local online retail before. Hence, in chapter 6.2 the supplier satisfaction model has been successfully replicated in a new context.

To that extent, the replication and extension of the supplier satisfaction model within this new industry strengthens the current model and limits the current gaps within the supplier satisfaction research. The more industries this model is successfully replicated in, the stronger the application and usability of the model in the future. On one hand it allows future research to follow in this direction, making more companies available as effective research subjects. On the other hand, it gives greater comparison material: the more industries this model is applied to, the more comparison data is available. In extend this increased the validity and value of future research conclusions.

This research has expanded the current supplier satisfaction research by not only focusing on attaining supplier satisfaction but also on aspects that might influence the loss of supplier satisfaction (which is a significant element in long-term relationship

²²³ See appendix I.

management).²²⁴ As such, the result of this research not only strengthens the main model, but also fills in a gap in research leading to potentially complementary effects.

6.4.3 Establishing the augmenting effect of fairness on the newly developed construct: CHS, and establishing the effect of CHS on supplier satisfaction

In previous research the effect of fairness on complaint handling satisfaction and the effect of complaint handling satisfaction on customer retention has been investigated.²²⁵ Additionally, the management of conflict has been previously found to be an indicator for supplier satisfaction and crucial in beneficial relationships.²²⁶ However, scarce research is available that combine the individual aspects.

This research revalidates the four-tier antecedents of perceived fairness and conflict handling satisfaction and makes their impact on supplier satisfaction measurable. Moreover, this research introduces the new construct Conflict handling satisfaction to supplier satisfaction research. Hence, this research satiates the previously existing research gap and strengthens the supplier satisfaction research thread paving the way for future research to follow suit in this direction.

6.5 Managerial implications: strengthening of the research and the creation of conflict mitigating toolsets

6.5.1 Managerial implications: the strength of guided open questions in extracting more qualitative information

As mentioned in the early chapters of this paper, attainment of preferred customer status leads to a multitude of benefits and as such is a desirable situation. To that extent it makes it worthwhile for managers to figure out their current status with their key-suppliers and potentially put time and effort into attaining the previously absent preferred customer status.

During this research the supplier satisfaction questionnaire has been expanded by adding three open questions at the end of the questionnaire: “what should the organisation start doing?”, “what should the organisation continue doing?” and “what should the organisation stop doing?” By shaping the questions in such a manner the answers can be

²²⁴ See Baumeister et al. (2001), p. 362; Samaha et al. (2011), p. 99.

²²⁵ See Ambrose et al (2007), p. 29.

²²⁶ See Essig & Amann (2009), p. 105-106.

utilized to further build on the quantitative data of questionnaire. The combination of these two lines of questioning provided a clearer picture.

As an example, based on the quantitative data supplier are less satisfied with the profitability provided by C-Corp. However, comparing this outcome to the three open questions provides a clearer picture and a potential solution to the dissatisfaction. Suppliers weren't less satisfied with profitability but specifically with the value attained from the relationship. The solution provided by the suppliers was collaboration and co-creating, not price-increases. The addition of these guided yet open questions not only creates better insight into the data, it also allows for potential future steps. These answers can be used as starting points/subjects for workshops and round-table conversations leading to even more insight into the suppliers perspective on the relationship.

When looking at factors that companies can influence in their supplier satisfaction strategies there are many elements that are hard to impact. For instance increasing company size, innovation potential or added value is accompanied by large investments, making this harder to achieve. However, dealing with conflict through conflict handling satisfaction and fairness is something any company can potentially implement in a short period of time. As such, attaining supplier satisfaction through conflict mitigation is easier to attain for a wide range of companies, making this a crucial managerial implication.

6.5.2 Managerial implications: the fairness and ISO toolset to help mitigate conflict

This research has a multitude of practical managerial implications by uncovering practical applications of the fairness principles in a conflict setting. The first practical implication is displayed in figure fifteen which further builds upon the data taken from the Smart PLS analysis from chapter five.

In figure ten an influence tree is displayed for handling of conflict through the usage of fairness. The various aspects influencing the individual fairness principles are further elaborated. Per fairness principle the aspects that have the strongest influence on this construct are presented. Hence, this figure provides managers with a specific overview of potential influencers to conflict handling.

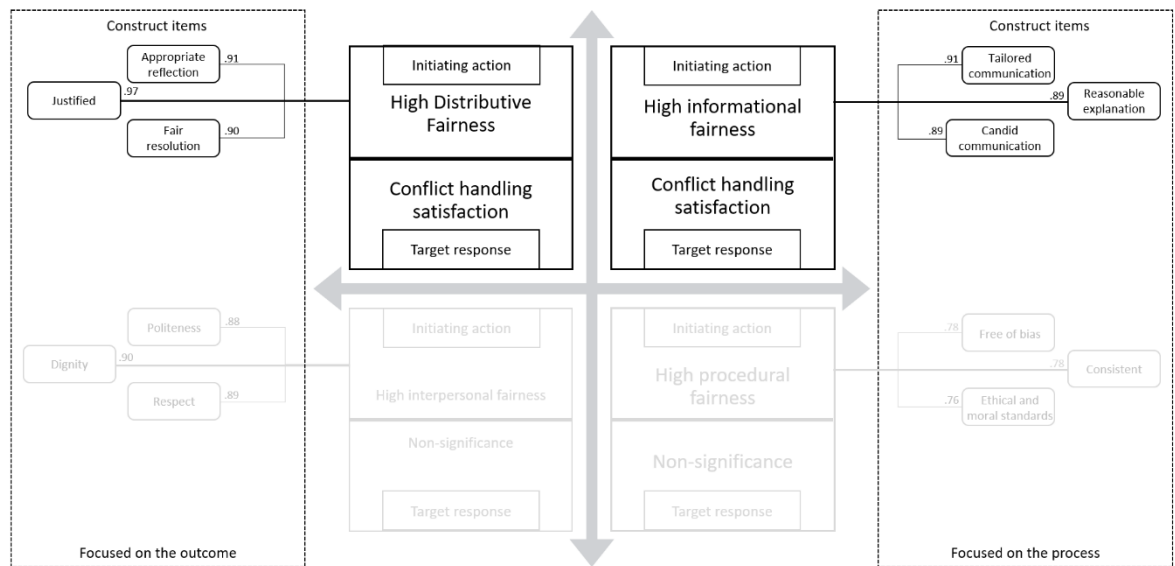


Figure 11: The influencing factors of the varying fairness principles on conflict handling and mitigation

As procedural and interpersonal fairness have non-significant correlations this part of the model has been greyed out.

Within the model the two remaining fairness principles are displayed: distributive, and informational fairness. Distributive fairness focuses on the outcome of the resolving/handling of conflict. For managers it is worthwhile to focus on the following aspects; The outcome of the procedure should be an appropriate reflection given the experience during the procedure. Furthermore, the resolution of the handling of the conflict should be considered as fair and justified.

Informational fairness focuses on the procedure of resolving/handling of conflict. During this procedure the most influential aspects pertaining to informational fairness that managers should take into consideration are: reasonable explanation regarding the procedures used, thoroughly explaining the way decisions are made during the process, using candid communication, communicating details in a timely manner and the tailoring of communication to the specific needs of the individual.

Unlike individual inter-personal conflict, interorganisational conflict resolution requires an inter-organisational governance mechanism.²²⁷ Within collaborative buyer-supplier exchanges the most effective way to deal with or resolve conflict in a satisfactory

²²⁷ See Luminea et al. (2015), p. 44.

manner is the usage of compromising or problem-solving tactics: for instance, openly dealing with and finding solutions to conflict through a conflict handling procedure.²²⁸

To give managers who are striving to limit conflict a practical toolset, the fairness principles can be applied through the application of ISO 10001-10003. Figure eleven displays the way of implementing various fairness principles during the conflict handling or complaint handling procedure.

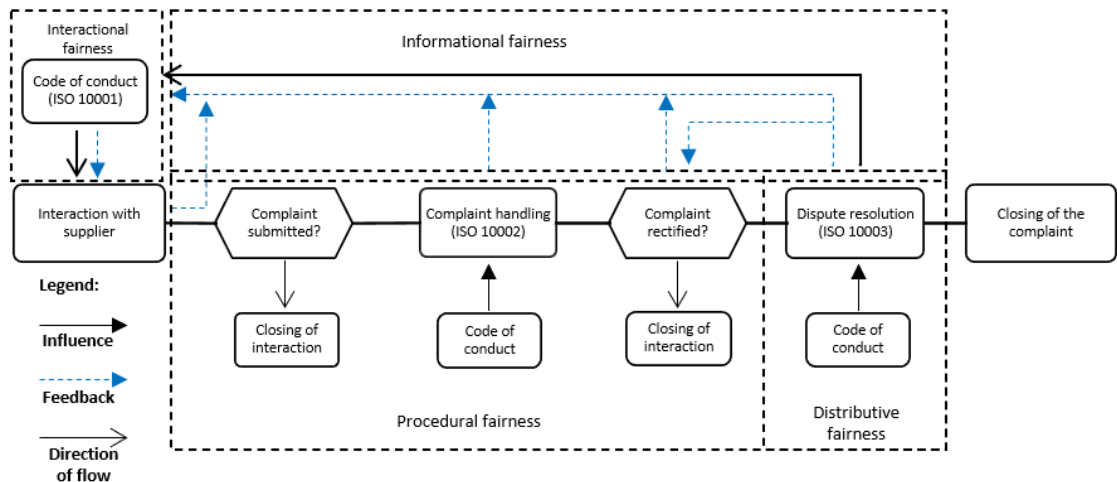


Figure 12: Conceptual framework of the ISO-norm complaint handling procedure in combination with the fairness theory.

The ISO 9001:2015 norm contains several clauses focused on customer feedback and the handling of complaints. Even though these clauses are technically only focused on customers, this system can also be used to voice and deal with the complaints and problems of suppliers. ISO norms 10001-10003 are focused on quality management. The ISO 10001 norm contains guidelines for organisational code of conduct focused on satisfaction. The ISO 10002 norm contains guidelines for the handling of complaints focused on satisfaction. The ISO 10003 norm contains guidelines for resolution of external organisational disputes.²²⁹ As such, figure thirty-three displays the proposed complaint handling framework and the role that the fairness theory plays. When looking at figure sixteen and seventeen the individual antecedents of perceived fairness play different roles during the process of the complaint handling. Hence perceived fairness can be used to strengthen the handling and resolving of complaints.

That being said, based on the previous research outcomes it is advisable for managers to focus less on the procedural and interpersonal side of conflict resolution and more on the remaining two aspects. To that extent this research provides organisations with a fairness

²²⁸ See Ellegaard & Andersen (2015), p. 460.

²²⁹ See ISO 9001, (2020).

toolset and insight into varying perspectives pertaining to both conflict and conflict resolution. This research not only provided organisations with the ability to identify perception differences between them and their suppliers, but also provides them with a toolset to offset and deal with these perception differences. This toolset can potentially lead to conflict mitigation and value acquisition providing benefits for both sides of the dyad.

6.6 Limitations and future research directions; fairness, conflict, and supplier satisfaction

During this research various limitations became known. Therefore, this chapter will elaborate the found limitations and their potential impact.

Certain survey question formulations such as those for innovation potential and development created a framing bias for the recipients and influenced the way these questions were answered. Even after the process of formulation and re-formulation in chapter 4.2.2 the questions were phrased “too” specific for the application to all suppliers within the industry that C-Corp operates in. For instance, the aspect of innovation potential primarily focused on the development of new products and services, whereas innovation itself is a broad concept. To that extent a more general control question was added (This question was answered more positively by +10% compared to the other questions). On a general basis it would be worthwhile in the future to consider adding control questions in situations where concepts are open to personal interpretation such as for growth opportunity, support and operational excellence.

A limiting factor within this research was the amount of case companies and in extend respondents. Due to time and resource constraints only one case company participated in this research opposed to multiple. Additionally, the target audience was quite small, pre-emptively limiting the total numbers of respondents. There were also a limited number of respondents whom participated. Hence, the high response rate is partially nullified by the absolute number of respondents. The combination of only one case company and a finite target audience potentially limits the strength of the research outcome and conclusions. As such, for future research this known pitfall could be avoided by calculating the expected respondents before starting the research, and considering the size of the case company.

A further limitation reflects on the lack of research done into business to business [B2B] conflict situations. Researching strong conflict between organisations can be quite a challenge. It is worth noting that businesses who are in a strong conflict situation would

rather solve the conflict (either by discontinuation or remediation), opposed to studying it from a clinical perspective. Vice versa, businesses who are interested in participating in conflict research are less likely to have strong conflict. To that extent for future research the type of organisation should be taken into consideration. For instance, Ambrose, did research with disgruntled passengers of an airline, thereby making use of respondents who were “assured” to have some sort of conflict or complaint associated to the organisation. That being said, the combination of conflict, inter-organisational and supplier satisfaction research limits the number of companies willing to participate in this type of research.

For procedural fairness the lack of genuine conflict is likely to reflect a lack of respondent’s exposure to conflict management processes, making it difficult to measure the effectiveness of procedural fairness. Hence, for future studies control questions pertaining to the current strategies employed by case companies could be added in an attempt to mitigate these issues.

The potential lack of conflict has further probable implications on interpersonal fairness. When it comes to interpersonal fairness, the expected influence on conflict is related to the ability of interpersonal fairness to effectively reduce or limit the anger felt related to said conflict. Thus, the lack of conflict is likely to reflect a lack of anger making it difficult to measure the effectiveness of interpersonal fairness.

A further limitation found in this research is the method of data acquisition. Due to the nature of the research, data is collected anonymously. The anonymous acquisition might provide more “truthful” responses but also limits the usability of the data. For instance, it becomes unfeasible to make an accurate dual perspective overview pertaining to for instance the individual dependency or dyadic fairness perspectives between buyers and suppliers. However, being able to examine both the buyer and supplier’s perspective pertaining to dependency and its effect on fairness, conflict handling satisfaction and conflict would be a interesting new research direction. For instance the effects of singular high buyer dependency, singular high supplier dependency and mutual dependency. This was however not the initial scope of this research and requires a different research design to be fully feasible. Hence, for this type of data analysis a diverging data acquisition method should be considered.

This paper has done a preliminary research using a dyadic perspective pertaining to fairness in a conflict handling setting. The findings indicate it might be worthwhile to

progress further with this research chain. To that extent future research should follow suit in this direction and do a full dyadic fairness research.

One of the known potential disadvantages of quantitative research is the lack of insight into the underlying or “exact” meaning of certain occurrences.²³⁰

This research has attempted to mitigate this downside by adding four open questions in which respondents were guided but free in the way they answered. During the analysis process of the data, the supportive ability of the “more qualitative” data on the quantitative data was noticeable. Whenever the numbers show certain anomalies or discrepancies, this effect is supported by the more “qualitative” feedback from the suppliers. Certain assumptions based on the quantitative data are supported or sometimes even confirmed by the more “qualitative” data, making for more accurate insights and predictions.

Especially the channelling of suppliers into answering three distinct questions “starting, stopping, continuing,” allowed for the acquisition of valuable input. To this extent it should be considered to add an extended guided more “qualitative” part to the suppliers satisfaction acquisition process, if possible within constraints of time and anonymity.

Future research theses centring on the supplier satisfaction model could split the process into two sections: first, the acquisition of data by administering the survey and making assumptions based on the data thereby making certain conclusions. Secondly, focusing on inviting suppliers for a “round table-conversation” in which certain subjects, assumptions or conclusions derived from the initial phase could be discussed. This should allow for a solid agenda and qualitative basis to start the discussion from. Furthermore, the “round table-conversation” should allow for an even more accurate or out of the box insight into certain subjects, conclusions, issues, or solutions.

One subject that has been a light theme throughout this research is the exclusive use of local suppliers by C-Corp and its effect on the supplier satisfaction data. This makes for an interesting future research direction in which the difference between local and global sourcing; for instance the impact that social capital makes; and its effects on the overall supplier satisfaction model are investigated. Common advantages or benefits associated with either sourcing strategies can be charted, and future companies and researchers participating in this supplier satisfaction research chain can be made aware of these.

Connecting the Nash-equilibrium from game theory to the fairness principles in a mutual max or mutual min situation also constitutes a fairness equilibrium.²³¹ Analysing

²³⁰ See Rahman (2018), p. 108.

²³¹ See Nash (1951); Rabin (1993), p. 1282

potential fairness equilibriums in a buyer-supplier setting, and connecting this aspect to the supplier satisfaction research might pose interesting outcomes. Additionally, the introduction of the fairness solution concept used in game theory known as shapely values further extends the exportability of this subject.²³²

Reputation has been previously discovered as a positive influence on customer attractiveness and supplier satisfaction.²³³ Likewise, fairness has been previously linked to reputation.²³⁴ Hence, connecting fairness, reputation and conflict within the supplier satisfaction research chain makes for an interesting future research direction.

Previous research has shown a significant impact of trust on inter-organisational relationships (especially the facilitation of conflict resolution), the influence of trust within the fairness – conflict dynamic would make for an interesting future research direction.²³⁵

This research has made first inroads into the effect of conflict reduction through the application of the fairness principles on the performance of suppliers. As supplier performance is such an important aspect to managers, it makes it worthwhile to further research the effects of fairness on performance in the future.

In this research the subject perceived behaviour control was briefly mentioned. However, this subject could be further investigated, specifically its influence on the relationship between preferred customer status and preferential treatment, and which factors could help influence this relationship.²³⁶

As previously explained the fairness principles can be combined with the ISO framework to give managers a toolset to deal with conflict. To that extent it makes it worthwhile to further research the effectiveness of the ISO principles on conflict and the potential augmentation that the fairness principles bring.

As explained in chapter 6.2.2 research using fairness to mitigate conflict is scarce. Hence, to strengthen the usability of this theory fairness-conflict research should be replicated in numerous circumstances.

The moderating influence of fairness between conflict and supplier satisfaction has not been fully looked into. This subject could provide more insights in future research.

During the literature phase of this research the aspect known as relationship quality was discovered. However, the aim of this research was to find factors influencing the effect of conflict on satisfaction. Furthermore, the correlation between conflict and relationship

²³² See Kenton (2021).

²³³ See Pulles et al (2016), p. 7.

²³⁴ See Nowak (2000), p. 1772.

²³⁵ See Panda et al. (2020), p. 246.

²³⁶ See Ajzen (1991), p. 188 & 206.

quality is a well-established one,²³⁷ making it less worthwhile to further investigate this direction.

That being said, fairness has shown to influence known elements of relationship quality in the past.²³⁸ As such, the individual relationship between fairness (and fairness perceptions) on the quality of relationships poses an interesting future research avenue. Especially the varying effects of the individual fairness principles (distributive, procedural, inter-personal and information) on commonly known aspects of relationship quality: commitment, cooperation, trust, communication, participation, and skills.²³⁹

The retention side of supplier satisfaction could be build upon the fairness and conflict handling principles. However, this aspect must be expanded on in the future to be able to make significant impact on supplier satisfaction research. To that extent, the final future research direction this paper proposed is the expansion of the principles influencing the retention of supplier satisfaction through extensive research.

²³⁷ See Geyskens et al. (1991), p. 233.

²³⁸ See Sun et al. (2021), p. 9.

²³⁹ See Sun et al. (2021), p. 3.

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Appendixes of the research paper

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Appendix I.I: The literature review and research gap for the supplier satisfaction and fairness paper

The acquisition of pertinent literature is a key aspect in effectively creating a solid foundation for the theoretical framework. The first step in creating a solid foundation is investigating the recent journals associated with supply chain management. The second step is using search-engines meant for research. The search-engine that is primarily used during this research is Scopus due to the quality and reliability of this engine. That being said, Google scholar has been used as a second option to occasionally broaden the scope.

The known supplier satisfaction research papers have been used as a starting point to further explore what is currently known about the subject. As such, the papers presented by professor Schiele, professor Vos pertaining supplier satisfaction and preferred customer status have been used as a foundation to further build on.

Based on combination of a brainstorm session with my supervisors and the acquisition of various supporting sources, conflict was identified as having a detrimental impact on supplier satisfaction. Hence, conflict was added to the active keyword list to further expand the possibility of finding an interesting research additive to the supplier satisfaction research chain.

Using the snowball method pertaining to potential influencers of conflict the aspect of fairness/justice and its four subcomponents were found. This aspect became the focal point of this research. Additionally, it became clear that there were many research gaps within this chain of research making it an interesting aspect to further explore.

The process as explained above has been charted in the rest of this chapter. As such, this appendix displays the outcome of the literature review for this paper. Tables seven – eleven, indicate the initial research through the last volumes of the respective journals.

Table 7: Review of the international journal of conflict management

Journal	Papers in period	Relevance	Usable papers	keywords
International journal of conflict management	40 (2021)	6	2	- Supplier satisfaction
	38 (2020)	2	1	- Preferred customer status - Preferred customer matrix - Justice - Fairness - Conflict - Dyadic

Table 8: Review of the Journal Industrial Marketing Management

Journal	Papers in period	Relevant	Usable papers	keywords
Industrial marketing management	206 (2021)	-	-	- Supplier satisfaction
	314 (2020)	12	6	- Preferred customer status - Preferred customer matrix - Justice - Fairness - Conflict - Dyadic

Table 9: Review of the Journal of Purchasing and supply management

Journal	Papers in period	Relevant	Usable papers	keywords
Journal of purchasing and supply management	30 (2021)	1	-	- Supplier satisfaction
	42 (2020)	1	1	- Preferred customer status - Preferred customer matrix - Justice - Fairness - Conflict - Dyadic

Table 10: Review of the Journal of Business research

Journal	Papers in period	Relevant	Usable papers	keywords
Journal of business research	1003 (2021)	5	-	- Supplier satisfaction - Preferred customer status - Preferred customer matrix - Justice - Fairness - Conflict - Dyadic

Table 11: Review of the Journal of Supply Chain management

Journal	Papers in period	Relevant	Usable papers	keywords
Journal of supply chain management	23 (2021)	1	1	- Supplier satisfaction
	20 (2020)	-	-	- Preferred customer status - Preferred customer matrix - Justice - Fairness - Conflict - Dyadic

Articles from these journals were selected based on their alignment with the predetermined keywords. These journals were judged based on their abstracts. If they were deemed worthy they would continue on into a new folder in which they were thoroughly read. If the information was applicable they would be added in the theoretical framework or used a supporting literature.

After searching through the last volumes and finding potentially useful papers the scope was broadened by using Scopus. Table Thirty-one indicates the open keyword research used in Scopus.

Table 12: Review of the open keyword research in Scopus

Keywords	Initial hits	Relevant	Usable papers	Search key
Holger Schiele	1	1	1	Author last name "Schiele" , Author first name
- Articles	67	21	16	"Holger"
Supplier satisfaction	1686	12	9	(TITLE-ABS-KEY(Supplier satisfaction) AND (LIMIT-TO (SUBJAREA,"BUSI")))
Preferred customer status	202	10	7	("Preferred customer status" AND (LIMIT-TO (SUBJAREA,"BUSI")))
Preferred customer status	876	-	-	(Preferred customer status AND (LIMIT-TO (SUBJAREA,"BUSI")))
Justice & Supplier	216	13	5	TITLE-ABS-KEY (justice AND supplier)
Fairness & Supplier	295	10	7	TITLE-ABS-KEY (“Innovative suppliers”) AND (LIMIT-TO (SUBJAREA, “INDUS” AND “JOURNAL OF PURCHASING AND SUPPLY MANAGEMENT”))
interorganisational conflict	2232	46	22	TITLE-ABS-KEY interorganisational conflict TITLE-ABS-KEY interorganizational conflict TITLE-ABS-KEY inter-organizational conflict

				TITLE-ABS-KEY inter-organisational conflict (LIMIT- TO (SUBJAREA , "BUSI")) AND (LIMIT- TO (PUBYEAR , 2021) OR LIMIT- TO (PUBYEAR , 2020) OR LIMIT- TO (PUBYEAR , 2019))
Dyadic fairness research	38	3	1	TITLE-ABS-KEY (dyadic AND fairness AND research)
Fairness Symmetry	119	2	0	TITLE-ABS-KEY (fairness AND symmetry)
Justice Symmetry	8	0	0	TITLE-ABS-KEY (justice AND symmetry) AND (LIMIT-TO (SUBJAREA , "BUSI"))

The general tactic was to start the search as broad as possible to make sure not to miss any papers and to narrow down the search by limiting to specific journals and timeframes. However, due to the fact that the specific research area has scarce information available, the scope of the research was broadened. As such, older papers or papers from non-supply chain journals were allowed to be able to acquire sufficient and relevant information.

Citations of “older” papers or papers from other journals were analysed to ensure adequate quality and reliability of the information and assumptions portrayed in the papers. To that extent it was investigated whether other research built upon these papers or if the claims of these papers were refuted. Lastly the snowball method was used to further broaden the scope and to ensure not missing any critical information. As with the older papers or papers found in non-supply chain related journals, the “snowball” papers were analysed to ensure that the information and assumptions portrayed were of sufficient quality and reliability.

Appendix I.II: The literature review: additional supportive tables

Tables thirteen – fifteen are supportive information uncovered during the literature review of this research.

Table 13: Subject area of previous research

Subject area of previous research	Count	Percentage
Automotive		
Engineering		
Industry		
Construction		
Defence		
Manufacturing		
Industry		
Logistics		
Sub-Total:	8	73%
Banking		
Educational		
Food		
Total:	11	100%

** Based on input received from professor Vos*

Table 14: Conflict management research focus

Type of research focus	Amount of research
Internal	36
B2B	3
Conceptual / Simulation	22
B2C	2
B2G	1
Literature review	1
Country	3
Total	68

Table 15: Justice/Fairness research focus

Type of research focus	Amount of research
Individual	9
Single	43
N/A	14
Dyadic perspective	12
Individual perspective	120
Total	198

Appendix II: Measurements instruments used during this research in the surveys

Table 16: Measurement instruments used in survey (including adaptation/source)

Established Constructs	Adapted from
Supplier satisfaction	Cannon 1998; Vos et al., 2016 and Pulles et al.,2016.
Innovation potential	Goodale et al., 2011; Hüttinger, 2014 and Vos et al., 2016.
Growth potential	Liu et al., 2009 and Vos et al., 2016.
Profitability	Pulles 2017.
Relational behaviour	Vos et al. 2016.
Support	Ghijssen et al., 2010; Vos et al., 2016 and
Reliability	Gundlach et al., 1995 and Vos et al., 2016.
Involvement	Primo & Amundson, 2002 and Vos et al., 2016.
Operative excellence	Hüttinger, 2014 and Vos et al., 2016.
Days to respond	
Contact accessibility	Walter, 2003 and Vos et al., 2016.
Length of relationship	Hüttinger, 2014 and Vos et al., 2016.
Preferred customer status	Schiele et al., 2011 and Vos et al., 2016.
Preferential treatment	Newbert 2008; Schiele et al., 2011 and Vos et al. 2016.
Supplier Dependency	Frazier, 1983; Hibbard et al., 2001; Kumar et al., 1998); Kaiser et al., 2013.

Table 17: Measurement instruments used in survey (including adaptation/source)

Competitiveness research	Factor loading	CA	Adapted from
Supplier operational performance		86	
	SOP1: 89		Heide, Kumar & Wathne, 2014.
	SOP2: 78		
	SOP3: 70		
	SOP4: 90		
	SOP5: 80		Mani et al. 2017
Relational performance		86	Jean et al. 2013.
	RP1: 78		
	RP2: 85		
	RP3: 84		
	RP4: 82		
	RP5: 76		

Table 18: Conflict handling measurement instruments used in survey (including adaptation/source)

Conflict handling research*	Factor loading	CA	Adapted from
Conflict handling satisfaction		90	Ambrose et al., 2007; Hess & Ambrose 2010 (adapted from Oliver & Swann 1989).
	CHS1: 81 (R)		
	CHS2: 96		
	CHS3: 96		
	CHS4: 94		Oliver & Swann 1989
Supplier conflict atmosphere		93	SCA fairness is a second-order construct consisting of Relational & Constructive conflict.
Relational conflict		96	Adapted from Kumar et al., 1992.
	RC1: 87		
	RC2: 90		
	RC3: 88		
Constructive Conflict		92	Adapted from Van den Bossche et al., 2011.
	CC1: 85 (R)		
	CC2: 80 (R)		
	CC3: 88 (R)		

*Based on the pre-test N=20.

Table 19: Fairness measurement instruments used in survey (including adaptation/source)

Fairness Theory	Factor loadings			CA			Adapted from
	Orig.	Pre.	Cur.	Orig.	Pre.	Cur.	
Perceived conflict fairness	Perceived fairness is a second-order construct consisting of Distributive, Procedural, Interpersonal, and informational fairness.						
Distributive conflict fairness				97	95	96	Adapted from Ambrose et al., 2007 and Hess & Ambrose 2010.
DF1:	89	86	92				
DF2:	93	96	96				
DF3:	97	93	96				
DF4:	95	93	88				
Procedural conflict fairness				88	94	96	Adapted from Ambrose et al., 2007 and Hess & Ambrose 2010.
PFJ1:	82	93	90				
PFJ2:	78	90	95				
PFJ3:	78	84	95				
PFJ4:	74	96	89				
Interpersonal Conflict fairness				91	96	97	Adapted from Ambrose et al., 2007 and Hess & Ambrose 2010.
IPF1:	90	94	98				
IPF2:	94	98	99				
IPF3:	97	93	98				
IPF4:	61	92	81				
IPF5:	-	92	93				
Informational conflict fairness				87	95	95	Adapted from Ambrose et al., 2007 and Hess & Ambrose 2010.
IFF1:	71	91	88				
IFF2:	69	88	90				
IFF3:	78	89	92				
IFF4:	84	92	91				
IFF5:	-	93	88				

*orig. = original, pre. = pre-test and cur. = current model. Pre-test n =20, current research n = 91

Appendix III.I: Survey items – Supplier satisfaction and fairness research Dutch version

The survey items use a 5-point Likert scale (1: Strongly disagree – 7: Strongly agree)

Beschikbaarheid

Er is een contactpersoon bij C-Corp die...

...voor ons de relevante activiteiten zowel binnen als buiten C-Corp coördineert.

...voor onze medewerkers de aangewezen persoon is om te contacteren in het geval van partner-specifieke vragen.

...de medewerkers van C-Corp informeert over de eisen en wensen van ons bedrijf.

Groeipotentieel voor uw bedrijf

De relatie met C-Corp...

... levert ons een dominante marktpositie op in ons verkoopgebied.

... is erg belangrijk voor ons met betrekking tot groeicijfers.

... maakt het voor ons mogelijk andere klanten aan te trekken.

... maakt het voor ons mogelijk nieuwe markten te exploiteren.

Innovatie potentieel

Door de samenwerking met C-Corp heeft ons bedrijf een groot aantal nieuwe producten of diensten kunnen ontwikkelen.

Door de samenwerking met C-Corp heeft ons bedrijf een groot aantal nieuwe producten of diensten naar de markt kunnen brengen.

Het tempo waarmee we nieuwe producten of diensten ontwikkelen en naar de markt brengen is met C-Corp erg hoog.

Door de samenwerking met C-Corp kan ons bedrijf innoveren.

Operatieve kwaliteit van C-Corp

C-Corp..

... heeft altijd, op tijd, nauwkeurige voorspellingen over de toekomstige behoefte naar onze producten en/of diensten.

... voorziet ons van voorspellingen waar ons bedrijf op kan rekenen en op basis waarvan ons bedrijf kan plannen.

... heeft voor ons bedrijf simpele en transparante interne processen.

... ondersteunt snelle besluitvormingsprocessen.

Betrouwbaarheid van C-Corp

C-Corp, al samenwerkend met ons bedrijf, ...

... voorzag ons met een waarheidsgetrouw verhaal tijdens het onderhandelen.

... onderhandelde altijd vanuit een perspectief van goed vertrouwen.

... heeft nooit formele of informele afspraken geschonden voor zijn eigen gewin.

... heeft nooit feiten veranderd om zijn eigen doelstellingen te halen.

Ondersteuning

C-Corp..

... werkt met ons samen om ons productieproces/onze diensten te verbeteren.

... geeft ons (technisch) advies (bijv. over materialen, software, werkwijze).

... geeft ons kwaliteit gerelateerd advies (bijv. voor het gebruik van inspectiegereedschap of procedures ter waarborging van de kwaliteit, service evaluaties).

Ontwikkeling

C-Corp..

... bezoekt ons om ons te helpen onze prestaties te verbeteren.

... nodigt ons uit om hun vestiging te bezoeken om ons inzicht in hoe onze producten/ onze diensten worden gebruikt te verbeteren.

... organiseert trainings- en opleidingsprogramma's voor ons personeel.

Betrokkenheid

We zijn vroeg betrokken bij het ontwikkelingsproces van nieuwe producten/diensten van C-Corp.

We zijn zeer actief in het ontwikkelingsproces van nieuwe producten/diensten van C-Corp.
Communicatie met ons bedrijf over de kwaliteitsoverwegingen en veranderingen in het product is heel nauw.

Gedrag van C-Corp in de relatie

Problemen die zich voordoen tijdens de relatie worden behandeld door C-Corp als gezamenlijke in plaats van individuele verantwoordelijkheden.

C-Corp is toegewijd om verbeteringen door te voeren waar onze relatie als geheel baat bij heeft en niet alleen de klant zelf baat bij heeft.

We hebben beide baat bij/verdiene beide in verhouding tot de inspanningen die we doen in de relatie.

Ons bedrijf krijgt meestal op zijn minst een eerlijk deel van de beloningen en kostenbesparingen die ontstaan door de relatie met C-Corp.

C-Corp is bereid om aanpassingen te maken om ons te helpen als er speciale problemen/behoefte ontstaan.

C-Corp is flexibel in de omgang met ons bedrijf.

Economische prestaties

De relatie met C-Corp...

... voorziet ons van grote verkoopvolumes.

... helpt ons een hoge winst te realiseren.

... stelt ons in staat om hoge marges te krijgen.

... heeft een positieve invloed op de winstgevendheid van ons bedrijf.

... stelt ons in staat om gezamenlijk onze winstgevendheid te verhogen.

Klanttevredenheid

Ons bedrijf is zeer tevreden met de algehele relatie met C-Corp.

Over het geheel genomen is ons bedrijf helemaal tevreden met C-Corp.

In het algemeen is ons bedrijf zeer tevreden C-Corp als business partner te hebben.

Als we alles opnieuw zouden moeten doen, zouden we er weer voor kiezen om C-Corp als klant te nemen.

Ons bedrijf heeft geen spijt van de beslissing om zaken te doen met C-Corp.

Ons bedrijf is tevreden met de waarde/voordelen die we verkrijgen door de relatie met C-Corp.

Best practice comparison

Als u C-Corp vergelijkt met uw (eerstvolgende) beste klant op basis van elke categorie, hoe zou u het dan vergelijken? C-Corp presteert op...

... Bereikbaarheid

... Groeipotentie voor uw bedrijf

... Innovatiemogelijkheden

... Operatieve kwaliteit

... Betrouwbaarheid van de klant

... Ondersteuning

... Ontwikkeling

... Betrokkenheid

... Gedrag van de klant in de relatie

... Economische prestaties

Preferente klant status

In vergelijking met andere klanten in het klantenbestand van ons bedrijf...

... is C-Corp onze voorkeursklant/geprefereerde klant.

... geven we meer om C-Corp.

... ontvangt C-Corp een voorkeursbehandeling.

... zetten we een stapje extra voor C-Corp.

... medewerkers van ons bedrijf werken liever samen met C-Corp dan met andere klanten.

Voorkeursbehandeling

Ons bedrijf...

... bedeeft zijn beste medewerkers (b.v. meest ervaren, geschoold, intelligent) toe aan de relatie met C-Corp.

... bedeeft meer financiële middelen (b.v. kapitaal, cash) toe aan de relatie met C-Corp.

... verleent C-Corp het beste gebruik van hun materiële middelen (b.v. fabriekscapaciteit, schaarse materialen).

... deelt meer van zijn mogelijkheden (b.v. kennis, kunde, expertise) met C-Corp.

Algemene sfeer tussen de inkoper/klant en de leverancier

Onze relatie met C-Corp kan het best omschreven worden als gespannen.

Wij hebben vaak meningsverschillen in onze werkrelatie met C-Corp.

We botsen regelmatig met C-Corp over kwesties met betrekking tot de manier waarop we onze zaken zouden moeten uitvoeren.

We hebben de neiging om meningsverschillen tussen C-Corp en onszelf te behandelen door ze rechtstreeks aan te pakken.

Reacties op ideeën worden vervolgens opgevolgd/opgepakt door C-Corp of onszelf.

Meningen en ideeën worden geverifieerd door elkaar kritische vragen te stellen.

Leverancier afhankelijkheid

In deze relatie zijn wij als leverancier erg afhankelijk van C-Corp.

Om onze bedrijfsdoelen te behalen is het noodzakelijk dat wij de relatie met C-Corp onderhouden.

Als de relatie met C-Corp voor het einde van de contractperiode zou worden beëindigd, worden onze bedrijfsdoelstellingen negatief beïnvloed.

Ons bedrijf staat voor grote uitdagingen als C-Corp onze relatie voor het einde van de contractperiode zou beëindigen.

We hebben geen goede alternatieven voor C-Corp.

Distributieve eerlijkheid

De uitkomsten van het oplossen van problemen of klachten:

Passen bij wat wij verdienen/recht op hebben.

Zijn passend als we kijken naar onze ervaringen tijdens het proces.

Zijn een afspiegeling van een eerlijk resultaat.

Zijn rechtvaardig, als er wordt gekeken naar de problemen/klachten die worden behandeld.

Procedurele eerlijkheid

Tijdens het oplossen van problemen of klachten:

Heb ik invloed gehad op de uitkomst van de procedure.

Was de procedure consistent.

Was de procedure vrij van vooroordeel.

Hield de procedure ethische en morele normen in stand.

Interpersoonlijke eerlijkheid

Tijdens het oplossen van problemen of klachten:

Ben ik op een beleefde manier behandeld.

Ben ik waardig behandeld.

Ben ik respectvol behandeld.

Was men terughoudend in het maken van niet gepaste opmerkingen.

Behandelen vertegenwoordigers elkaar op eerlijke wijze.

Informationele eerlijkheid

Tijdens het oplossen van problemen of klachten:

Was men openhartig in de communicatie.

Is de procedure die wordt gebruikt om beslissingen te nemen over mijn klacht grondig uitgelegd.

Is er een redelijke uitleg gegeven over de procedure die wordt gebruikt om beslissingen over klachten te nemen.

Zijn details tijdig meegedeeld.

Leek men de communicatie af te stemmen op mijn specifieke behoeften.

Conflict afhandeling tevredenheid

Over het oplossen van problemen of klachten samen met C-Corp:

Ik ben niet tevreden over de manier waarop de organisatie mijn klacht heeft afgehandeld.

Ik ben tevreden met hoe de organisatie omgaat met mijn klachten

Ik ben tevreden over de manier waarop klachten worden afgehandeld.

Ik ben content over de manier hoe C-Corp op mijn klachten reageert.

Appendix III.II: Survey items supplier satisfaction and fairness research English version

The survey items use a 5-point Likert scale (1: Strongly disagree – 7: Strongly agree)

Contact accessibility

There is a contact person within C-Corp who...

...coordinates the relevant relationship activities within and outside of C-Corp.

...is, for the employees of our company, the one to contact in regard to partner-specific questions.

...informs employees within C-Corp firm about the needs of our company.

Growthpotential for your company

The relationship with C-Corp ...

... provides us with a dominant market position in our sales area.

... is very important for us with respect to growth rates.

... enables us to attract other customers.

... enables us to exploit new market opportunities.

Innovation potential

In collaborating with C-Corp, our firm developed a very high number of new products/services.

In collaborating with C-Corp, our firm was able to bring to market a very high number of new products/services.

The speed with which new products/services are developed and brought to market with C-Corp is very high.

The collaboration with Crips allows our company to Innovate.

Customer's operative excellence

C-Corp..

... always has exact and timely forecasts about future demand.

... provides us with forecasts our firm can rely and plan on.

... has simple and transparent internal processes for our firm.

... supports short decision-making processes.

C-Corp's reliability

In working with our company, C-Corp...

... provided a completely truthful picture when negotiating.

... always negotiated from a good faith bargaining perspective.

... never breached formal or informal agreements to benefit themselves.

... never altered facts in order to meet its own goals and objectives.

Support

C-Corp..

... collaborates with us to improve our manufacturing processes or services.

... gives us (technological) advice (e.g. on materials, software, way of working).

... gives us quality related advice (e.g. on the use of inspection equipment, quality assurance procedures, service evaluation).

Development

C-Corp

... visits us to help improve our performance.

... invites us to visit their site to increase awareness of how our product /service is used.

... conducted training and education programs for our personnel.

Involvement

We are early involved in the new product/service development process of C-Corp.

We are very active in the new product development process of C-Corp.

Communication with our firm about quality considerations and design changes is very close.

C-Corp's relational behaviour

Problems that arise in the course of the relationship are treated by C-Corp as joint rather than individual responsibilities.

C-Corp is committed to improvements that may benefit our relationship as a whole and not only themselves. We each benefit and earn in proportion to the efforts we put in.

Our firm usually gets at least a fair share of the rewards and cost savings from our relationship with C-Corp.

C-Corp would willingly make adjustments to help us out if special problems/needs arise.

C-Corp is flexible when dealing with our firm.

Economic performance / Profitability

The relationship with C-Corp ...

... provides us with large sales volumes.

... helps us to achieve good profits.

... allows us to gain high margins.

... has a positive influence on the profitability of our firm.

... enables us to raise our profitability together.

Customer Satisfaction

Our firm is very satisfied with the overall relationship to C-Corp.

On the whole, our firm is completely happy with C-Corp.

Generally, our firm is very pleased to have C-Corp as our business partner.

If we had to do it all over again, we would still choose to use C-Corp.

Our firm does not regret the decision to do business with C-Corp.

Our firm is satisfied with the value we obtain from the relationship with C-Corp.

Best practice comparison

If you compare C-Corp to your (next) best customer according to each category, how would you compare it?

C-Corp is performing on...

... Contact accessibility.

... Growth potential for your company

... Innovation potential

... Customer's operative excellence

... Customer's reliability

... Support

... Development

... Involvement

... Customer's relational behaviour

... Economic performance / Profitability

Preferred Customer Status

Compared to other customers in our firm's customer base...

... C-Corp is our preferred customer.

... we care more for C-Corp.

... C-Corp receives preferential treatment.

... we go out on a limb for C-Corp.

... our firm's employees prefer collaborating with C-Corp to collaborating with other customers.

Preferential treatment

Our firm...

... allocates our best employees (e.g. most experienced, trained, intelligent) to the relationship with C-Corp.

... allocates more financial resources (e.g. capital, cash) to the relationship with C-Corp.

... grants C-Corp the best utilization of our physical resources (e.g. equipment capacity, scarce materials).

... shares more of our capabilities (e.g. skills, know-how, expertise) with C-Corp.

Common atmosphere

Our relationship with C-Corp can be best described as tense.

We often have disagreements in our working relationship with C-Corp.

We frequently clash with C-Corp on issues relating to how we should conduct our business.

We tend to handle differences of opinion between C-Corp and ourselves by addressing them directly.

Comments on ideas are acted upon by C-Corp or ourselves.

Opinions and ideas are verified by asking each other critical questions.

Supplier Dependence

In this relationship, our company is very dependent on C-Corp.

To achieve our business goals, our company has to maintain this relationship to C-Corp.

If the relationship were to end earlier than contracted, our business goals would be negatively affected.

Our company would face great challenges if C-Corp did not continue the contractual relationship.

We have no good alternatives to C-Corp.

Distributive fairness

In general, the outcomes of the resolving/handling of problems or complaints:

Reflect what our organisation deserves.

Are an appropriate reflection of the given experience.

Reflect a fair resolution.

Are justified, given the problems/complaints.

Procedural fairness

During the resolving/handling of problems or complaints

I had influence on the outcome of the procedure.

The procedure was consistent.

The procedure was free of bias.

The procedure upholds ethical and moral standards.

Interpersonal fairness

During the resolving/handling of problems or complaints:

They treated me in a polite manner.

They treated me with dignity.

They treated me with respect.

They refrained from improper remarks or comments.

Representatives treated each other fairly.

Informational fairness

During the resolving/handling of problems or complaints:

They were candid in their communication.

They thoroughly explained the procedure used to make decisions about my complaint.

Their explanations regarding the procedures used to make decisions about my complaint were reasonable.

They communicated details in a timely manner.

They seemed to tailor their communications to my specific needs.

Conflict handling satisfaction

I am unhappy with how the organization handled my complaint.

I am satisfied with how the organization handled my complaint.

I am pleased with the manner in which the complaint was dealt with.

I am content with how C-Corp responds to my complaints.

Appendix IV Levene's test (testing for early vs late respondents bias)

Table 20: Levene's test/ Test of Homogeneity of variances

Variable name	Levene Statistic	Sig.
Conflict Handling satisfaction	2,538	0,118
Supplier Satisfaction	0,771	0,385
Accessibility	0,216	0,645
Growth Opportunity	0,305	0,583
Innovation Potential	0,176	0,677
Operational excellence	0,164	0,687
Reliability	0,949	0,335
Support	1,045	0,312
Involvement	0,015	0,904
Relational behaviour	0,280	0,599
Profitability	1,423	0,239
Preferential treatment	1,153	0,289
Distributive fairness	0,909	0,346
Procedural fairness	0,412	0,524
Interpersonal fairness	0,350	0,557
Informational fairness	0,803	0,375
Preferred customer status	0,252	0,618

Appendix V: Quality assessment of the data; principle component analysis

To assess the PCA three different tests are used as can be seen in table twenty-one and table twenty-two.

Table 21: Assessment of the PCA for the supplier satisfaction model

Name of the test	Level in this research	Required level
Communalities	>.55	>.55
Kaiser-Meyer Olkin Measure [KMO]	.79	.5 or higher
Bartlett’s Test of Sphericity	P = .000	< (P < .005)

Table 22: Assessment of the PCA for the fairness model

Name of the test	Level in this research	Required level
Communalities	>.69	>.55
Kaiser-Meyer Olkin Measure [KMO]	.90	.5 or higher
Bartlett’s Test of Sphericity	P = .000	(P < .05)

The communalities test considers the individual item’s loadings, which need to be above the required level of .55, as this is considered good. All items load above the “very good” range of .63 with most of the items loading above the .73 “excellence” range. The factor average for each factor is above .6, with the lowest factor average being (SS = .65, F = .70). The total factor average is above .7 with a score of (SS = .75, F = .79).²⁴⁰ The entire outcome of the factor analysis can be found in table fifty-five in appendix VII.

The Kaiser-Meyer Olkin Measure [KMO] looks at applicableness of a factor analysis within this research. This test shows that a factor analysis is a fitting tool as the KMO in this research, with a score of (SS = 79, F = .90) is enough to meet the .5 requirement.

The Bartlett’s Test of Sphericity looks at the pattern of the variables. The test shows that the variables have a patterned relationship by having a score below $p < .05$.²⁴¹ As such, the analysis of the PCA stipulates the required quality of the test.

²⁴⁰ See Tabachnick & Fidell (2013), p. 654; Tabachnick & Fidell (2019), p. 509.

²⁴¹ See Yong & Pearce (2013), p. 88.

Table 23: The extracted communalities

Communalities	Initial	Extraction
Contact_Accessability_1_1	1.000	.793
Contact_Accessability_1_2	1.000	.770
Contact_Accessability_1_3	1.000	.813
Growth_Opportunity_1_1	1.000	.664
Growth_Opportunity_1_2	1.000	.799
Growth_Opportunity_1_3	1.000	.792
Growth_Opportunity_1_4	1.000	.678
Innovation_Potential_1_1	1.000	.829
Innovation_Potential_1_2	1.000	.804
Innovation_Potential_1_3	1.000	.740
Innovation_Potential_1_4	1.000	.762
Operational_Excellence_1_1	1.000	.853
Operational_Excellence_1_2	1.000	.895
Operational_Excellence_1_3	1.000	.659
Operational_Excellence_1_4	1.000	.573
Reliability_1_1	1.000	.746
Reliability_1_2	1.000	.744
Reliability_1_3	1.000	.742
Reliability_1_4	1.000	.783
Support_1_1	1.000	.746
Support_1_2	1.000	.821
Support_1_3	1.000	.826
Involvement_1_1	1.000	.847
Involvement_1_2	1.000	.813
Involvement_1_3	1.000	.678
Relational_Behaviour_1_1	1.000	.594
Relational_Behaviour_1_2	1.000	.611
Relational_Behaviour_1_3	1.000	.607
Relational_Behaviour_1_4	1.000	.781

AXLIII

Relational_Behaviour_1_5	1.000	.769
Relational_Behaviour_1_6	1.000	.756
Profitability_1_1	1.000	.691
Profitability_1_2	1.000	.748
Profitability_1_3	1.000	.824
Profitability_1_4	1.000	.758
Profitability_1_5	1.000	.654
Supplier_Satisfaction_1_1	1.000	.824
Supplier_Satisfaction_1_2	1.000	.762
Supplier_Satisfaction_1_3	1.000	.846
Supplier_Satisfaction_1_4	1.000	.839
Supplier_Satisfaction_1_5	1.000	.868
Supplier_Satisfaction_1_6	1.000	.703
Preferred_Customer_Status_1_1	1.000	.813
Preferred_Customer_Status_1_2	1.000	.774
Preferred_Customer_Status_1_3	1.000	.710
Preferred_Customer_Status_1_4	1.000	.719
Preferred_Customer_Status_1_5	1.000	.683
Prefferential_Treatment_1_1	1.000	.676
Prefferential_Treatment_1_2	1.000	.731
Prefferential_Treatment_1_3	1.000	.650
Prefferential_Treatment_1_4	1.000	.757
Distributive_Fairness_1_1	1.000	.848
Distributive_Fairness_1_2	1.000	.917
Distributive_Fairness_1_3	1.000	.931
Distributive_Fairness_1_4	1.000	.818
Procedural_Fairness_1_1	1.000	.792
Procedural_Fairness_1_2	1.000	.906
Procedural_Fairness_1_3	1.000	.900
Procedural_Fairness_1_4	1.000	.810
Interpersonal_Fairness_1_1	1.000	.948
Interpersonal_Fairness_1_2	1.000	.968

Interpersonal_Fairness_1_3	1.000	.959
Interpersonal_Fairness_1_4	1.000	.679
Interpersonal_Fairness_1_5	1.000	.877
Informational_Fairness_1_1	1.000	.849
Informational_Fairness_1_2	1.000	.836
Informational_Fairness_1_3	1.000	.838
Informational_Fairness_1_4	1.000	.829
Informational_Fairness_1_5	1.000	.822
Conflict_Handling_Satisfaction_1_1	1.000	.776
Conflict_Handling_Satisfaction_1_2	1.000	.930
Conflict_Handling_Satisfaction_1_3	1.000	.966
Conflict_Handling_Satisfaction_1_4	1.000	.942

Extraction Method: Principal Component Analysis.

Table 24: The principal component assessment of the supplier satisfaction model

Items	Component										
	1	2	3	4	5	6	7	8	9	10	11
Contact_Accessibility_1	0,012	0,217	0,073	0,039	0,031	0,242	0,116	0,084	0,802	0,044	-0,066
Contact_Accessibility_2	0,096	0,173	0,128	0,043	0,295	0,058	-0,077	0,125	0,748	0,150	0,074
Contact_Accessibility_3	0,123	0,250	0,149	0,025	0,190	-0,021	0,019	0,197	0,733	0,190	0,129
Growth_Opportunity_1	0,089	0,124	-0,020	0,315	0,076	0,138	0,555	0,153	0,167	-0,075	0,203
Growth_Opportunity_2	0,405	0,251	-0,002	0,222	0,198	0,204	0,207	0,012	0,233	-0,007	0,200
Growth_Opportunity_3	0,082	0,124	0,084	0,171	-0,165	0,098	0,008	0,148	0,041	0,252	0,732
Growth_Opportunity_4	0,066	0,179	0,104	0,237	0,224	-0,018	0,170	0,093	0,071	0,067	0,652
Innovation_Potential_1	0,122	0,062	0,113	0,804	0,042	0,091	0,142	0,075	-0,046	0,101	0,161
Innovation_Potential_2	0,067	0,055	0,225	0,783	0,079	0,084	0,167	0,008	-0,053	0,113	0,138
Innovation_Potential_3	0,142	0,245	0,168	0,745	0,105	0,126	0,083	-0,038	0,142	0,101	0,038
Innovation_Potential_4	0,131	0,262	0,206	0,708	0,187	0,161	-0,040	0,136	0,057	-0,016	0,046
Operational_Excellence_1	-0,006	0,068	-0,037	0,136	0,115	0,010	0,035	-0,007	0,073	0,837	0,125
Operational_Excellence_2	-0,009	-0,014	-0,077	0,160	0,120	0,009	0,009	0,002	0,146	0,882	0,021
Operational_Excellence_3	-0,022	0,436	0,149	-0,142	0,084	-0,077	0,281	0,003	0,220	0,519	0,194
Operational_Excellence_4	-0,027	0,510	0,049	-0,147	0,220	0,071	0,040	-0,085	0,339	0,356	0,064
Reliability_1	0,096	0,455	0,008	0,086	0,314	0,056	0,117	0,557	0,055	-0,146	0,234
Reliability_2	0,125	0,337	0,060	-0,001	0,312	-0,033	0,180	0,669	0,118	0,042	0,071

AXLV

Reliability_3	0,038	0,274	-0,016	0,032	0,063	0,122	0,143	0,712	0,311	-0,034	0,026
Reliability_4	0,187	0,210	-0,055	0,079	0,157	0,160	0,087	0,768	0,052	0,035	0,074
Support_1	0,041	0,143	0,195	0,168	0,351	-0,008	0,704	0,136	0,099	-0,067	-0,007
Support_2	0,137	0,031	0,205	0,025	0,005	0,104	0,837	0,085	-0,003	0,072	-0,017
Support_3	0,178	0,048	0,070	0,069	-0,077	0,108	0,813	0,104	-0,061	0,142	0,102
Involvement_1	0,101	0,033	0,820	0,185	0,121	-0,015	0,010	0,095	0,031	0,082	0,070
Involvement_2	0,060	0,100	0,775	0,305	0,088	0,004	-0,087	0,075	0,095	0,069	-0,150
Involvement_3	0,176	0,115	0,714	-0,037	0,045	0,089	0,224	0,072	0,037	0,068	-0,028
Relational_Behaviour_1	0,272	0,144	0,074	0,078	0,509	0,051	0,143	0,207	0,323	0,068	0,120
Relational_Behaviour_2	0,238	0,315	0,171	0,100	0,552	0,142	0,107	0,134	0,027	0,130	0,178
Relational_Behaviour_3	0,197	0,321	-0,092	-0,073	0,558	0,094	0,116	0,116	0,174	0,105	-0,053
Relational_Behaviour_4	0,076	0,009	0,106	0,072	0,562	0,406	0,080	0,356	-0,077	0,154	0,017
Relational_Behaviour_5	0,032	0,218	0,252	0,260	0,748	0,113	-0,050	0,030	0,096	0,047	-0,002
Relational_Behaviour_6	0,148	0,274	-0,020	0,125	0,712	-0,066	0,000	0,150	0,251	0,100	-0,058
Profitability_1	0,303	0,208	0,227	0,105	0,136	0,511	0,179	0,011	0,046	0,028	0,096
Profitability_2	0,092	0,390	0,063	0,064	0,079	0,722	0,232	0,006	0,083	-0,031	-0,011
Profitability_3	0,222	0,187	0,144	0,040	-0,183	0,702	0,140	0,241	0,043	0,281	-0,150
Profitability_4	0,126	0,169	-0,010	0,297	0,243	0,653	-0,083	0,116	0,145	-0,131	0,061
Profitability_5	0,075	0,212	0,046	0,259	0,214	0,558	0,021	0,033	0,188	-0,137	0,266
Supplier_Satisfaction_1	0,264	0,743	0,040	0,176	0,211	0,074	-0,098	0,115	0,213	0,066	0,191
Supplier_Satisfaction_2	0,220	0,684	0,001	0,207	0,076	0,242	0,022	0,242	0,186	0,186	0,012
Supplier_Satisfaction_3	0,210	0,797	0,069	0,149	0,155	0,218	0,088	0,249	0,090	0,008	0,047
Supplier_Satisfaction_4	0,169	0,776	0,125	0,174	0,207	0,152	0,132	0,219	0,126	-0,026	-0,031
Supplier_Satisfaction_5	0,195	0,832	-0,010	0,149	0,178	0,129	0,066	0,216	0,110	0,021	-0,017
Supplier_Satisfaction_6	0,183	0,605	0,031	0,116	0,147	0,370	0,103	0,098	0,069	-0,050	0,249
Preferred_Customer_Status_1	0,670	0,247	0,002	-0,034	0,129	0,237	0,282	-0,051	0,028	-0,033	0,175
Preferred_Customer_Status_2	0,712	0,239	0,034	-0,022	0,119	0,213	0,118	-0,026	0,011	0,090	0,113
Preferred_Customer_Status_3	0,692	0,153	0,228	-0,013	0,112	0,314	0,137	-0,023	0,035	0,042	0,037
Preferred_Customer_Status_4	0,685	0,217	0,002	0,055	0,221	0,175	0,010	0,120	0,157	0,083	0,096
Preferred_Customer_Status_5	0,642	0,249	-0,017	0,094	0,147	0,232	0,065	-0,109	0,067	0,079	0,045
Prefferential_Treatment_1	0,679	0,153	0,108	0,124	0,002	0,017	0,201	0,273	-0,005	0,050	-0,182
Prefferential_Treatment_2	0,697	0,038	0,254	0,030	-0,021	-0,047	0,096	0,001	0,104	-0,247	0,003
Prefferential_Treatment_3	0,654	-0,016	0,206	0,229	0,090	-0,011	-0,061	0,285	0,007	-0,159	0,148
Prefferential_Treatment_4	0,754	0,061	0,182	0,238	0,090	-0,170	-0,059	0,189	-0,025	0,026	-0,049
Factor Average:	0,69	0,74	0,77	0,76	0,61	0,63	0,78	0,67	0,76	0,75	0,69

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 9 iterations.

Table 25: Principal component assessment of the conflict handling model

Items	Component					
	1	2	3	4	5	6
Supplier_Satisfaction_1_1	0,186	0,848	0,175	0,059	0,004	0,144
Supplier_Satisfaction_1_2	-0,006	0,864	0,096	0,017	0,082	0,101
Supplier_Satisfaction_1_3	0,066	0,911	0,134	0,106	0,038	0,074
Supplier_Satisfaction_1_4	0,118	0,884	-0,004	0,126	0,092	-0,003
Supplier_Satisfaction_1_5	0,098	0,901	0,072	0,110	0,093	0,025
Supplier_Satisfaction_1_6	0,029	0,736	0,206	0,160	0,189	-0,046
Distributive_Fairness_1_1	0,268	0,162	0,819	0,148	0,176	0,161
Distributive_Fairness_1_2	0,215	0,174	0,870	0,198	0,141	0,157
Distributive_Fairness_1_3	0,214	0,177	0,879	0,190	0,153	0,145
Distributive_Fairness_1_4	0,200	0,175	0,765	0,107	0,220	0,320
Procedural_Fairness_1_1	0,339	0,265	0,272	0,253	0,634	0,258
Procedural_Fairness_1_2	0,372	0,103	0,209	0,223	0,764	0,282
Procedural_Fairness_1_3	0,339	0,155	0,204	0,216	0,777	0,264
Procedural_Fairness_1_4	0,311	0,131	0,191	0,246	0,760	0,145
Interpersonal_Fairness_1_1	0,870	0,100	0,226	0,218	0,205	0,201
Interpersonal_Fairness_1_2	0,890	0,089	0,208	0,199	0,208	0,205
Interpersonal_Fairness_1_3	0,882	0,102	0,210	0,198	0,210	0,210
Interpersonal_Fairness_1_4	0,710	0,076	0,147	0,164	0,281	0,203
Interpersonal_Fairness_1_5	0,802	0,137	0,214	0,312	0,240	0,119
Informational_Fairness_1_1	0,527	0,085	0,232	0,553	0,368	0,218
Informational_Fairness_1_2	0,368	0,218	0,201	0,740	0,138	0,212
Informational_Fairness_1_3	0,357	0,222	0,166	0,672	0,298	0,304
Informational_Fairness_1_4	0,307	0,180	0,234	0,720	0,261	0,248
Informational_Fairness_1_5	0,224	0,137	0,173	0,740	0,232	0,348
Conflict_Handling_Satisfaction_1_1	0,464	0,215	0,286	0,318	0,225	0,529
Conflict_Handling_Satisfaction_1_2	0,249	0,025	0,279	0,336	0,239	0,787
Conflict_Handling_Satisfaction_1_3	0,326	0,058	0,266	0,258	0,255	0,809
Conflict_Handling_Satisfaction_1_4	0,272	0,084	0,219	0,305	0,246	0,812
Factor Average	0,83	0,86	0,83	0,69	0,73	0,80

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 6 iterations.

Appendix VI: Testing discriminant validity; Heterotrait-Monotrait Ratio (HTMT)

Table 26: Testing discriminant validity; Heterotrait-Monotrait Ratio (HTMT) in the supplier satisfaction model

	CA	GO	IP	I	OPEX	PT	PCS	P	RB	R	SS	S
CA												
GO	.53											
IP	.25	.69										
I	.35	.39	.46									
OPEX	.59	.39	.18	.19								
PT	.02	.56	.39	.46	.09							
PCS	.35	.69	.37	.31	.33	.76						
P	.43	.72	.50	.34	.30	.38	.64					
RB	.59	.64	.45	.37	.48	.40	.53	.55				
R	.47	.60	.33	.18	.41	.39	.40	.47	.66			
SS	.55	.69	.47	.29	.54	.41	.58	.69	.68	.69		
S	.21	.71	.33	.37	.30	.32	.39	.39	.36	.38	.32	

Contact accessibility (CA), Growth opportunity (GO), Innovation Potential (IP), Involvement (I) Operational excellence (OPEX), Preferential treatment (PT), Preferred Customer Status (PCS), Profitability (P), Relational Behaviour (RB), Reliability (R), Supplier Satisfaction (SS), Support (S).

Table 27: Testing discriminant validity; Heterotrait-Monotrait Ratio (HTMT) in the fairness model

	CHS	Conflict	DF	IFF	IPF	PF	SS
CHS							
Conflict	.24						
DF	.64	.32					
IFF	.81	.33	.60				
IPF	.65	.15	.55	.73			
PF	.74	.17	.60	.77	.70		
SS	.27	.55	.34	.37	.18	.33	

DF = Distributive fairness; PF = Procedural fairness; IPF = Interpersonal fairness; IFF = Informational fairness; C = Conflict; CHS = conflict handling fairness; SS = Supplier satisfaction.

Appendix VII: Quality assessment of the data: Factor loadings, reliability and validity assessment

Table 28: Assessment of quality of the data for the supplier satisfaction model

Name of the test	Level in this research	Required level
Composite reliability [CR]	.82 (average .89)	.7 or higher*
Cronbach’s alpha [CA]	.71 (average .83)	.7 or higher*
Outer loadings	.71 (average	.7 or higher*
Average Variance Extracted [AVE]	.63 (average	.5 or higher*
HTMT Ratio	.76 (highest)	.85 or lower**

Table 29: Assessment of quality of the data for the fairness model

Name of the test	Level in this research	Required level
Composite Reliability [CR]	.91 (average .95)	.7 or higher*
Cronbach’s Alpha [CA]	.91 (average .94)	.7 or higher*
Outer loadings	.71 (average .83)	.7 or higher*
Average Variance Extracted [AVE]	.74 (average .80)	.5 or higher*
HTMT Ratio	.80 (highest)	.85 or lower**

*Hair et al. (2014), p. 111-112 & Bagozzi & Yi (1988), p. 82. ** Henseler et al. (2015), p. 121 & Voorhees et al. (2016), p. 130.

Table 30: Factor loadings, reliability and validity assessment of the supplier satisfaction model

Variable	Indicators	Outer loadings	Composite Reliability (CR)	Cronbach’s alpha	AVE
Growth opportunity	S_Growth_1	.74	.82	.71	.53
	S_Growth_2	.79			
	S_Growth_3	.66			
	S_Growth_4	.73			
Growth Opportunity -2	S_Growth_3	.84	.86	.68	.76
	S_Growth_4	.90			
Innovation potential	S_Innovationpot_30_1	.89	.92	.89	.75
	S_Innovationpot_30_2	.89			
	S_Innovationpot_30_3	.84			
	S_Innovationpot_30_4	.84			
Profitability	S_Profitability_90_2	.76	.88	.83	.60
	S_Profitability_90_3	.85			
	S_Profitability_90_4	.69			
	S_Profitability_90_5	.80			
	S_Profitability_90_6	.76			
Profitability -1	S_Profitability_90_3	.86	.87	.81	.63
	S_Profitability_90_4	.71			
	S_Profitability_90_5	.82			
	S_Profitability_90_6	.79			
Relational behaviour	S_RelBehaviour_80_1	.74	.88	.84	.55
	S_RelBehaviour_80_2	.78			

	S_RelBehaviour_80_3	.71			
	S_RelBehaviour_80_4	.66			
	S_RelBehaviour_80_5	.76			
	S_RelBehaviour_80_6	.80			
Relational behaviour -2	S_RelBehaviour_80_3	.73	.86	.79	.61
	S_RelBehaviour_80_4	.71			
	S_RelBehaviour_80_5	.84			
	S_RelBehaviour_80_6	.85			
Support	S_Support_60_1	.93	.88	.82	.70
	S_Support_60_2	.81			
	S_Support_60_3	.75			
Development	S_Support_new_65_1	.96	.87	.83	.69
	S_Support_new_65_2	.79			
	S_Support_new_65_3	.72			
Reliability	S_Collaboration_50_1	.85	.91	.87	.71
	S_Collaboration_50_2	.87			
	S_Collaboration_50_3	.82			
	S_Collaboration_50_4	.83			
Involvement	S_Involvement_70_2	.93	.90	.83	.75
	S_Involvement_70_3	.88			
	S_Involvement_70_4	.78			
Operational Excellence	S_OperativeExc_40_1	.69	.85	.80	.59
	S_OperativeExc_40_2	.67			
	S_OperativeExc_40_3	.86			
	S_OperativeExc_40_4	.84			
Operational Excellence -2	S_OperativeExc_40_1	.97	.97	.94	.94
	S_OperativeExc_40_2	.97			
Contact	S_Available_10_1	.75	.91	.85	.77
Accessibility	S_Available_10_2	.93			
	S_Available_10_3	.92			
Supplier satisfaction	S_Satisfaction_100_1	.88	.96	.94	.78
	S_Satisfaction_100_2	.87			
	S_Satisfaction_100_3	.94			
	S_Satisfaction_100_4	.89			
	S_Satisfaction_100_5	.91			
	S_Satisfaction_100_6	.81			
Preferred customer status	PC_PC_110_1	.88	.93	.91	.73
	PC_PC_110_2	.91			
	PC_PC_110_3	.87			
	PC_PC_110_4	.84			
	PC_PC_110_5	.79			
Preferential treatment	PC_PrefTrea_120_1	.80	.90	.84	.68
	PC_PrefTrea_120_2	.82			
	PC_PrefTrea_120_3	.83			
	PC_PrefTrea_120_4	.85			

Table 31: Factor loadings, reliability and validity assessment of the fairness model

Variables	Indicators	Outer loadings	Composite reliability (CR)	Cronbach's Alpha	AVE
Conflict handling satisfaction	CHS_1	96	.96	.96	.86
	CHS_2	96			
	CHS_3	96			
	CHS_4	94			
Distributive fairness	DF_1	92	.95	.95	.82
	DF_2	96			
	DF_3	96			
	DF_4	88			
Procedural Fairness	PF_1	90	.96	.96	.85
	PF_2	95			
	PF_3	95			
	PF_4	89			
Interpersonal Fairness	IPF_1	98	.97	.97	.88
	IPF_2	99			
	IPF_3	98			
	IPF_4	81			
	IPF_5	93			
Informational Fairness	IFF_1	88	.95	.95	.81
	IFF_2	90			
	IFF_3	92			
	IFF_4	91			
	IFF_5	88			
Supplier satisfaction	S_Satisfaction_100_1	88	.94	.95	.74
	S_Satisfaction_100_2	87			
	S_Satisfaction_100_3	94			
	S_Satisfaction_100_4	89			
	S_Satisfaction_100_5	91			
	S_Satisfaction_100_6	81			

Appendix IIX: Other tables

Table 32: Discrepancy between supplier perspective and buyer perspective

Supplier	PCS_1	PCS_2	PCS_3	PCS_4	PCS_5	Average
1	0	0	2	2	-1	0,6
2	-1	-1	0	-1	0	-0,6
3	1	2	0	1	2	1,2
4	1	1	-1	0	0	0,2
5	0	-2	-2	3	-2	-0,6
6	1	1	1	0	0	0,6
7	-1	-1	-1	0	-1	-0,8
8	-2	-1	0	0	-1	-0,8
9	0	0	0	0	0	0,0
10	1	3	3	2	0	1,8
11	-1	1	1	0	-1	0,0
12	2	2	1	0	0	1,0
13	-1	-1	0	0	-1	-0,6
total average						0,15
SD						0,84

Appendix IX: Dyadic research aspects pertaining to fairness and conflict

IX.I Introduction into the dyadic fairness aspects

Fairness within buyer-supplier relationships is significantly differently perceived by both parties,²⁴² and both perceptions cannot be deducted from one point of view.²⁴³ As such, this research will look at fairness and conflict from both the perspective of the supplier as the perspective of the buyer. As such the third research question within this paper is:

Do C-Corp and their suppliers have similar or different perceptions pertaining to conflict handling and fairness, how do these perceptions relate to each other and what is the effect of the (dis)similarity?

IX.II The positive effect of fairness symmetry perceptions and the negative effect of fairness asymmetry perceptions on relational outcome

As the assessment of fairness by individuals within a relationship is based on their respective goals, expectations, abilities, information sources, and the associated weights, differences in fairness perception are a likely occurrence.²⁴⁴ As such, fairness within buyer-supplier relationships is significantly differently perceived by both parties.²⁴⁵ Additionally, one cannot deduct the perception of both partners in a dyad using data from only one partner, nor assume that these perceptions are symmetric in nature.²⁴⁶

In essence, both buyers and suppliers are inter-dependent yet autonomous entities, who shape and are shaped by the atmosphere they are part of, based on both their decisions and perceptions pertaining to fairness.²⁴⁷ Hence, dyad interactions are based on the quality of the relationship where interorganisational fairness acts as an important antecedent of the quality of the relationship, thereby shaping the relational atmosphere in which the dyad operates in.²⁴⁸ To that extent fairness can function as a basis for a cooperative relationship, but only when both partners within a dyad are aware of the existence of fairness perceptions.²⁴⁹

Research that investigated fairness perception differences found that mutual or symmetric fairness perceptions positively influence relational outcomes such as trust and commitment. However, asymmetric perceptions are perceived as negative, and might end up

²⁴² See Hess & Ambrose (2010), p. 1282.

²⁴³ See Lumineau & Olivera (2018), p. 446.

²⁴⁴ See Liu et al. (2012), p. 364; Pan et al. (2020), p. 363

²⁴⁵ See Hess & Ambrose (2010), p. 1282.

²⁴⁶ See Lumineau & Olivera (2018), p. 446.

²⁴⁷ See Walumbwa et al. (2010), p. 527; Bouazzaoui et al. (2020), p. 6.

²⁴⁸ See Kumar et al. (1995), p. 60-61; Woo & Ennew (2004), p. 1265; Johnsen et al. (2017), p. 11; Elram & Murfield (2019), p. 7; Bouazzaoui et al. (2020), p. 2.

²⁴⁹ See Pan et al. (2020), p. 363.

leading to uncertainty, conflict, and relationship discontinuation.²⁵⁰ As such, it is important to understand both the fairness perspectives and symmetry within the dyad.

Thus, this research will look at both sides/perceptions of the dyad pertaining to fairness. As such, the following model is proposed in figure eighteen. The left-wing of the model pertains to the fairness exhibited by the buyer based on their perspective, and the right-wing of the model pertains to fairness perceived by the supplier.

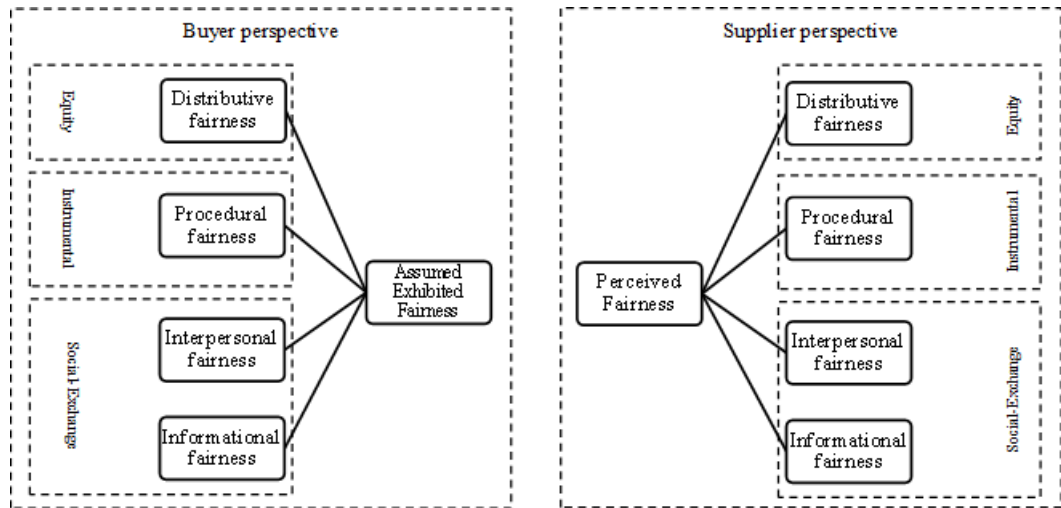


Figure 13: The dyadic extension of the current fairness theory

To explain the possible interaction options between a buyer and a supplier pertaining to the Assumed Exhibited Fairness and the Perceived Fairness, figure nineteen is developed.

		Perceived fairness	
		Low	High
Assumed exhibited fairness	Low	Negative symmetry Potential relationship discontinuation, but also improvement opportunity	Positive asymmetry Potential value acquisition for the buying organisation
	High	Negative asymmetry Potentially negative relationship effects and conflict but also improvement opportunity	Positive symmetry Increased commitment and relationship continuation

Figure 14: The four quadrants of fairness perception

²⁵⁰ See Liu et al. (2012), p. 361; Bouazzaoui et al. (2020), p. 6; Pan et al. (2020), p. 363.

The figure displays the four potential quadrants when looking at the fairness perceptions of both parties within the dyad. The Perceived Fairness Value [PFV] within this figure can either be high or low. A low PFV can have potentially negative consequences for the relationship but also allows for an opportunity for the organisation to improve. A high PFV leads to increased commitment and relationship continuation and allows for the organisation to emphasise this as value they add to the relationship.²⁵¹

Additionally, when comparing the Assumed Exhibited Fairness [AEF] to the PFV, there are four scenarios: positive symmetry, negative symmetry, positive asymmetry and negative asymmetry. Positive symmetry between the AEF and the PFV leads to positive relational outcomes.²⁵² Positive asymmetry between the AEF and the PFV (where PFV is higher than AEF), can be focused on by the buying organisation as a strength to build on by emphasising the value they add to the relationship.²⁵³ Negative symmetry (where both the PFV and AEF are low) and negative asymmetry (where PFV is lower than AEF) can lead to potential conflict and relationship discontinuation.²⁵⁴ However, this also poses a potential direction for improvement, either by looking at the fairness principles adopted by the company or the way they exhibit these.

Consequently, understanding both the PFV, the AEF and the alignment/symmetry between the AEF and the PFV, allows the organisation to either acquire value or find potential improvement directions.

IX.III Symmetry perceptions as a point of equilibrium between strengthening or decay of relationships

The atmosphere in which a dyad operates is influenced by the perception of fairness.²⁵⁵ Fairness perceptions by both parties are based on a multitude of different weights making fairness within buyer-supplier relationships differently perceived by parties.²⁵⁶ Asymmetry of perceptions has been previously found to lead to misconceptions, conflict, dissatisfaction, and potential termination of relationships.²⁵⁷ Asymmetry in fairness perceptions has specially shown to influence opportunism and conflict. Furthermore,

²⁵¹ See See Liu et al. (2012), p. 361; Cropanzano et al. (2017), p. 480.

²⁵² See Liu et al. (2012), p. 361; Bouazzaoui et al. (2020), p. 6.

²⁵³ See Cropanzano et al. (2017), p. 480.

²⁵⁴ See Liu et al. (2012), p. 361; Bouazzaoui et al. (2020), p. 6.

²⁵⁵ See Kumar et al. (1995), p. 60-61; Woo & Ennew (2004), p. 1265; Johnsen et al. (2017), p. 11; Elram & Murfield (2019), p. 7; Bouazzaoui et al. (2020), p. 2.

²⁵⁶ See Hess & Ambrose (2010), p. 1282; Liu et al. (2012), p. 364; Pan et al. (2020), p. 363.

²⁵⁷ See Nyaga et al. (2013), p. 58; Liu et al. (2012), p. 361; Bouazzaoui et al. (2020), p. 6; Pan et al. (2020), p. 367.

asymmetry in fairness perceptions leads to an increased effort for the dominant partner in the relationship to stabilize and maintain the relationship. The bigger the asymmetry, the bigger the effort required to stabilise the relationship.²⁵⁸

An additional aspect that plays a vital role in the symmetry of perceptions during the process of interaction is the overall value of the Assumed Exhibited Conflict Fairness [AECF]. This value is necessary to enable either positive symmetrical or positive asymmetrical fairness to occur. When both parties within a relationship have a positive symmetrical fairness perspective, this has a positive effect on their willingness to share information, make commitments and form relationships for the long-term. Additionally, the positive symmetric perceptions enhance trust and the overall quality of the relationship.²⁵⁹

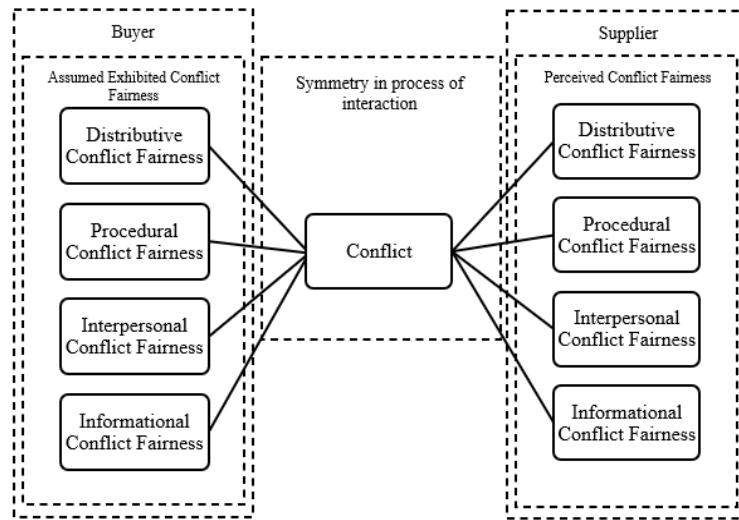


Figure 15: : The proposed conflict dyadic structure supported by the fairness theory and the IMP model

Figure twenty displays the proposed model where positive symmetry in supplier and buyer perceptions will likely lead to a decrease of conflict, and asymmetry in supplier and buyer perceptions will lead to an increase in conflict. Additionally, a low AECF enhances the negative effect of conflict and a high AECF decreases the negative effect of conflict. Having negative asymmetric fairness perceptions can lead to a wide array of negative effects (misconceptions, conflict, dissatisfaction, and potential termination of relationships).

Having positive symmetric fairness perceptions strengthens the relationship that both parties of the dyad are part of. Hence, it is likely this will have a positive effect on conflict

²⁵⁸ See Pan et al. (2020), p. 367-368.

²⁵⁹ See Kumar et al. (1995), p. 60-61; Griffith et al. (2006), p. 94-95; Liu et al. (2012), p. 364;

Cropanzano et al. (2017), p. 480; Pan et al. (2020), p. 362.

handling satisfaction and in extend supplier satisfaction. To that extent it becomes important to analyse and understand the overall assumed exhibit conflict fairness and the potential symmetry or asymmetry of the perceptions of buyers and suppliers. Thus, the hypotheses derived from this theory are:

Hypothesis Thirteen A (null): C-Corp and their suppliers have a similar perception pertaining to the displayed and perceived fairness.

Hypothesis Thirteen B (Alternative): C-Corp and their suppliers have a different perception pertaining to the displayed and perceived fairness.

The AECF is considered high if the value is either equal or higher than the PCF.

Hypothesis Thirteen C (null): The AECF is either equal to or higher than the PCF.

Hypothesis Thirteen D (Alternative): The AECF is lower than the PCF.

IX.IV Non-symmetric fairness perceptions between the buyer and the supplier and the forked effect of conflict on both parties

IX.IV.I The non-symmetric buyer-supplier perceptions and the potentially beneficial effects

The difference between the Assumed Exhibited Fairness and the Perceived Fairness Value can have impactful implications on the relationship. As such, it makes it worthwhile to have a further look at this aspect. Table thirty-one displays the comparison between the AEF and the PFV of C-Corp and their suppliers.

Table 33: The fairness values and the perception differences between C-Corp and their suppliers for key suppliers

Variable	AEF	PFV	Difference
Distributive Fairness	75%	78,80 %	- 4%
Procedural Fairness	81,09%	86,09 %	- 5 %
Interpersonal Fairness	88,75%	90, 55 %	- 2 %
Informational Fairness	77,62%	83, 97 %	- 4.5 %

*Based on input from C-Corp and key suppliers pertaining to relationship between them

Looking at table thirty-one it can be concluded that the overall PFV is high. Furthermore, the value of Distributive, Procedural, Interpersonal and Informational fairness are ranked higher by the supplier than by C-Corp. As such, C-Corp slightly (3.8%) underestimate the fairness they display. As such, the values for PFV are higher than the

values for AEF, meaning C-Corp's suppliers feel that C-Corp provides more fairness to them than C-Corp themselves assume. As such, this difference leads to minor positive asymmetry.

Furthermore, figure twenty-seven displays the individual effects of distributive, procedural, interpersonal and informational conflict fairness on relational conflict, taken from the perspective of both C-Corp and their suppliers.

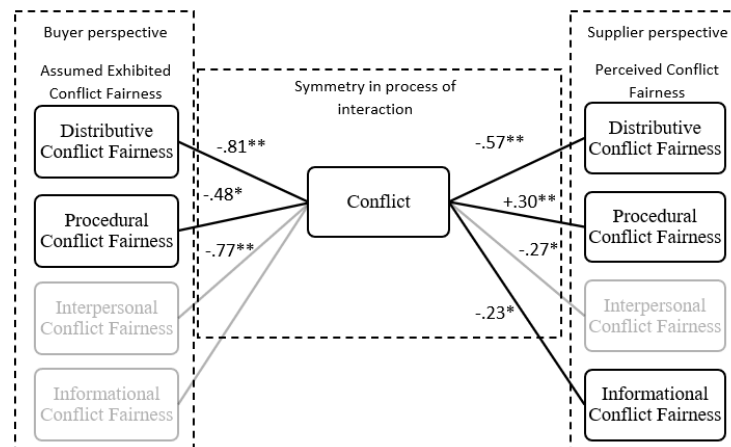


Figure 16: Comparison of the individual effects of fairness on conflict (both buyer and supplier perspective)

When further comparing the dyadic fairness perceptions to the actual fairness values some discrepancies are found. As can be seen from both perspectives, distributive fairness has a significant negative effect on conflict (although its effect is stronger for the buyer than for the supplier). As distributive fairness looks at the value attainable through the relationship it makes it logical that both parties should deem this so. However, interestingly C-Corp's perception entails that distributive fairness is the strongest influencer of conflict, yet it has the lowest value (.75) out of their AEF.

Additionally, what is interesting to see is that both parties agree on the importance of procedural fairness when it comes to conflict. Yet, they seem to disagree on its effect. The buying organisation seems to think it negates conflict while the suppliers seem to think it increases conflict.

Both parties seem to agree on the "irrelevance of interpersonal fairness. When we look at the AEF and PFV, interpersonal fairness has the highest value for both parties (.89 & .90). Moreover, when we compare this aspect with the overall fairness of the suppliers and the judgement of the suppliers by C-Corp (based on the interview), we find that both parties of the dyad are quite happy with each other. As such, the non-significance of this construct is a surprising outcome. Looking deeper in the data provides more clarity. The

questions pertaining to interpersonal fairness have only been answered with four's and five's by C-Corp and with three's, four's and five's by the suppliers. As such, the programs ('SPSS 27' and 'Smart PLS') do not have the required "range" to notice correlations.

When adding two dummy-data (one's and two's) to the dataset to complete the full Likert-scale range (one until five), we find that the correlation between interpersonal fairness and conflict suddenly becomes strongly significant. (C's perspective: $-.77^{**}$, Supplier's perspective: $-.28^{**}$) as can be seen in table fifty-seven and fifty-eight in appendix IIX.

The buying organisation thinks informational fairness is non-significant, while the suppliers seem to think it has a significant effect on conflict.

As such, both parties in the dyad seem to agree on distributive and interpersonal fairness (even though they disagree on the strength of the influence) yet disagree on the aspects of procedural and informational fairness. To that extent it can be concluded that support cannot be found for the null hypothesis 13a. Additionally, the alternative hypothesis 13b cannot be rejected as can be seen in table thirty two. Hence, C-Corp and their suppliers have different fairness perceptions.

Table 34: The outcomes of the dyadic fairness hypotheses

Hypothesis	Variable name		Result
H13a (Null)	Similar Fairness perceptions	PFV = AEF	Rejected
H13b (Alt)	Different Fairness perceptions	PFV + AEF	Failed to reject

IX.IV.II Conflict affecting performance, satisfaction and preferred customer chances for both parties within the relationship

Figure twenty-eight displays the additional dyadic effects of conflict within the relationship. As can be seen in the figure, conflict has a negative effect on both sides of the chain. From the buyer's perspective conflict influences the performance of the suppliers ($-.80^{**}$) and the attainability of preferred customer status ($-.58^{**}$) as can be seen in table fifty-two.

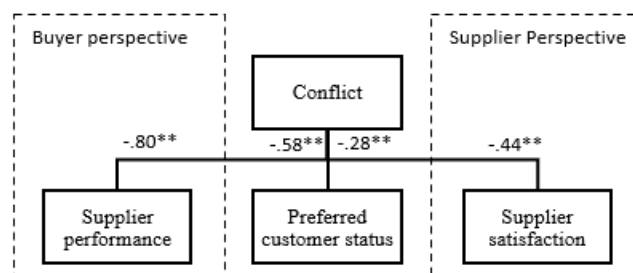


Figure 17: The dyadic effects of conflict within the buyer-supplier relationship

Table 35: Correlations table

Correlations		Supplier_performance	PCS_Total	Rel_con
Supplier_performance	Pearson Correlation	1	.534*	-.795**
	Sig. (2-tailed)		.013	.000
	N	21	21	21
PCS_Total	Pearson Correlation	.534*	1	-.584**
	Sig. (2-tailed)	.013		.005
	N	21	21	21
Rel_con	Pearson Correlation	-.795**	-.584**	1
	Sig. (2-tailed)	.000	.005	
	N	21	21	21

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

This insight is in line with previous research which has shown that negative aspects of interorganisational relationships such as conflict limit the value extracted by the relationship partner.²⁶⁰ While some forms of conflict can be beneficial for organisations, most conflict must be successfully managed to be able to maintain the relationship and effectively create value.²⁶¹

From the supplier's perspective conflict has a negative influence on supplier satisfaction (-.44**) and their willingness to grant preferred customer status (-.28**) as can be seen in table fifty-nine in appendix IIX. Additionally, both buyers and suppliers agree on the negative effect of conflict on the chances of granting or acquiring preferred customer status. As such, conflict is a problem that influences both parties of the dyad.

²⁶⁰ See Oliveira & Lumineau (2018), p. 247.

²⁶¹ See Ellegaard & Andersen (2015), p. 458 & 465.

IX.V Discussion and conclusion of the preliminary dyadic research

IX.V.I Introduction into the discussion and conclusion pertaining to dyadic fairness and conflict

The aim of this preliminary research was to look at both the supplier's and the buyer's perspective related to fairness and conflict. Gaining insight into the dyadic fairness and conflict perceptions and the individual effects of these on the relationship as a whole.

IX.V.II Dyadic fairness conclusion: the negative potential of varying perspectives

As explained in the chapter IX.V.I the comparison in the fairness perceptions of the suppliers and buying organisation lead to positive asymmetry. Positive asymmetry can potentially lead to increased commitment and relationship continuation as it allows for the organisation to emphasise this as value they add to the relationship.²⁶²

In this chapter the following research question will be answered: *How are conflict and conflict handling satisfaction related to supplier satisfaction, preferred customer status, and preferential treatment within a buyer-supplier relationship setting?*

It is key for the buying organisation to take note of the aspects their supplier and themselves agree on and the aspects they disagree on. Focusing on the common aspects such as distributive or interpersonal value can potentially limit conflict and as such adds value for the organisation. In this case the non-significance of interpersonal fairness is caused by a lack of "negative" input, not the quality of the construct or the model itself. Thus, that makes this variable even more important to consider.

However, disagreement on aspects such as procedural fairness can lead to potentially counter effective results. An asymmetric perception as this can lead to an increase in conflict, even if the intention was meant well. To that extent the previously found second highest score of .86 is no longer considered as positive asymmetry but negative asymmetry thereby having the potential to increase conflict and negatively influence the relationship.

Moreover, the variables that suppliers find important in situations such as informational fairness in conflict should be understood and should be focused on. Another asymmetric perspective like this can lead to an increase in conflict, based on a lack of knowledge not based on the intention to do so. As conflict leads to an increase in uncertainty

²⁶² See Liu et al. (2012), p. 361; Cropanzano et al. (2017), p. 480.

it makes it logical for suppliers to crave more information to deal with this uncertainty.²⁶³ As such, their perspective is not a surprising one.

Additionally, from the buyer's perspective distributive fairness is the strongest influencer of conflict, yet distributive fairness has the lowest value (.75) out of their AEF. This supports the previous finding of the supplier satisfaction model. where the variable economic value is considered a point of improvement. Additionally, the discrepancy in correlation (.81 opposed to .57) poses a threat for C-Corp to heavily focus on this aspect, assuming it will have a stronger impact than it in reality might have.

The reason the relationship risk analysis in the general paper is made, is to deal with "the potential problem of losing supplier to (bigger) competitors that are willing to pay more or provide more economic value." This sentiment is clearly noticeable in their distributive fairness ranking. The combination of these two insights put emphasis on the need to increase value within the buyer-supplier relationship.

Overall chapter 5.3 concludes that buyers and suppliers have a divergent perspective when it comes to the fairness influences on conflict. As such, one should be mindful of this difference when dealing with conflict lest one wants to prevent escalating the conflict.

Additionally, as the negative effects of conflict lower performance, satisfaction, and the chances of acquiring preferred customer status, it makes it worthwhile to deal with conflict, if the coveted preferred customer status wants to be attained. Moreover, the management of conflict is a combined problem that should be tackled and handled by both sides of the dyad in a joint effort. Therefore the previously mentioned research question is successfully answered.

IX.V.III Theoretical contributions of the preliminary dyadic research

IX.V.III.I Investigation of the unhabitual inter-organisational buyer supplier perspective pertaining to conflict and fairness

Within research done into fairness, conflict and conflict handling satisfaction scarce attention has been paid to buyer-supplier relationships. The bulk of the fairness/complaint handling research done has focused either on customers or on internal affairs (manager - employees).²⁶⁴ Conflict or CHS are concepts commonly used in customer-oriented research.²⁶⁵

²⁶³ See Brashers (2001), p. 482.

²⁶⁴ See Kim et al. (2017), p. 6; Caputo et al. (2018), p. 104; Oliveira & Lumineau (2018), p. 232;

Bouazzaoui et al. (2020), p. 6; Pan et al. (2021), p. 362.

²⁶⁵ See Orsingher et al. (2009), p. 169-170.

However, due to the necessity of a reverse-marketing perspective in attaining supplier satisfaction, these concepts are used in supplier-oriented research.²⁶⁶ With the reverse-marketing perspective from the supplier satisfaction model, suppliers become especially interesting. This paper expands research done into fairness, conflict and CHS by investigating the underexamined subject of inter-organisational conflict and fairness. This expansion fills in a previous research gap, and clears the way by setting a precedent for future research to further expand in this direction.

IX.V.III.II Inauguration of the dyadic perspective pertaining to both fairness and conflict

Scarce research has been done into the dyadic aspect pertaining to either fairness or conflict. These subjects are habitually studied from the buyer's side, yet routinely neglect the perspective and opinion of suppliers.²⁶⁷ However, fairness within buyer-supplier relationships is significantly differently perceived by both parties,²⁶⁸ and both perceptions cannot be deduced from one point of view.²⁶⁹ This research examined both the buyer as the supplier's perspective pertaining to conflict and fairness thereby addressing the lack of dyadic research. The expansion of this research thread by looking at dyadic fairness and conflict fills in previous research gaps, no longer neglects important perspectives and as such is able to paint the whole picture. Hence, this research paves the way for future possible research directions.

IX.V.IV Managerial implications of the preliminary dyadic research

Before attempting to mitigate conflict through fairness, first the dyadic perspectives should be taken into consideration. Chapter IX.V.I explains the importance of understanding the differences of perceptions between buyers and suppliers. It is important to analyse and understand these differences before attempting to solve conflict through the usage of fairness. Figure thirty displays the perception differences and its effect on conflict.

²⁶⁶ See Schiele & Vos (2015), p. 145.

²⁶⁷ See Kim et al. (2017), p. 6; Caputo et al. (2018), p. 104; Oliveira & Lumineau (2018), p. 232;

Bouazzaoui et al. (2020), p. 6; Pan et al. (2021), p. 362.

²⁶⁸ See Hess & Ambrose (2010), p. 1282.

²⁶⁹ See Lumineau & Olivera (2018), p. 446.

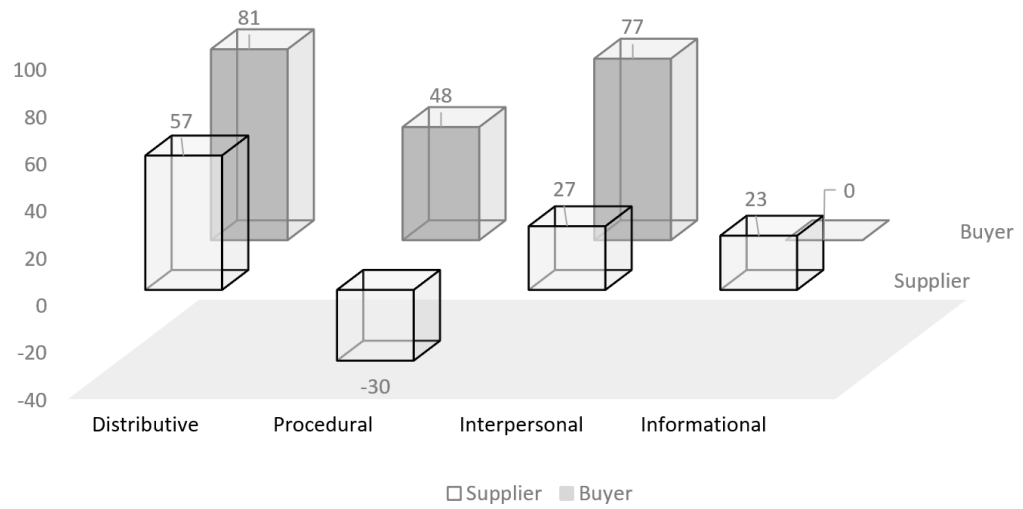


Figure 18: Mitigation through the usages of fairness

As previously described, suppliers and buyers have diverging perceptions pertaining to how to mitigate conflict through fairness. In this diverging perception procedural fairness is the largest outlier. As such, this gives managers an overview of which topics to focus on and which topics to avoid. Chapter 6.5.2 explains how to best manage these differences and how to leverage this knowledge by using the right combination of fairness tools.