

A case study: Assessing the Antecedents and Benefits of Supplier Satisfaction

Author: Jan Hegenberg
University of Twente
P.O. Box 217, 7500AE Enschede
The Netherlands

ABSTRACT,

As the trend to decrease the number of suppliers and of more oligopolistic market structures is increasing, it is becoming more and more important for buyers to achieve a preferred customer status, which cannot be achieved without supplier satisfaction. This case study further explores the concept of supplier satisfaction while focusing on antecedents, benefits and the relationship to buyer status and customer segmentation. The findings of this research show that transparency is a factor influencing supplier satisfaction, but has not been included in the most recent model describing supplier satisfaction and should thus be validated in a larger setting. Furthermore, buyer status was found to have a large impact on the preferential treatment a buyer receives, but does not seem to be related to supplier satisfaction. Lastly, the concept of gut feeling was found to heavily influence the segmentation process of suppliers, and the decision whether a buyer receives a preferred customer status or not. This concept has not been explored yet in this context and this paper suggests doing so in further research.

**Graduation Committee members: Frederik Vos
Prof. Dr. habil. Holger Schiele**

Keywords

Supplier Satisfaction, Preferred Customer Status, Preferential Treatment, Buyer Status, Customer Segmentation, Supplier Segmentation

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1. INTRODUCTION: IMPORTANCE OF SUPPLIER SATISFACTION AND PREFERRED CUSTOMER STATUS

Scholars have known the importance of good relationships with suppliers and the competitive advantage that can result from it, for quite some time. When supplier and buyer commit to a strong relationship, they are able to create value, which could not be created by neither of the two independently (Zajac & Olsen, 1993, p. 137) and are able to improve each other's performance (Monczka, Petersen, Handfield, & Ragatz, 1998, p. 567). Other possible benefits are better service support, reduced time to market (Ulaga & Eggert, 2006, p. 122), better prices, improved reputation, access to new markets (Nollet et al., 2012, p. 1189) and access to resources (Schiele & Vos, 2015, p. 144). But these benefits can only be reaped when the buying firm receives a preferential treatment through holding a preferred customer status. Achieving a preferred customer status is becoming more and more important, because firms are not only reducing the number of their suppliers, but also reducing the number of potential alternative suppliers (Carter, Slight, & Blascovich, 2007, p. 47), while increasing outsourcing of key activities (Nollet et al., 2012, p. 1191). This leads to oligopolistic supply market structures. These allow suppliers to make use of their relative bargaining power, which is defined as "the set of alternatives available alternatives to them [the buyers]" (Lavie, 2007, p. 1193). Therefore, a preferred customer status is of high significance when striving for a competitive advantage, especially when the number of appropriate suppliers is rare (Routroy & Routroy, 2016, pp. 1171-1172; Schiele, Veldman, & Hüttinger, 2011, p. 18; Steinle & Schiele, 2008, p. 11). Achieving a preferred customer status is influenced by supplier attractiveness and supplier satisfaction (Schiele et al., 2012, p. 1180). Research about the latter is still at a very early stage (Meena & Sarmah, 2012, p. 1237) and is going to be the focus of this paper. Besides that, emphasis will be put on the influence of a company's status on the benefits and treatment the company receives. Status is determined according to a socially constructed ordering or ranking (Stern, Dukerich, & Zajac, 2014, p. 513) or can be defined as the degree of centrality an organization has within a network (Sauder, Lynn, & Podolny, 2012, p. 274). Through a high status companies may be able to distinct themselves from the competition and receive preferential treatment (Podolny, 2010, p. 5). This has led to the following question.

How does the buyer status influence supplier satisfaction?

Supplier satisfaction can be defined as "a condition that is achieved if the quality of outcomes from a buyer-supplier relationship meets or exceeds the suppliers expectations" (Schiele et al., 2012, p. 1181). Research found that satisfaction positively influences trust, which in turn positively influences the willingness to enter a long term relationship (Ganesan, 1994, p. 11). The early literature analyzing supplier satisfaction found that understanding each other's needs (Poirier & Houser, 1993, p. 201) and helping suppliers fulfill their suppliers needs, is essential in order for the relationship to work (Wong, 2000, p. 429). Furthermore, positive relationship factors; co-operative culture, commitment to supplier satisfaction and constructive controversy were found to lead to supplier satisfaction (Benton & Maloni, 2005, p. 16; Wong, 2000, pp. 429-430). Surprisingly, it was found that neither buyer-, nor supply chain- or supplier performance affected supplier satisfaction (Benton & Maloni, 2005, p. 17).

Vos et al (2016) found that supplier satisfaction influences the preferred customer status, which in turn influences the preferential treatment the buying firm receives. Furthermore, different factors, of which some precede others, influence supplier satisfaction have been identified. (Vos et al., 2016, p. 4621). This again shows that supplier satisfaction can lead to a competitive advantage and therefore is a topic that needs further investigation, which is the aim of this paper. Considering all those factors has led to the following global research question:

What are the factors influencing supplier satisfaction?

Often, the treatment a supplier or customer receives is determined by the status a company holds within a firm, which implies that companies classify their customers. The most popular segmentation tool for purchasers is the Kraljic matrix. Kraljic introduced a matrix in order to "minimize supply vulnerability and make the most of potential buying power" (Kraljic, 1983, p. 112). This matrix is a tool that helps buyers select the type of supply strategy the company needs to pursue in order to exploit its purchasing power over suppliers and to reduce the supply risk to a minimum (Kraljic, 1983, p. 110). Many different adaptations of this model have been created, which all have more similarities than differences compared to the original matrix (Gelderman & Van Weele, 2005, p. 19). But not only buyers, also suppliers practice segmentation (Dannenberg & Zupancic, 2010, p. 85). Van Weele (2009, pp. 200-202) states that in order for a buyer and a supplier to have an effective collaboration, a good fit between the products position in the buyers purchasing portfolio and the position of the product in the supplier's customer portfolio is necessary. A good fit and an improved understanding of the suppliers needs allows the buyer to fulfill and exceed the suppliers expectations, which leads to satisfaction (Schiele et al., 2012, p. 1181). Thus the following question arises.

What is the relationship between customer segmentation and supplier satisfaction?

The purpose of the paper is to find answers to these three questions and to gain a deeper understanding of the issue of supplier satisfaction as a distinct concept, which is still fairly unexplored at the moment (Pulles, Schiele, Veldman, & Hüttinger, 2016, p. 130; Vos et al., 2016, p. 4613). By doing so, the aim is to find out how buying firms can increase supplier satisfaction without paying more. This will be done through interviews with a buyer and three of its suppliers. Therefore, this paper not only helps researchers to get a better understanding of the issue but might also inspire others to investigate this field of interest as well, thus enhancing the progress made researching it. Additionally, the interviewed buyer will get a better understanding of how his suppliers see him and what he can do in order to improve his position. During the interviews problems that only one party has been aware of might come to light and allow the parties to resolve those, in order to improve their relationship.

The outline of the paper is as follows. Firstly, the literature with a focus on supplier satisfaction, preferred customer status, segmentation and status will be reviewed. Afterwards, the methods for the conduction of the research will be elaborated and its results presented. This is followed by a

discussion and information about the implications and limitations of this paper, rounded up with a brief conclusion.

2. THE CONCEPTS OF SUPPLIER SATISFACTION AND PREFERRED CUSTOMER STATUS

2.1 Supplier satisfaction can lead to a preferred customer status

Supplier satisfaction can be defined as “a condition that is achieved if the quality of outcomes from a buyer-supplier relationship meets or exceeds the suppliers expectations” (Schiele et al., 2012, p. 1181). It is an ex-post experience taking place after the customer attraction process (Hald, 2012, p. 1230) that can either lead to a discontinuation of the relationship, the awarding of a preferred customer status or a regular customer treatment (Nollet et al., 2012, p. 1188; Schiele et al., 2012, p. 1180). Thus, supplier satisfaction is an important part of achieving a preferred customer status, allowing the buyer to reap the benefits of this status, which will be elaborated in detail later and gaining a competitive advantage through those benefits.

Skinner, Gassenheimer, and Kelley (1992, p. 187) were some of the first to research supply chain relationships with regard to satisfaction and found that “if satisfaction is the desired outcome of a (supply chain) channel relationship, it is important to encourage cooperation and reduce conflict” (Skinner et al., 1992, p. 187). Later, Selnes (1998, p. 317) identified communication, commitment and conflict handling as antecedents of supplier satisfaction in a case study, which would be proven to be correct by other scholars described later in this section. Wong (2000, pp. 427-430) identified that in order to satisfy the own customers and for a partnership with suppliers to work, the suppliers’ needs must be satisfied. Furthermore he identified co-operative culture, commitment to supplier satisfaction and constructive controversy as positive relationship factors that lead to supplier satisfaction.

Additionally, researchers that analyzed partnerships and alliances within supply chains, found that information sharing is essential for a strong relationship (Lambert, Emmelhainz, & Gardner, 1999, p. 174; Mentzer, Min, & Zacharia, 2000, p. 558; Spekman, Kamauff Jr, & Myhr, 1998, p. 635). Those findings served as a basis for Whipple et. al, (2002) which could connect information sharing to satisfaction of alliance partners and developed a three step model to information sharing, that makes it satisfactory to both parties. Firstly, it must be clarified which information is to be shared, then both parties must agree on how frequently they want to exchange information and lastly, they need to decide in what form the information is shared (Whipple, Frankel, & Daugherty, 2002, p. 76). A more recent study by Nyaga, Whipple, and Lynch (2010, p. 110) built onto these findings by showing that buyers need to present a strong interest into collaborating with their suppliers, which implies frequent exchange of information. Furthermore they found that joint relationship effort and information sharing lead to trust and commitment, which in turn lead to better performance and satisfaction (Nyaga et al., 2010, p. 111). Another study came to similar results, showing that buyer and supplier that enter a collaborative relationship must create an atmosphere of earnest collaboration that is characterized by open and frequent sharing of information, mutual support and accommodation as well as a strong commitment to the mutual project (Hoegl & Wagner, 2005, p. 543), which is also supported by the findings of Tan and Tracey (2007, p. 11).

Maunu (2003) not only provides a management tool for measuring supplier satisfaction (p.116-123), but also identified nine different supplier satisfaction dimensions, which were grouped into two topics; business related dimensions and communication related dimensions. Business related dimensions are hard and fact based values that include profitability, agreements, early supplier involvement, business continuity and forecasting. Communication related dimensions measure how comfortable working with a company is and are more soft and human based values. Dimensions grouped into this topic are roles and responsibilities, openness and trust, feedback and the company values (Maunu, 2003, pp. 95-96).

Benton and Maloni (2005, p. 4) looked into the affect of how power and its use as well as performance affects satisfaction of supply chain members and found that “firms must understand their chain partners in all respects, including the comprehension of the sources, imbalances and consequences of power such that the most beneficial use (or disuse) can be directed to achieve supply chain performance and member satisfaction” (Benton & Maloni, 2005, p. 4). While no significant relationship between performance and satisfaction was detected, relational use of power was found to have a positive affect on supplier satisfaction, suggesting to avoid the use of coercive power (Benton & Maloni, 2005, p. 18). These findings are in line with previous research, that was based on buyer data only, which also found that “coercive bases of power [...] decrease cooperation and increase channel conflict” (Skinner et al., 1992, p. 187) and other scholars (Hunt & Nevin, 1974, p. 192).

Essig and Amann (2009, p. 108) created an index-based evaluation system for supplier satisfaction, which they suggest to conduct once a year. This index includes 36 factors grouped into three dimensions and six factors. Their evaluation enables a “business relationship oriented alignment of purchasing activities” (Essig & Amann, 2009, p. 106). The first dimension is the “strategic level” and is concerned with the intensity of the cooperation and its strategic importance. The second dimension “operational level” includes indicators providing information about the day-to-day activities, such as ordering and billing procedures. The last dimension is the “accompanying level” and deals with the interaction and communication of supplier and buyer (Essig & Amann, 2009, p. 109). A detailed overview of all the indicators can be found in the appendix (Appendix 1).

Meena and Sarmah (2012, p. 1245) also created an index model towards supplier satisfaction and found payment policy, coordination policy, purchasing policy and corporate image to influence supplier satisfaction (See Appendix 2). These findings are in line with those of Essig and Amann (2009, p. 109), since they only extension is the corporate image.

Ghijsen, Semeijn, and Ernstson (2010, pp. 24-25) conducted research on which strategies are most beneficial when striving to achieve supplier satisfaction. Their results show that an indirect influence strategy, which entails information sharing recommendations for example, is more suitable than a direct influence strategy that is executed through legality pleas or threats. Furthermore they suggest to focus on capital-specific supplier development which means providing tools, equipment, capital for new investments or collaboration in improvement and development activities for new raw materials and product parts, rather than human-specific development which includes technical assistance, providence of training and education and frequent site visits. Especially the latter might put unnecessary pressure on the supplier (Ghijsen et al., 2010, p. 22).

Hüttinger, Schiele, and Schröer (2014, p. 711) used a mixed methods approach to explore the antecedents of preferential customer treatment by suppliers in the automotive industry. In

the process they also created a model for the antecedents of supplier satisfaction and found that growth opportunity, reliability and relational behavior have a significant effect on supplier satisfaction, while innovation potential, operative excellence, support of suppliers, supplier involvement and contact accessibility do not. These antecedents were defined as follows by Hüttinger et al. (2014, p. 703):

Growth opportunity: The possibility for both businesses to grow through collaborative creation of new business opportunities.

Innovation potential: The supplier's opportunity and capability to produce innovations due to the buying firm's innovative capabilities and its contributions in joint innovation processes.

Operative excellence: The supplying firms perception that the buying firm is handling its operations in a sorrow and efficient way, which facilitates the way of doing business for the supplier.

Reliability: The supplier's perception that the buying firm acts in a consistent and reliably while fulfilling its agreements.

Support of suppliers: The buying firms effort or assistance to increase a supplier's performance and/ or capabilities.

Supplier involvement: The degree to which supplier's personnel participates in the buying firms product development and is trusted with developing product ideas.

Relational behavior: The buying firms behavior towards the supplier, focusing on the relational behavior during the exchange, including solidarity, mutuality and flexibility.

Vos et al. (2016, p. 4620) revised the model from Hüttinger et al. (2014, p. 711) using the same definitions. As presented below, the model shows that supplier satisfaction influences the preferred customer status, which in turn influences the preferential treatment the buying firm receives. Furthermore Vos et al. (2016, p. 4621) suggest that some of the relational aspects influencing supplier satisfaction might precede and influence others. The findings show that profitability, growth opportunity, relational behavior and operative excellence affect supplier satisfaction at the first tier. At the second tier, innovation potential affects growth opportunity, contact accessibility affects operative excellence and support, while reliability and involvement affect relational behavior (Vos et al., 2016, p. 4621). This again shows that supplier satisfaction can lead to a competitive advantage and therefore is a topic that needs further investigation, which is the aim of this paper.

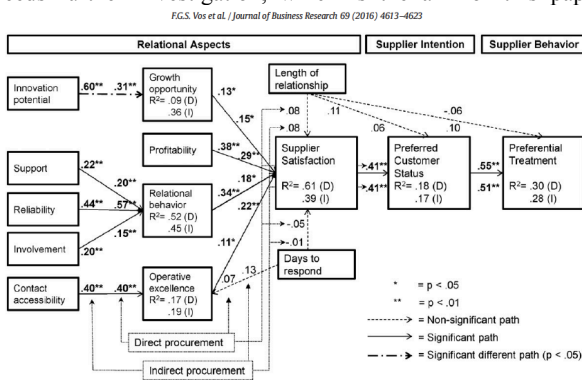


Figure 1. Model for direct and indirect procurement
Retrieved from Vos, Schiele, and Hüttinger (2016, p.

2.2 The concept of preferred customer status is influenced by supplier satisfaction and customer attractiveness

It is known that not all customers are treated equally and that some are receiving a preferred treatment over others (Bemelmans, Voordijk, Vos, & Dewulf, 2015, p. 179). A preferred customer status is reached when “the supplier offers the buyer preferential resource allocation” (Steinle & Schiele, 2008, p. 11). A similar definition has been made by (Nollet et al., 2012, p. 1187).

(Nollet et al., 2012, p. 1188) came up with a four-step model of the process of becoming a preferred customer, which can be seen below.

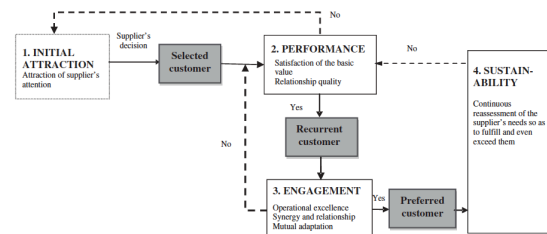


Figure 2. Process of becoming a preferred customer
Retrieved from Nollet, Rebolledo, and Popel (2012, p. 1188)

In order to become a preferred customer, a buyer must first attract a supplier that is willing to enter a relationship. Afterwards, the performance must be perceived as satisfactory and the engagement in the relationship must create synergy. Then the status of a preferred customer can be achieved, but only obtained if a sustainable performance, which meets and exceeds expectations, is delivered. Additionally to those findings, recent research identified that a preferred customer status can be achieved by focusing on profit and risk sharing mechanisms, resource sharing mechanisms, supplier incentives and rewards (C.V. & Routroy, 2016, p. 1187).

An alternative approach towards the preferred customer status has been proposed by Schiele et al. (2012, p. 1180), who identified customer attractiveness and supplier satisfaction as keys to achieving a preferred customer status. They suggest a cyclic model consisting of the expectations (E), which lead to the initiation of a relationship, the comparison level (Cl) representing the standards used to evaluate the outcome of the relationship and the comparison of alternatives (Cl_{alt}). As depicted in figure two below, this implicates customer attractiveness and supplier satisfaction as factors influencing the preferred customer status.

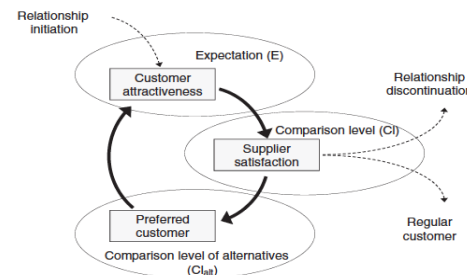


Figure 3. Model of preferred customership
Retrieved from Schiele, Calvi, and Gibbert (2012, p. 1180)

Both those models described above can be linked to the concept of social exchange theory (Merminod, Nollet, & Rebolledo, 2017, p. 666), which discusses the issues of relationship initiation, termination and continuation (Kelly & Thibaut, 1959, pp. 21-24). This concept suggests that the initiation of a relationship depends on customer attractiveness, which has been defined by social exchange theorists as capability to cause interest and attract the attention of another party (Blau, 1964, p. 35) and is thus in line with the customer attractiveness / expectation (E) stage of the cycle of preferred customership. The concepts of comparison level (Cl) and comparison level of alternatives (Cl_{alt}), which can also be found in the cycle of preferred customership, have already been introduced by Kelly and Thibaut (1959, pp. 21-24) as part of their book on the social psychology of groups. It is important to consider that the interaction and collaboration that take place during the different stages of relationship development is the key activity allowing supplying firms to make outcome comparisons to Cl and Cl_{alt} (Anderson, 1995, p. 347).

Supplier satisfaction (Cl), which has been elaborated above, is influenced by customer attractiveness (E) (Mortensen, Freytag, & Arlbjørn, 2008, p. 804; Schiele et al., 2012, p. 1180) and thus also influences the achievement of a preferred customer status, which indicates customer attractiveness being an ex-ante expectation (Hald, 2012, p. 1228). When discussing the concept of customer attractiveness, it is important to understand that it depends on the value a customer has to the supplier (La Rocca, Caruana, & Snehota, 2012, p. 1242). Customer attractiveness and supplier satisfaction are related concepts (La Rocca et al., 2012, p. 1242) and this relation implies, that the factors making a customer attractive and the ones satisfying a supplier overlap. Hüttinger, Schiele, and Veldman (2012, p. 1199) created an overview of the antecedents of customer attractiveness, categorizing them into five driver categories, which can be found in the appendix (Appendix 3). Another relevant factor to consider is that suppliers prioritize the drivers and antecedents differently (Ellis, Henke Jr, & Kull, 2012, p. 1260) and that attractiveness is determined in the eye of the beholder (Tanskanen & Aminoff, 2015, p. 130). This means, that there is no “one fits all” solution to be an attractive customer in the eyes of all potential suppliers. But once a buyer is perceived as attractive and has been able to satisfy the supplier, the preferred customer status can be achieved. This status, which has been defined above brings many different benefits such as competition blocks in form of technological exclusivity in the early phase of an innovation (Carter et al., 2007, p. 47), better product quality (Primo & Amundson, 2002, p. 49), improved delivery performance, better service support, personal interaction, supplier know how, reduced time to market (Ulaga & Eggert, 2006, p. 122), better prices, improved reputation, access to new markets (Nollet et al., 2012, p. 1189) and access to resources (Schiele & Vos, 2015, p. 144). By reaping these benefits, a company with the status as preferred customer may be able to create a competitive advantage over its competitors.

2.3 Customer segmentation should not only be based on sales volume

“Customer segmentation means the division of market segments into customer groups and segments and their development in accordance for the company” (Dannenberg & Zupancic, 2010, p. 85). First of all it should be mentioned that not every customer is a potential strategic partner and that those should only be a small selected number (Barratt, 2004, p. 33).

Based on the findings of Belz and Tomczak (1995, p. 9), Dannenberg and Zupancic (2010, p. 87) summarized different

goals of preferential customer segmentation. Those include making a subdivision of market segments into customer segments and evaluating these segments based on their value to the company as well as developing the right and important customers correctly. Moreover, they state that sales volume should not be the sole indicator for segmentation and provide an overview of various indicators that should be used, based on the findings of Belz, Kuster, Walti, and Forschungsinstitut für Absatz und handel an der Universität St (1996, p. 106) (Appendix 4), which can best be evaluated by using scoring models. This is in line with the findings of Rangan, Moriarty, and Swartz (1992, p. 80), whom suggest to include buying behavioral factors in the segmentation process as well. The idea of not using sales volume as exclusive indicator for segmentation is not new, as Winkelmann (2005, p. 309) has created a matrix with two indicators for segmentation earlier, which is also depicted in the book of Dannenberg and Zupancic (2010, p. 90).

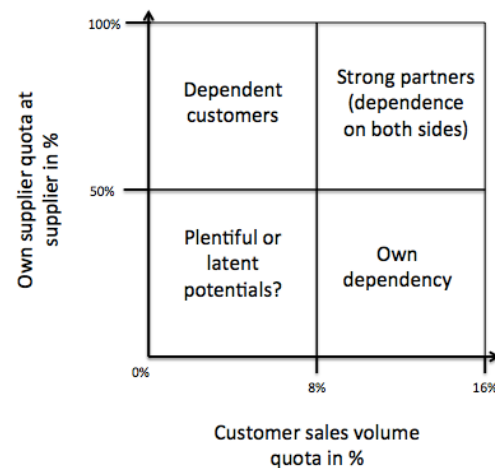


Figure 4. Matrix for customer segmentation
Based on Winkelmann (2005, p. 309)

The authors suggest to withdraw priority from dependent customers, to check the potential of plentiful or latent customers and to strengthen the acquisition efforts in order to move them to one of the upper squares, to extent the scope of supply of the customers in the own dependency square in order to make them strong partners and to safeguard the strong partners.

2.4 The Kraljic matrix helps to minimize supply vulnerability and make the most of potential buying power

Not only sales personnel segments and classifies its customers, but also purchasers make use of such a method to segment and classify their suppliers. Portfolio models can be used in the purchasing domain to improve the allocation of scarce resources by identifying which groups of products, suppliers or relationships require more attention than others (Olsen & Ellram, 1997, p. 103). Bensaou (1999, p. 36) created a matrix that classifies relationships along the two axis' buyer- and supplier specific investments, while Olsen and Ellram (1997, p. 107) did so along the axis' length of relationship and supplier attractiveness. Kraljic also developed such a model, which had a large impact on purchasing practices (Caniëls & Gelderman, 2007, p. 219), which going to be the only model focused on in this paper. The Kraljic matrix is made up out from two dimensions; importance of purchasing and complexity of the

supply market, with each two values; low and high. This results in a two by two matrix with four different quadrants, each suggesting a strategic approach towards the supplier, in order to achieve the best outcome of the relationship (see Appendix 5). These quadrants are called strategic items, bottleneck items, leverage items and non-critical items. Strategic items score high on both complexity of the supply market and the importance of purchasing and should be ensured in terms of long-term availability. Bottleneck items score high on supply market complexity but low on importance of purchasing, making cost management and reliable short-term sourcing partners key performance criteria. Leverage items score low on complexity of the supply market and high on the importance of purchasing. For these items it is important to achieve good cost/price and materials flow management. Non-critical items score low on both supply market complexity and importance of purchasing, which makes functional efficiency a key performance criterion. Companies using the matrix should start off by classifying its needed items into the four categories. Next, a market analysis is to be performed by the buying company, part of which is to weigh “the bargaining power of its suppliers against its own strength” (Kraljic, 1983, p. 112) (see criteria in Appendix 6). Afterwards, the items that have been identified as strategic, need to be positioned in the purchasing matrix which has the two dimensions company strength and supply market strength, each having the values low, medium and high (see Appendix 7). This allows companies to identify opportunities or vulnerabilities, assess supply risks and to derive strategies for these items (Kraljic, 1983, pp. 111-114). Furthermore, this matrix allows purchasers to identify suppliers with which they want to achieve a preferred customer status.

2.5 Customers with high status increase status of supplier

As a buyer it is sometimes important to have the capability to distinct oneself from other competitors in order to get a preferential customer treatment. Having a high status can be exactly this distinction (Podolny, 2010, p. 5).

Often, the concepts of status and reputation are used interchangeably, but Stern et al. (2014, p. 513) provide a clear distinction by defining reputation as determined by the value or quality of an organizations previous actions and status as determined according to a socially constructed ordering or ranking. Similar to that, Sauder et al. (2012, p. 274) define status as the degree of centrality an organization has within a network. Only recently organizational scholars identified, that status dynamics can provide an answer to different phenomena occurring within and between organizations (Piazza & Castellucci, 2014, p. 287). Moreover, an actor’s status is found to be a consequence of its network ties, meaning that having a network of actors with a high status also increases the own status and vice versa (Podolny, 2010, p. 5). This implies that suppliers care about the status of their customers, suggesting that a supplier will chose to serve a customer with a higher status over another customer, given that he is in the position to choose. Thus, it is in the purchaser’s interest to have a high status, in order to attract the best suppliers. Another factor that makes a company’s status interesting for buyers is that a high status is likely to increase future performance to a certain degree (Bothner, Kim, & Smith, 2012, p. 428). It must be kept in mind though, that the same research also found that actor’s which have achieved a high status started resting on it, which decreased their performance. Thus the actors must be challenged and forced to improve continuously. Other research conducted by Castellucci and Ertug (2010, p. 162) found that supplying firms that have a lower status than the buying firm show more willingness to go to greater lengths in order to meet

the buying firms needs, while delivering better performing products. Another important point to consider is that status is found to positively influence the perceived quality of a company’s products or services (Benjamin & Podolny, 1999, p. 585). Taking all these factors into account, it can be said that the status of a company plays a big role for buyer and supplier.

3. METHODOLOGY: A QUALITATIVE AND EXPLORATIVE CASE STUDY

Since this is an explorative case study, a method with maximum explorative power is needed. A qualitative approach fulfills these criteria, because it offers a certain degree of flexibility as opposed to quantitative research. A qualitative approach can be defined as “any type of research that produces findings, not arrived at by statistical procedures or other means of quantification” (Boeije, 2009, p. 34). A cross-sectional research design is such a qualitative approach, during which all variables of a set of units are measured at the same time, without manipulating the variables for a sub group. This approach provides the possibility to learn more about the causative relationship between supplier satisfaction and preferred buyer status (Strauss & Corbin, 1990, p. 10), which is the global research question of this proposal. As it has been predetermined, that one-time interviews must be conducted, and a student’s budget is extremely limited, this is the only reasonable design to apply. Thus, two interviews, with open questions were conducted with one buyer and three suppliers. The questionnaires for buyer and suppliers can be found in the appendix (Appendix 8-9). The questions of those have been adapted from previous questionnaires, conducted by former students of the University of Twente, that were researching influences on achieving a preferred customer status. The interviews consisted of three parts: supplier classification, benefits and antecedents. They were conducted via phone, because face-to-face meetings were not possible. Additionally, audio recordings were made, as all parties agreed to them. Interviewees received the questions in advance, in order to prepare for the session, giving them the possibility to point out questions they feel uncomfortable answering, which was not the case. Once all interviews have been conducted, the results were analyzed and anonymized, as the interviewees wished so.

4. RESULTS: TRANSPERANCY, STATUS AND GUT FEELING IDENTIFIED AS INFLUENCORS OF PREFERENTIAL TREETMENT AND ITS ANTECEDENTS

Results of interviews are left out due to confidentiality.

4.1 Best three benefits are co-development with technological exclusivity, better accessibility and shorter lead times

The benefits a buyer receives can be classified into three different categories, which are visualized by the pyramid shown below. The benefits that all customers can receive when paid for are the ones given most often. Benefits that need to be paid for, but which are only granted to selected customers are slightly rarer and benefits that only selected customers receive for free are the ones awarded most rarely. The more preferred a customer is, the higher up in the pyramid are the benefits that can be received.

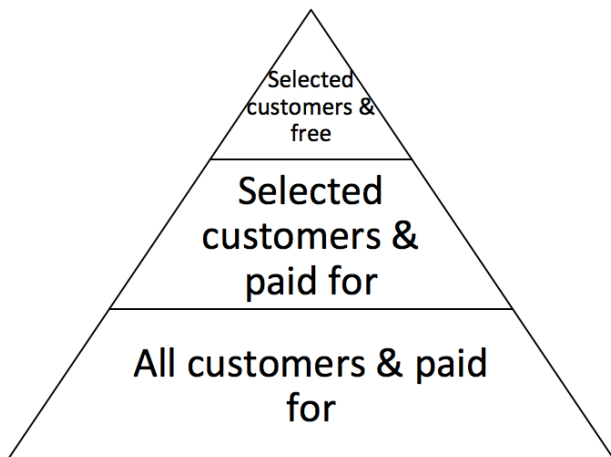


Figure 5. Preferred Customer Pyramid

The top three benefits that Buyer X receives, which can be classified into the category “selected customers and free” are co-development with technological exclusivity, better accessibility and service as well as shorter lead times. Those are benefits only an exclusive group of customer can receive and for which the suppliers do not demand an additional charge.

An example for co-development with technological exclusivity is the following. Buyer X has approached a supplier to develop a solution explicitly for the own needs, which has then been realized in cooperation. The result of this co-development has then been granted to be exclusively for Buyer X, which gives the company a competitive advantage over competitors. Better accessibility and service is for example provided by one of the three suppliers who has hired one person that is exclusively responsible for Buyer X. Through this, the buying company has quicker access to the supplier which leads to faster and better problem solving, because that contact person has excellent knowledge about the needs of Buyer X already. Lastly, the suppliers provide Buyer X with shorter lead times than other customers. In the past, Buyer X has received an order for a very complex product that should be delivered in an under normal circumstances impossible timeframe. One of the suppliers has then prioritized the order of Buyer X and processed it quicker than the orders of other companies. As the market often dictates such tight deadlines to the buying company, this benefit is essential for the company in order to survive.

5. DISCUSSION: FINDINGS MOSTLY IN LINE WITH LATEST LITERATURE

5.1 Antecedents and Benefits in line with and contribute to literature

The following aspects were found as an answer to the research question “what are the factors influencing supplier satisfaction?”.

The suppliers stated that increasing the purchased volume or making them the sole supplier are ways to satisfy them, which could be classified as profitability and is thus consistent with the model created by Vos et al. (2016, p. 4621). These two options are usually not in the interest of the buyer, which is the reason why the focus will be on the other identified factors in this paper. The model also shows relational behavior to be the second strongest influencer of supplier satisfaction after profitability, which is consistent with the findings of this case study. Being treated fairly and having a relationship with

mutual respect and constructive feedback was always mentioned right after profitability in the interviews, if not first. This is in line with previous findings (Benton & Maloni, 2005, p. 18; Hunt & Nevin, 1974, p. 192; Skinner et al., 1992, p. 187; Wong, 2000, pp. 427-430) and shows that communication related dimensions, as defined by Maunu (2003, pp. 95-96), are of high importance for a satisfactory relationship. Furthermore, transparency, especially in terms of demand forecasting, has been found to be a way to satisfy suppliers, which is consistent with some of the previous literature analyzing factors influencing business relationships positively (Hoegl & Wagner, 2005, p. 543; Nyaga et al., 2010, p. 111; Whipple et al., 2002, p. 76). These were the three main factors identified to influence supplier satisfaction, which can lead to more benefits for the buyer.

Once satisfied through these antecedents and awarded a preferred customer status, all suppliers offered the selected customers benefits. These include preferential treatment during shortages, shorter lead times, co-development, technological exclusivity, improved accessibility, better service and more frequent visits indicating increased information sharing. Those findings are also in line with previous literature (Carter et al., 2007, p. 47; Ulaga & Eggert, 2006, p. 122).

5.2 Supplier actions of classifying customers only partially in line with literature

The practices used by the suppliers interviewed to classify customers are only partially in line with the suggestions of the literature. The profit made through a customer seems to be the main indicator used for classification and the only indicator used by Supplier C. This contradicts the statement from Belz et al. (1996, p. 106), whom suggest to use several indicators, as elaborated above. The other two suppliers consider the importance and length of the relationship, as well as the potential of the customer to become more important additionally to the profit, which is thus more in line with the statement mentioned above. Besides those measurable indicators, there is another factor influencing the classification or the treatment the customers receive within the classified groups: the gut feeling of the responsible sales person. This implies that having a good relationship to the supplying sales person and having that person perceive the buyer in a positive way may help to receive more benefits.

Coming back to the research question “What is the relationship between customer segmentation and supplier satisfaction?” it can be concluded that no concrete evidence of a relationship was found. But it seems fair to assume, that the satisfaction of a supplier influences its gut feeling towards the customer positively. Since the gut feeling is a factor playing a role in the segmentation process, there could be a link between supplier satisfaction. But this research did not go into detail regarding the gut feeling, which does not allow making more than an assumption.

Furthermore, the results of this research highlight the importance of the status a customer or potential customer holds. Two of the three suppliers mentioned that the status of their customers is meaningful to them, and all of them explained that having customers with a high status helps them with the acquisition of new customers. This indicates that a high status not only increases the attractiveness of as potential customers, but also their chances of preferential treatment. The one company that did not mention customer status to be meaningful, holds a very high status itself, which might decrease the need of having customers with a high status, as one benefit of it is an increase of the own status (Podolny, 2010, p. 5). Another interesting aspect that was discovered is that customers or

potential customers with a high status receive a preferential treatment over others in terms of price, lead time and accessibility, from two of the suppliers.

With regards to the research question “how does the buyer status influence supplier satisfaction” it can be concluded that the status was not found to influence satisfaction, but the preferential treatment a buyer receives in the end.

5.3 Most supplier and buyer relationships are perceived equally from both sides

After having presented the different ways the parties perceive each other above, an overview and discussion of those findings will be presented here. As identified before, there were no large differences observed in the way buyer and suppliers perceived the importance of the items exchanged. An overview can be seen in the table below:

	Buyer Perception	Supplier Perception
Supplier A	Bottleneck/Strategic	Strategic
Supplier B	Bottleneck	Strategic
Supplier C	Non-critical	Non-critical

It can be observed, that the mismatch with Supplier B is the only one, in which case the supplier believes to have a higher importance to the buyer than he actually has. Still, the supplier holds a strong position in the relationship, giving him a lot of power due to the scarcity of alternatives. This is different for Supplier C, who is in a weaker position than Buyer X in the relationship, because of the low financial importance and many alternatives available to the buying party. According to theory, this should lead to supplier dissatisfaction (Schiele, Ellis, EBig, Henke, & Kull, 2015, p. 137), but this is not the case here. The supplier is extremely satisfied with the relationship, which makes the assumption that the buyer is not making strong use of its advantageous position, plausible. The reason why the buyer is not doing so may be the companies plans to develop the supplier and engage in a more meaningful relationship in the future. The fact that the two parties have only entered their business relationship a year ago allows this speculation.

When looking at all three relationships, no link between the segmentation and satisfaction can be made, because all suppliers, which have each been classified into different categories, are very satisfied with the relationship with Buyer X.

6. IMPLICATIONS, LIMITATIONS AND FURTHER RESEARCH

6.1 Theoretical contributions suggest revision of latest model describing supplier satisfaction

One of the contributions identified during the course of this research is the effect of transparency on supplier satisfaction. The importance of information sharing in alliances and partnerships in general has already been shown by previous research (Hoegl & Wagner, 2005, p. 543; Nyaga et al., 2010, p. 111; Whipple et al., 2002, p. 76), but has not been included in the most recent literature discussing supplier satisfaction. Besides that, a high status of a company in a market was found to lead to preferential treatment by the supplier and increased customer attractiveness. For suppliers, that do not have an extremely high status themselves, it seems to be of high significance to acquire customers with a high status, which provides high status buyer with leverage that can be used to receive a preferential treatment. This has also not been identified as an influencing factor of preferential treatment, or

one of its antecedents before. Another factor that had an influence on the treatment a customer receives is the gut feeling of the responsible sales personnel of the supplier. The gut feeling is an intuitive process (Khatri & Ng, 2000, p. 67) and this process should, together with rational processes, be used for making management decisions, which classifying customers is one of (Simon, 1987, p. 63). Thus, the gut feeling is also a factor that influences the status and therefore also the treatment and benefits a customer receives.

Those three findings should also be tested with a larger sample and if proven to be true, be included in the model as well. If all these findings prove to be valid and reliable in a larger setting, the revised model could look like this:

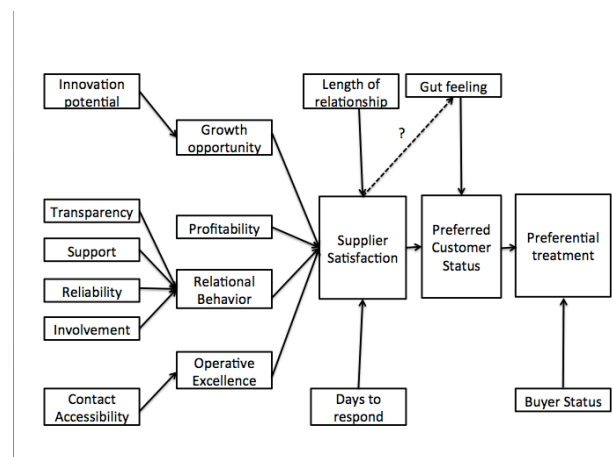


Figure 5. Revised Model for direct and indirect procurement based on Vos et al. (2016, p. 4620)

Also, it could be, that the gut feeling a supplier has towards the buyer is influenced by the degree of mutuality of the cultures of the two parties. A shared or mutual culture can be defined as “the degree to which norms of behavior govern relationships, whereas current goals represent the degree to which parties share a common understanding and approach to the achievement of common tasks and outcomes” (Villena, Revilla, & Choi, 2011, p. 562). As the connection between supplier satisfaction and cultural aspects has already been made by Schiele et al. (2015, p. 137), making this assumption seems apposite.

6.2 Managerial implications include awareness of importance of relational behavior and transparency

Managerial implications of this study are that purchasers must be aware of the importance of the effect that relational behavior has on the treatment the buying firm receives. When striving for a preferential treatment, the buying firm must make sure that its buying personnel is trained on how to correctly treat suppliers and that the right buying personnel is matched with the right suppliers in order to maximize the quality of the relationship. The goal here is to create a relationship in which the supplier has a positive gut feeling towards the buyer, which can lead to

better classification, preferential treatment and more benefits. Furthermore, buying firms must let go of the traditional approach to keep information like demand forecasts to themselves and start to be more transparent by engaging into information sharing activities with their suppliers. If those aspects are ensured and the buyer purchases in significant volumes, he should be able to satisfy his suppliers. A possibility to monitor and assess the satisfaction of suppliers, buyers would be to make use of the index based models suggested by Essig and Amann (2009, p. 109) or Meena and Sarmah (2012, p. 1245), both described earlier in this paper. In the case of Buyer X, there does not seem to be much that can be done in order to satisfy the concerned suppliers more, except for purchasing in higher volumes, single sourcing and continuing to improve the relationships as it is currently done.

Moreover, buying companies should put effort into achieving a good status in the industry, as it increases attractiveness and can lead to preferential treatment from suppliers. Since it is important for suppliers to have customers with a high status, their efforts to enter a relationship with a high status buyer will be increased, which the latter should make use of.

6.3 Limitations prohibit generalization, but directions for future research are given

As this is only a small explorative case study, the results cannot be generalized. Furthermore, when considering the results the unusual structure and habits of the market, as outlined in the results-section of the buyer interview, must be kept in mind.

As mentioned above, transparency, status and gut feeling were found to be influencing factors of the process of becoming a preferred customer. Due to the limitations of this study, it is recommended to test those in a larger setting and if similar results as in this study are found, it would be appropriate to revise the model from Vos et al. (2016) and include transparency, status and gut feeling as influencing factors. Moreover, it would be interesting to find out what exactly affects the gut feeling of sales personnel and their intention to treat customers preferentially based on that feeling and if it is influenced by satisfaction, as assumed before. Since the gut feeling seems to be the one of the biggest influencers, it should be the focus of future research in the field of procurement. Moreover the nature of the gut feeling in a buyer supplier relationship and the possible effect of a shared culture on it should be investigated in future research. The results of this research allow making this connection, and as it has already been made before, it should be investigated further.

7. CONCLUSION

The goal of this case study was to gain a deeper understanding of the concept of supplier satisfaction with regards to its antecedents, benefits as well as the influence of buyer status and customer segmentation on the concept. After having conducted qualitative interviews with one buyer and three of its suppliers, the results were found to not only be in line with recent literature, but also to be contributing to it. The answers to the global research question: "What are the influencing factors of supplier satisfaction", were in line with the literature while adding transparency as an influencing factor that has not been included so far. A direct relationship between status and segmentation to satisfaction was not found, which answers the two remaining research questions. But the gut feeling of suppliers was found to have a significant impact on segmentation processes, while the buyer status was found to heavily influence the preferential treatment a buyer receives. These relationships and especially the concept of the gut feeling have not been dealt with in literature discussing procurement

processes. Thus, this paper also points out the need for further research in those fields. Additionally, this paper also helps the buying company to better understand the needs and practices of suppliers in the industries it sources from and might help to improve the relationships with its suppliers, even though there was not found to be much room for improvement.

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Appendix

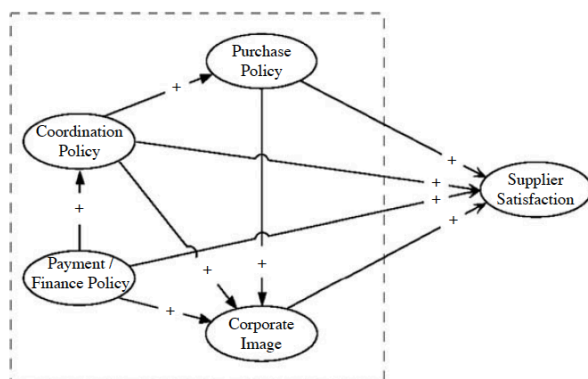
Appendix 1 – Supplier Satisfaction Index

Retrieved from (Essig & Amann, 2009, p. 109)

Dimension	Factor	Indicator	
1	1.1	1.1.1	<i>Strategic level</i>
		1.1.2	Intensity of cooperation
		1.1.3	Strategic value
		1.1.4	Intensity of integration with RandD
		1.1.5	Number of strategic contacts
		1.1.6	Possibility of cross-selling
2	2.1	2.1.1	Degree of earliness of integration in production processes
		2.1.2	Willingness to accept suggestions for improvement
		2.1.3	
		2.1.4	
		2.1.5	
	2.2	2.2.1	<i>Operational level</i>
		2.2.2	Order process
		2.2.3	Ordering procedure
		2.2.4	Adherence to arrangements
		2.2.5	Adherence to long-term contracts
		2.2.6	Bargaining position
		2.2.6	Time schedule
3	3.1	3.1.1	Billing/delivery
		3.1.2	Payment habits
		3.1.3	Payment procedures
		3.1.4	Delivery deadlines
		3.1.5	Required effort needed for delivery
		3.1.6	Receiving procedure
		3.1.7	Support during preparations for first-time delivery
		3.1.8	
		3.1.9	
		3.1.10	
		3.1.11	
	3.2	3.2.1	<i>Accompanying level</i>
		3.2.2	Communications
	3.3	3.3.1	General care
		3.3.2	Availability of direct contact
3.3.3		Politeness of employees	
3.3.4		Image	
	3.3.5	Technical competence	

Appendix 2 – Index Model Towards Supplier Satisfaction

Retrieved from (Meena & Sarmah, 2012, p. 1245)



Appendix 3 – Drivers of Customers Attractiveness

Retrieved from (Hüttinger et al., 2012, p. 1199)

Drivers of customer attractiveness Reference

Market growth factors

Size	Fiocca (1982)
Market share	Fiocca (1982)
Growth rate	Fiocca (1982), Hald et al. (2009), Ramsay and Wagner (2009)
Influence on the market	Fiocca (1982)
Barrier to entry or exit	Fiocca (1982)
Access to new customers/markets	Christiansen and Maltz (2002), Ellegaard and Ritter (2007), Hald et al. (2009)

Risk factors

Risk sharing	Christiansen and Maltz (2002), Ramsay and Wagner (2009)
Standardisation of product	Christiansen and Maltz (2002)
Dependence (single-sourcing strategy, knowledge of alternatives)	Christiansen and Maltz (2002), Harris et al. (2003), Hald et al. (2009), Ramsay and Wagner (2009)
Level of transaction-specific assets	Hald et al. (2009)
Demand stability	Ramsay and Wagner (2009)
Patent protection	Fiocca (1982)
Level of integration	Fiocca (1982)
Political risk	Fiocca (1982)
Market stability	Fiocca (1982)

Technological factors

Customer's ability to cope with changes	Fiocca (1982), Ramsay and Wagner (2009)
Depth of skills	Fiocca (1982), Ramsay and Wagner (2009)
Types of technological skills	Fiocca (1982)
Commitment to innovation	Christiansen and Maltz (2002), Ellegaard and Ritter (2007)
Knowledge transfer	Christiansen and Maltz (2002), Hald et al. (2009), Harris et al. (2003)
Supplier trainings and field visits	Christiansen and Maltz (2002), Ramsay and Wagner (2009)
Early R&D involvement and joint improvement	Ramsay & Wagner, 2009; Cordon & Vollmann, 2008

Economic factors

Margins	Fiocca (1982), Ellegaard and Ritter (2007), Ramsay and Wagner (2009)
Price/volume	Ellegaard and Ritter (2007), Hald et al. (2009), Ramsay and Wagner (2009)
Cost elements	Ramsay and Wagner (2009)
Value creation	Ellegaard and Ritter (2006, 2007), Hald et al. (2009)

Leveraging factors

(economies of scale, experience, etc.)	Fiocca (1982)
Capacity utilisation	Fiocca (1982)
Negotiating pressure	Ramsay and Wagner (2009)

Social factors

Possibilities for extensive face-to-face contact	Christiansen and Maltz (2002), Ramsay and Wagner (2009)
Supplier participation in internal teams	Christiansen and Maltz (2002), Ramsay and Wagner (2009)
Tight personal relations	Ellegaard et al. (2003), Ramsay and Wagner (2009)
Familiarity	Harris et al. (2003)
Similarity	Harris et al. (2003), Hald et al. (2009)
Compatibility	Harris et al. (2003), Ramsay and Wagner (2009)
Behaviour	Ellegaard and Ritter (2006)

Communication	Hald et al. (2009), Ramsay and Wagner (2009)
Information exchange	Christiansen and Maltz (2002), Cordon and Vollmann (2008)
Output factors (trust, commitment, adaption, long-term interactions/loyalty, reliability)	Fiocca (1982), Christiansen and Maltz (2002), Ellegaard et al. (2003), Ellegaard and Ritter (2007), Hald et al. (2009), Ramsay and Wagner (2009)

Appendix 4 – Indicators for Customer Segmentation

Retrieved from: (Dannenberg & Zupancic, 2010, pp. 88-89)

Development of the supplier share: This value provides an indication of future exploitation of sales potential if a company is not the sole supplier for a specific product category.

Margins: How good are the profit margins, how attractive are the conditions?

Customer potential: In many instances it will not be possible to discover the customer's precise purchasing volume. Few companies are prepared to display such openness toward their suppliers. Therefore, indicators often have to be employed. These can vary strongly depending on the sector. The dental branch utilizes the number of dentist's chairs, for example, and manufacturing companies the number of workers for tradesmen or the number of machines.

Production method, technical orientation: How well does the production method suit the functionality of the supplier's products? (Generally, not all features are equally well suited to the customer's requirements).

Customer's sales markets: A customer's sales markets can also impact its potential. Are markets growing or shrinking?

Role in the sector: Does the customer have a technological- or image-based key function in its sector (the 'alpha leader' principle or 'de facto standard')?

Know-how potential: To what extent is it possible to develop and gather new technical knowledge via this customer?

Customer's market development strategy: What are the requirements of the customer's markets? To what extent can a customer better serve/exploit its markets by using products from a supplier? What new markets does the customer plan to develop?

Procurement process: How do the customer's purchase decision and procurement processes function? To what extent does this process suit the supplier's market development? What influence do associations etc. have? What are the rational and emotional decision-making criteria? How well do they match the product advantages of a supplier?

Order rhythms and order size: How well do the customer's order patterns suit the logistical structure of a supplier? How economical is the supply?

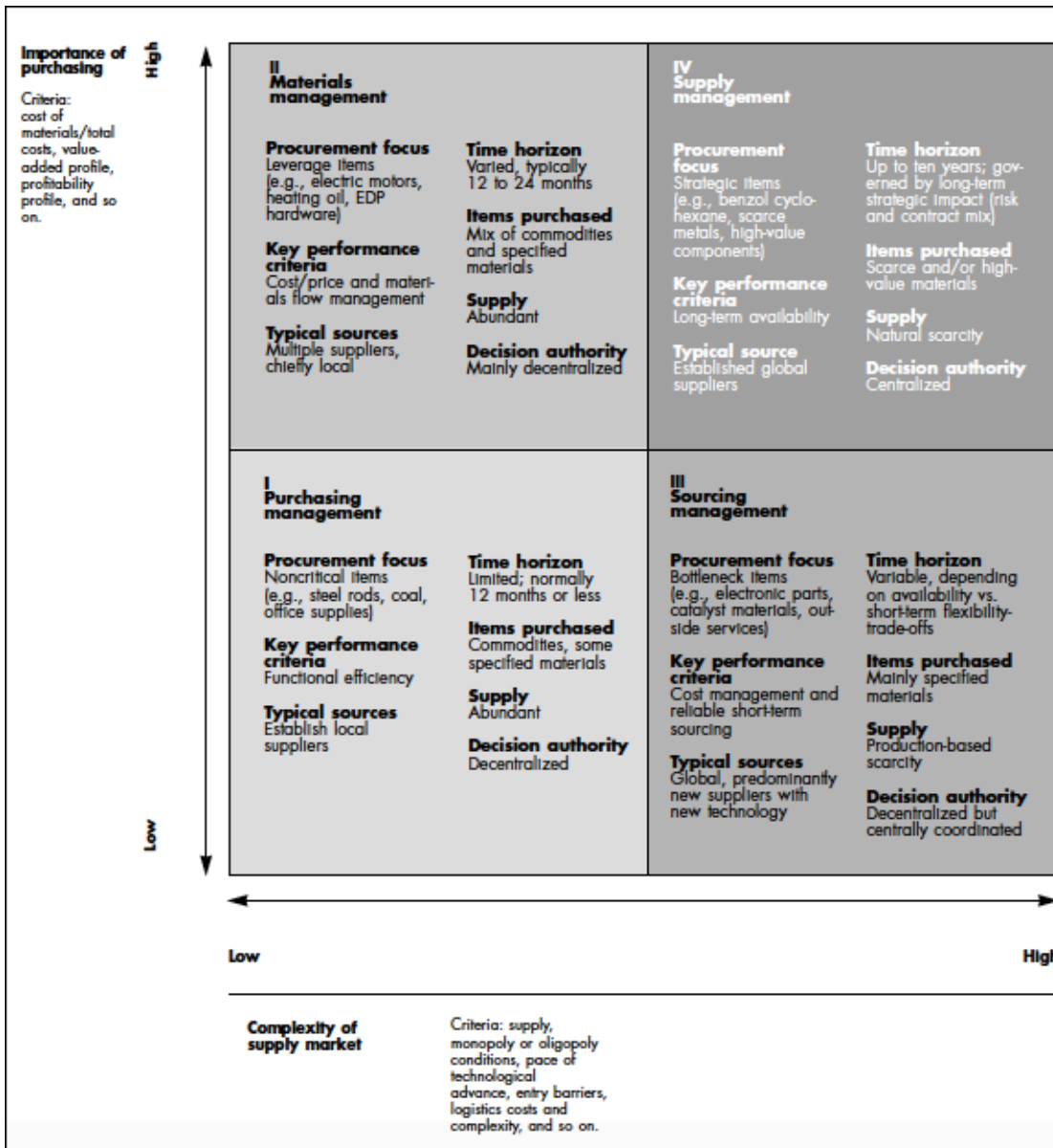
Payment history: How punctually does the customer pay? How high is the risk of default?

Competitors: Which competitors are competing for the customer? Experience shows that some competitors are easier to eliminate than others in certain customer situations.

Attitude toward the supplier: How does the customer regard the supplier? Does a supplier assessment exist, and if yes, how is the supplier classified? What is the personal relationship? Is the supplier regarded as being more a partner or an external contractor?

Appendix 5 – Kraljic Matrix

Retrieved from (Kraljic, 1983, p. 112)



Appendix 6 – Kraljic Purchasing Portfolio Evaluation Criteria

Retrieved from (Kraljic, 1983, p. 114)

Exhibit III Purchasing Portfolio Evaluation Criteria		
	Supplier strength	Company strength
1	Market size versus supplier capacity	Purchasing volume versus capacity of main units
2	Market growth versus capacity growth	Demand growth versus capacity growth
3	Capacity utilization or bottleneck risk	Capacity utilization of main units
4	Competitive structure	Market share vis-à-vis main competition
5	ROI and/or ROC	Profitability of main end products
6	Cost and price structure	Cost and price structure
7	Break-even stability	Cost of nondelivery
8	Uniqueness of product and technological stability	Own production capability or intergration depth
9	Entry barrier (capital and know-how requirements)	Entry cost for new sources versus cost for own production
10	Logistics situation	Logistic

Appendix 7 – Kraljic Purchasing Matrix

Retrieved from (Kraljic, 1983, p. 114)



Appendix 8 – Interview Questions Buyer

Classification

1. Do you classify the relationship you have with suppliers? If so, how?
2. Do you have indications that the suppliers are doing the same with you?
3. Is there management commitment to achieving supplier satisfaction (besides paying a premium)? If so, which suppliers do you try to satisfy the most? For which suppliers do you particularly focus on satisfaction?
4. Is there management commitment to achieving preferred customer status with strategic suppliers? If so, how does this show? If not, how could management commitment help in this matter?
5. Whom do you have a preferred customer status with (preferably the suppliers I'll interview)?
6. How uncertain is the commodity market of these suppliers? (Kraljic Matrix)
7. What is the strategic importance of this commodity for your organization? Are there many available suppliers for this product/service? (Kraljic Matrix)
How important is the product this supplier provides to you?
8. Why did you choose your current suppliers over others? (Quality reasons, Reliability, Lead time, Price, Others..)
9. Do you have more than one supplier for the commodity/service?

Benefits

10. Do you notice shorter lead times, influences on the purchasing prices, better access to innovative capabilities and shared development projects? (explore in order to write a mini-case)
11. Which other benefits do you notice from satisfying your suppliers/having a preferred customer status? (pyramid)
12. Which benefits do you need to pay for and which are offered to you for free?
13. Are you offered benefits other companies are not?

Antecedents

14. Are there other actions you did not undertake that could have helped in reaching supplier satisfaction/a preferred customer status?
15. Are there measures that are planned to be undertaken to satisfy other suppliers/become a preferred customer of other suppliers?
16. Is your company able to provide supplier satisfaction with important suppliers in exchange relationships? Which factors induce satisfaction in these relationships? And which cause dissatisfaction?
17. Which factors are necessary and sufficient factors for supplier satisfaction?
18. What kind of status does your company have in your opinion? Which factors influence the opinion of others concerning your company positively and negatively?
19. Is the status of your company important to your customers?
20. Does the status of your company influence the behavior of suppliers towards your company?

Appendix 9 – Interview Questions Supplier

Classification

1. Do you assign different status types to customers? (e.g. preferred...) Which status types do you assign? (what are the dimensions on which customers score)
2. Do you assign a preferred customer status to a customer company as a whole, or to different establishments/departments or sub-branches of this company separately?
3. Have you assigned a preferred customer status to Buyer X?
4. What are the market dynamics of your own market? Where would you put yourself in the Kraljic matrix?

Benefits

5. How do the status types influence your behavior towards customers?
6. What benefits do you offer to a preferred customer? (Remember the pyramid, check for logistics / production planning, innovation, special services, flexibility, earlier information etc.)
7. Which additional benefits could you offer if you are more satisfied than you are right now? (Can you be more satisfied)

Antecedents

8. Are you satisfied with the business relationship with Buyer X? What factors are affecting your satisfaction?
9. And what factors are affecting your dissatisfaction in this relationship?
10. What are your company's motivations for giving Buyer X a preferred customer status? What did Buyer X do to achieve the status? What could Buyer X do to further improve its status?
11. Is Buyer X aware of their status? Do you let your preferred customers know of their status?
12. What are measures that customer must undertake to achieve a preferred customer status and what is the necessary behavior they must show?
13. What do customers generally do to achieve preferred customer status? Does this differ from the behavior you would like them to show?
14. How do you perceive the status of Buyer X? Which factors influence the status in your opinion?
15. How important is the status of your customers to your company?
16. How does the status of Buyer X influence your behavior towards the company?
Do customers with a high status receive benefits? If so, which ones?