Lappeenranta-Lahti University of Technology LUT
School of Business and Management
Business Administration
Master's Programme in Supply Management

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ANTECEDENTS OF CUSTOMER ATTRACTIVENESS AND SUPPLIER SATISFACTION AND THEIR INFLUENCE ON SUPPLIER BEHAVIOR IN A LOW-TECH MARKET

Examiners: Professor Jukka Hallikas
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ABSTRACT

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Master's Thesis

70 pages, 6 figures, 9 tables, 3 appendix

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Keywords: customer attractiveness, antecedents of customer attractiveness, supplier behaviour, low-tech market

In today's business environment, characterized by global competition and high consumer demands, buyer–supplier relationships are becoming increasingly important for firms that want to stay competitive. As a result, research has showed a growing interest in the management of buyer–supplier relationships, especially in the concepts of customer attractiveness, supplier satisfaction and preferred customer status. To realize benefits from buyer–supplier collaboration, high-quality information must be shared between supply chain partners. The aim of this research was to determine what the antecedents of customer attractiveness and supplier satisfaction are and what effects attractiveness and satisfaction have on the quality of the information shared between the buyer and supplier. In addition, we measured whether customer attractiveness and supplier satisfaction had an influence on

supplier intentions for the relationship, such as supplier willingness to intensify the relationship and improve the quality of information shared with the buyer. Previous literature has called for more research into customer attractiveness and supplier satisfaction, especially in low-tech markets. This research answered that aim by testing the abovementioned relationships through surveys in the Dutch book market, a low-tech market. Partial least squares modeling was used to find relationships between variables measured. Results showed that growth opportunity, profitability and buyer reputation had a significant positive effect on customer attractiveness, while positive relational behavior had a significant positive effect on supplier satisfaction. Customer attractiveness had a significant positive effect on supplier satisfaction, supplier willingness to intensify the relationship and supplier willingness to improve the quality of information. Customer attractiveness and supplier satisfaction were not found to have a significant effect on information quality, but this may have been due to the small number of respondents and the specifics of the book market.

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LIST ABBREVIATIONS

CB – Centraal Boekhuis

CFA - Confirmatory factor analysis

CL – Comparison level

CL_{alt} - Comparison level of alternatives

EDI – Electronic data interchange

FBV – Fixed book value

PCA – Principal component analysis

PLS – Partial least squares

RBV – Resource-based view|

SET – Social exchange theory

SCM – Supply chain management

VIF – Variance inflator factors

1 INTRODUCTION: INCREASED ATTENTION IN LITERATURE FOCUSING ON USING CUSTOMER ATTRACTIVENESS AS A TOOL TO INCREASE A FIRM'S COMPETITIVENESS

Today's business environment is characterized by increasing global competition, and this alone will make it difficult for a single company to operate all aspects of its business with consistent quality (Harland, Lamming, & Cousins, 1999, p. 965; Schiele, Calvi, & Gibbert, 2012). In addition to global competition, consumers demand products that are more innovative and of higher quality, which makes it nearly impossible for firms to obtain all the necessary capacity and skills to develop and deliver these products (McIvor & Humphreys, 2004, p. 180). Thus, managers have realized that their company may not possess in-house all the necessary competencies to achieve competitive success, and they are looking beyond their firm's boundaries to create value for their customers (Fawcett & Magnan, 2002, p. 339). This leads to firms increasingly outsourcing part of their processes to specialized companies, making buyer–seller relationships more important (Kothandaraman & Wilson, 2001, p. 389). In addition to outsourcing, firms are also increasingly engaging in collaborative relationships with their supply chain partners to achieve efficiencies, flexibility and sustainable competitive advantage (Nyaga, Whipple, & Lynch, 2010, p. 101).

Thus, it is not enough in today's environment to increase efficiencies only within an organization (Li & Lin, 2006, p. 1641): to create greater value, companies try to align objectives and integrate resources across company boundaries, and these actions are called supply chain management (SCM) initiatives (Fawcett & Magnan, 2002, p. 339). These SCM initiatives are concerned with "managing product flows across the functional and organizational boundaries of the firm" (Ballou, Gilbert, & Mukherjee, 2000, p. 8). Competition in modern business is thus no longer between companies but between entire supply chains (Wu, Chuang, & Hsu, 2014, p. 122). This suggests that much of the value of a company originates in the up-stream network of the firm's suppliers, making it crucial for a company to be able to influence its suppliers (Ellegaard, Johansen, & Drejer, 2003, p. 346). This implies that firms that are able to obtain resources from their suppliers that are superior to those obtained by their competitors have an advantage and can thus more easily

attain a competitive advantage (Pulles, Schiele, Veldman, & Hüttinger, 2016, p. 129). Hence, SCM practices are becoming a critical tool companies can use to stay competitive and enhance profitability (Choon Tan, Lyman, & Wisner, 2002; Rahman, 2004). SCM practices have the goal of increasing the performance—for example, in overall channel sales and profitability—of the entire supply chain instead of firms in the chain competing against one another for a bigger share of a fixed profit within a supply chain (Cigolini, Cozzi, & Perona, 2004, p. 8). A key element that enables SCM to be successful is information sharing (Moberg, Cutler, Gross, & Speh, 2002, p. 755). Another important reason to focus on information sharing is that this increases the supply chain performance more than a focus on cost savings (Shih, Hsu, Zhu, & Balasubramanian, 2012, p. 79).

The fact that being an attractive customer for suppliers can be profitable, and that firms need to manage their attractiveness to receive the potential benefits, is recognized in the literature (La Rocca, Caruana, & Snehota, 2012, p. 1246). A firm is said to be an attractive customer when the supplier in question "has a positive expectation towards the relationship with this customer" (Schiele, Cavi et al., 2012, p1180). When a customer was found to be more attractive, suppliers were more satisfied with the relationship than when customers were less attractive (Ellegaard et al., 2003, p. 354). Supplier satisfaction in turn leads to preferential treatment from that supplier and increases the chance for a customer to achieving competitive advantage from that supplier (Pulles et al., 2016, p. 137).

A consensus is starting to form in the literature about the advantages provided by information sharing between supply chain partners (Huang, Lau, & Mak, 2003; Lin, 2007; Yu, Ting, & Chen, 2010; Zhou & Benton Jr, 2007). Advantages derived from information sharing include but not are not limited to reducing supply chain costs, improving partner relationships, enabling faster delivery, increasing material flow, enhancing channel coordination and facilitating the achievement of competitive advantage (Koçoğlu, İmamoğlu, İnce, & Keskin, 2011, p. 1630). For the purpose of this thesis, we define information exchange as "the degree to which each party discloses information that may facilitate the other party's activities" (Heide & Miner, 1992, p. 275). The advantages provided by information sharing between supply chain partners are of growing interest to researchers and practitioners from a diverse set of disciplines (Kanda & Deshmukh, 2008, p. 317). Information quality is important because the significance of sharing information on SCM depends on what information is shared and on when and how it is shared. Information quality, however, has not been extensively researched until now. (Li & Lin,

2006, p. 1642) Information quality refers to “the accuracy, timeliness, adequacy and credibility of information exchanged” (Monczka, Petersen, Handfield, & Ragatz, 1998, p. 559).

Previously, customer attractiveness was researched primarily in the context of manufacturers and customers who use the products themselves (Walter, Ritter, & Gemünden, 2001, p. 373). In addition, the manufacturer–supplier relationships researched were mostly within the automotive industry, which is a high-tech industry (Glas, 2018, p. 91; Pulles et al., 2016, p. 140). Although Walter et al. (2001) strongly believe the results found in the automotive industry are generalizable across other types of relationships, such as manufacturer–distributor relationships, to our knowledge this generalizability has not been tested. Scholars have called for research on the subject outside of the automotive industry, to determine whether findings are generalizable (Pulles et al., 2016, p. 138). Testing these findings in other industries, and beyond the manufacturer–supplier relationship, could determine current findings’ generalizability and whether other factors or priorities emerge (Hüttinger, Schiele, & Schröer, 2014, p. 713). The current research answers this call by investigating customer attractiveness in the book market, which is a low-tech industry.

Most research in the field of customer attractiveness has been focused on large companies and large suppliers. This holds true for the research conducted in the automotive industry, as these suppliers are also relatively large. Little research has focused on small organizations with fewer than 50 employees. (Ramsay & Wagner, 2009, p. 133) Although Company X is considered to be a large company, the department under consideration in the current study, which is concerned with books, employs fewer than 50 employees. In addition, most suppliers in the book industry are small and have 50 or fewer employees. Therefore, this research will add to the understanding of differences in customer attractiveness when supplying firms are small and will also be able to compare results between small suppliers and larger suppliers.

Lastly, this research will test two new factors as antecedents of customer attractiveness: shared values and corporate reputation. Shared values were found to be a prerequisite for supply chain members to engage in interorganizational collaboration, however, to our knowledge this factor has not been taken into account yet as an influencer of customer attractiveness (Flax, Bick, & Abratt, 2016, p. 25). Also, customer attractiveness has been argued to be derived from the customer’s business fit with the suppliers business (La

Rocca et al., 2012, p. 1242). Therefore, we argue that if the supplier and buyer share the same values, this will increase the business fit and thus will increase customer attractiveness of the buying company.

Previous research has indicated that customers who possess favorable market or public reputations appear attractive to suppliers, regardless of the profitability of the relationship (Russill, 1997, p. 108). Customer attractiveness is based on a supplier's expectations from the relationship with the customer (Schiele et al., 2012, p. 1180). In terms of firm integrity, it was found that suppliers ask other parties about their perceptions of the customer in question to see whether these validate the perceived integrity of the customer (Hald, Cordón, & Vollmann, 2009, p. 965). This finding shows that firms take the opinions of others into consideration when forming their expectations. A company's reputation is "the set of corporate associations that individuals outside an organization believe are [central, enduring and distinctive] to the organization" (Brown, Dacin, Pratt, & Whetten, 2006, p. 104), and will thus affect what the supplier hears when it asks for opinions of the customer in the marketplace or will be what a supplier notices about a company on first contact with the customer. A good reputation can be seen as an asset to the owner as it is implied that the owner of that reputation would want to live up to promises made as to honor its reputation, as not doing so would jeopardize the value of his reputation (Hansen, Samuelsen, & Silseth, 2008, p. 208). Previous research found that a favorable reputation can send a signal of credibility to a potential partner on which a relationship can be initiated (Suh & Houston, 2010, p. 747). If a customer firm has a reputation for being reliable, which means that the firm is believed to "keep their promise" and "not let the other party down" (Hald et al., 2009, p. 965), this will (according to transaction cost economics) reduce the need for safeguarding in the relationship and thus reduce monitoring costs, which makes a buyer more attractive to suppliers (Hansen et al., 2008, p. 212). Reputation was also brought forth as a possible dimension of customer attractiveness during the world café discussion (Pulles et al., 2016, p. 134). Therefore, we argue, that a favorable customer reputation will positively influence customer attractiveness.

To our knowledge, the influence of customer reputation and shared values on customer attractiveness have not yet been empirically tested, and therefore such testing will enhance the understanding of customer attractiveness.

Therefore, the central research question for this thesis is the following:

Are corporate reputation and shared values antecedents of customer attractiveness, and what effect does customer attractiveness have on a supplier's willingness to intensify a relationship and on the quality of the information shared between companies in a manufacturer–distributor setting?

1.1 Highlighting important factors with suppliers when engaging in business to increase supplier–buyer relationship performance

This research will contribute to the understanding of factors that influence a firm's attractiveness. By conducting this research in a low-tech industry, we can learn whether values found to be significant in high-tech industries can be generalized to low-tech industries. If this is found to be the case, it may provide guidelines for managers in low-tech industries to help them determine what factors deserve extra attention and perhaps what resources should be allocated. Thus, research into the antecedents of customer attractiveness can support management in making informed decisions when deciding what resources to allocate to which causes and in effectively managing a firm's relationships (La Rocca et al., 2012, p. 1242). If customer attractiveness is found to lead to higher quality information, customers may use their attractiveness as a method to influence supplier behavior. In addition, researching what suppliers believe to be attractive may also provide useful input for buyer firms trying to reduce conflict and improve joint performance in buyer–supplier relationships (Ramsay & Wagner, 2009, p. 128).

Another practical contribution of this paper is to provide information to managers on whether they can improve their firm's attractiveness to influence the quality of information received from a supplier. Information is generally not easily shared among firms in the supply chain, as firms may fear that information may be used to their disadvantage (Ballou et al., 2000, p. 17). However, sharing the correct information is essential for improving the performance of the overall supply chain (Ballou et al., 2000, p. 16). Agreements may be made beforehand about what information will be shared, but if the information shared is, for example, incorrect or late, it would not have the desired effect of improving performance, thus the quality of information received from a supplier is critical. If a link between customer attractiveness and information quality can be found, buyers can use customer attractiveness as a tool for improving the quality of information received. This may also be used as a selection criterion when choosing new suppliers to work with. If

information quality is essential, a firm may choose a supplier that finds them more attractive as to increase the chance of receiving high-quality information.

1.2 Dutch book market as an interesting setting for customer attractiveness research due to high transparency and set selling prices

This research was conducted within the Dutch book market. The Dutch book market is interesting for several reasons.

First, the publishers, the suppliers of the books to the market, have the hallmarks of a classic monopoly (Bittlingmayer, 1992, p. 589). If a customer wants a book that is published by a given publisher, there is no place else to go but to that particular supplier, as a book is published by only one publisher. There are no other publishers that can provide exactly the same book thus customers cannot go to a different supplier if they want a specific book. This does not mean that one book can never be substituted for another, as the degree of elasticity of a book can be said to be dependent on the nature of the book, with academic and cultural books less substitutable than general books (Bittlingmayer, 1992, p. 601). Supplier satisfaction and preferred customer status have been found to be the most relevant factors in determining customer attractiveness in markets where suppliers are scarce (Steinle & Schiele, 2008, p. 11). In the book market there is a certain form of scarcity: to sell a specific book, a firm has to have a relationship with a specific supplier.

Second, there is a fixed book value (FBV) in the Netherlands, which means that companies selling books to end customers cannot compete on price unless the publisher gives permission and lifts the FBV. This essentially grants the publishers and booksellers an exception to the competition bill, as they may “collude” in setting retail prices for books. (Canoy, Van Ours, & Van Der Ploeg, 2006, pp. 19-21) This exception implies that publishers and booksellers may collaborate more than in other markets.

Third, nearly all suppliers and buyers in the book industry are affiliated with Centraal Boekhuis (CB), a company that specializes in logistics services for publishers and buying companies. Because CB is the largest company involved in the distribution of books, and nearly all players in the market are affiliated with this organization, it is nearly impossible to buy or sell books without CB. All buying companies affiliated with CB can buy all books of the publishers affiliated with CB. This means that no initial attractiveness has to be in place between the supplying and buying parties to start a relationship. It has been argued that suppliers will invest in relationships with buyers they deem to have a high level

of attractiveness, and that customer attractiveness is a first step to a customer's becoming a preferred customer and receiving additional benefits (Hüttinger, Schiele, & Veldman, 2012, p. 1203). Thus far, however, this theory has been tested only in industries in which there was already an initial level of attraction, as otherwise the relationship would not have been established (Schiele, Veldman, Hüttinger, & Pulles, 2012b, p. 137). However, in the book market in the Netherlands, customer attractiveness is, through the presence of a middleman, not necessary before the start of a relationship. Centraal Boekhuis can hardly be bypassed as nearly all publishers stock their books here. This could imply that in the book market companies do business with each other with little or no attraction between them. This research will test whether attraction has the same influence on supplier satisfaction and influence supplier behavior in this market as it does in markets where attraction is necessary to start a relationship.

2 SOCIAL EXCHANGE THEORY: A PERSPECTIVE ON CUSTOMER ATTRACTIVENESS, SUPPLIER SATISFACTION AND PREFERRED CUSTOMER STATUS

2.1 Social exchange theory (SET) as a theoretical framework for examining customer attractiveness, supplier satisfaction and preferred customer status

One of the goals of this research is to establish which factors are important in explaining the variances in customer attractiveness and supplier satisfaction in buyer–supplier relationships and the variances in the quality of information shared between supplier chain parties. Numerous theories can be used to explain behavior in buyer–supplier relationships. The resource-based view (RBV) has received much attention in the literature as a means to explain collaboration between supplier chain partners. The RBV argues that firms have a competitive advantage when they possess unique, rare, valuable, non-substitutable and difficult-to-imitate resources. According to the RBV, firms may work together to ensure they can focus on their core competences, because they need certain resources from another firm or to take advantage of resource complementarity. (Cao & Zhang, 2013, p. 19) Where RBV takes the individual firm as its unit of analysis, the relational view expands this by taking the dyad or network as its unit of analysis and arguing that critical

resources may span firm boundaries (Chen & Paulraj, 2004, p. 121). However, it does not take into account the noncontractual reasons why companies may participate in an interfirm relationship. The SET extends to the technical-economic perspective by adding a social layer for explaining why firms may choose to collaborate with each other (Cao & Zhang, 2013, p. 21). As we want to uncover the core reasons for variances in customer attractiveness, supplier satisfaction and quality of information shared in buyer–supplier relationships, SET will be used as a theoretical framework.

Social exchange theory can be traced as "one of the oldest theories of social behavior" and states that interaction between persons is "an exchange of goods, materials and non-material" (Homans, 1958, p. 597). The theory presupposes that all exchange interactions involve economic and/or social outcomes (Nollet, Rebolledo, & Popel, 2012, p. 1187), and it analyzes how the structure of costs and rewards in these relationships affects patterns of interaction (Molm, 1991, p. 475). Originally, SET dealt with interpersonal relationships and the social processes that govern those relationships (Schiele et al., 2012b, p. 136). As SET is focused on the relational interconnection developed over time through interactions concerning resource exchanges between different parties, it is also well-suited for a business-to-business context (Schiele et al., 2012, p. 1180).

Social exchange theory uses a series of psychological and economic principles to explain the system of social exchange to analyze the behavior of the participating parties, including principles such as trust, commitment, reciprocity, justice, power and dependence (Wu et al., 2014, p. 123). Recent studies concerning customer attractiveness and supplier satisfaction have used SET as a framework to understand why suppliers choose certain firms over others to intensify cooperation with and give special treatment to (Hüttinger et al., 2014, p. 698).

The concept of attractiveness and satisfaction are central issues in SET and are based on the idea that not only tangible value (e.g., profitability and additional sales volume) but also intangible value is exchanged in a relationship. Another issue that is central to SET and that can be used to explain behavior by business parties is the norms of reciprocity. These norms state that partners exchange goods based on the expectation of benefits received and costs incurred, and they could be used to explain why supplying firms allocate certain resources to one buyer over another. (Pulles et al., 2016, p. 1181).

2.2 The cycle of preferred customer status: customer attractiveness and supplier satisfaction as antecedents to preferred customer status

A supplier's preferred customers receive additional and/or better resources compared to what is received by other customers (Pulles et al., 2016, p. 129). The benefits may include priority access to resources in times of scarcity when less preferred customers have to wait (Williamson, 1991, p. 79). They may also include faster access to new innovations, as suppliers are more inclined to share new technologies with their preferred customers (Ellis, Henke Jr, & Kull, 2012, p. 1259).

When preferred firms receive these superior resources from their supplier base as a result of complex long-term social and technological relationships with those suppliers, the benefits may be difficult for competitors to neutralize and thus may contribute to a competitive advantage (Hunt & Davis, 2008, p. 17).

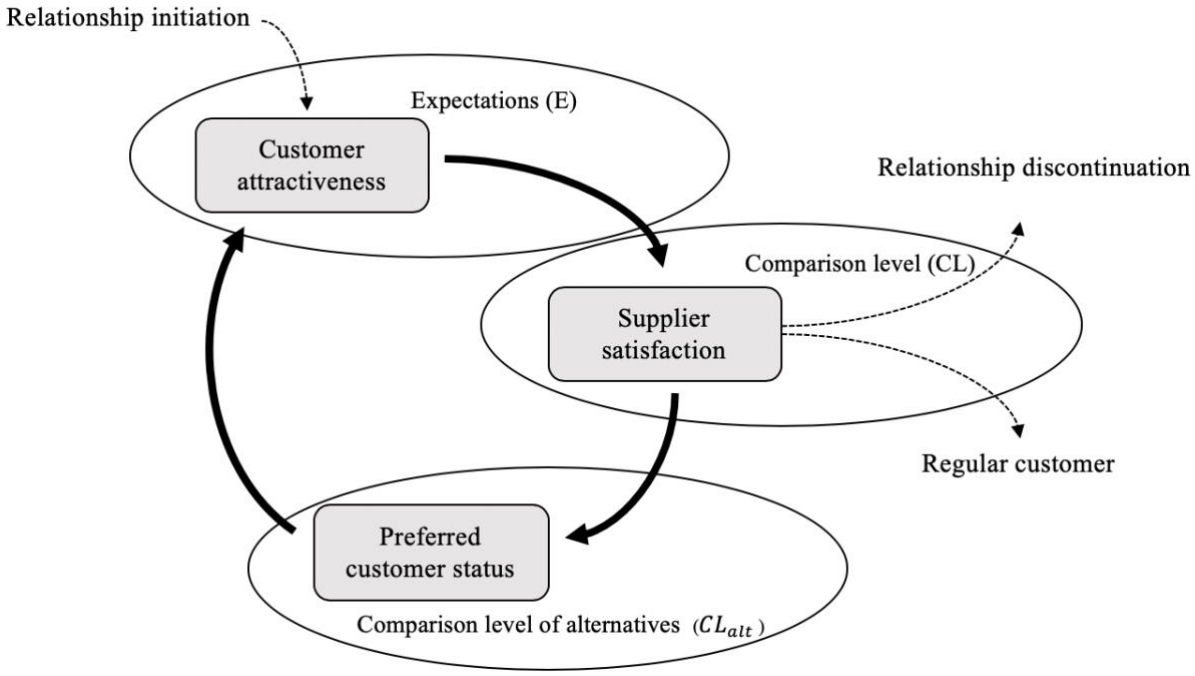

Figure 1: The cycle of preferred customer status, as adopted from (Schiele et al., 2012, p. 1180)

Schiele et al. (2012, p1178) used a social exchange perspective to link customer attractiveness, supplier satisfaction and preferred customer status in a circular manner. From this perspective, growth is considered to be a continuous exchange in business-to-business relationships, where continued interaction may lead to increased customer attractiveness—perhaps due to an improved understanding of the needs of the other party—which in turn can influence supplier satisfaction and preferred customer status.

When one relationship interaction is successful, it provides the foundation for a next successful step; thus, "relationship development is not a matter of a single stimulus-response. It is more analogous to climbing a ladder," where one interaction lays the foundation for the next (Cropanzano & Mitchell, 2005, p. 890). In addition, having a successful relationship with one party may make alternative parties look less attractive, because the expectations of the buyer or supplier have been magnified as a result of their involvement in a satisfying relationship (Johnson & Rusbult, 1989, p. 968). This implies that the circular hypothesis that connects customer attractiveness, supplier satisfaction and preferred customer status holds. Thus, to eventually achieve preferred customer status, a company first needs to reach a satisfactory level of customer attractiveness for existing and potential suppliers and then needs to ensure those suppliers experience a high level of satisfaction with the relationship. The resulting preferred customer status may in turn further increase the customer's attractiveness. (Schiele et al., 2012, p. 1182)

The following sections discuss each of the three consecutive steps in attaining preferred customer status: customer attractiveness, supplier satisfaction and preferred customer status.

2.2.1 Customer attractiveness as first condition to achieve preferred customer status

Attraction in exchanges has its roots in SET, as Blau (1964) and Homans (1958) believed attractiveness to be a compelling force in social exchanges. Blau (1964, p20) stated that "an individual is attracted to another if he expects associating with him to be in some way rewarding for himself, and his interest in the expected social rewards draws him to the other." From a business perspective, attractiveness is analyzed between business partners and not between individuals (Mortensen, Freytag, & Arlbjørn, 2008, p. 807). Within a business context, attraction may be defined "as a mutual construct which describes the strength of the mutual interest of the two actors in each other" (Ellegaard & Ritter, 2007, p. 4). Attractiveness may be seen as the opposite of market orientation. Whereas market orientation is concerned with the interaction a firm has with its customers (how a firm approaches its customers and tries to engage them), attractiveness is the power by which customers are pulled toward the firm (Ellegaard & Ritter, 2007, p. 3).

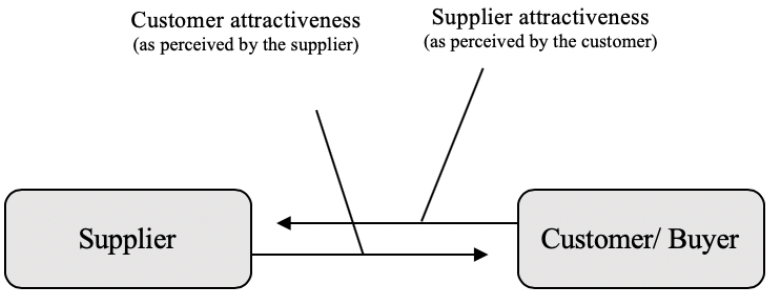

Figure 2: Attractiveness in a buyer–supplier relationship, as adopted from (Ellegaard & Ritter, 2007, p. 4)

Attraction is determined by how one party sees the other and is therefore in the eye of the beholder (Aminoff & Tanskanen, 2013, p. 166). Thus, when looking at attraction within a buyer-and-seller relationship, attraction has two forms: customer attractiveness and supplier attractiveness. Customer attractiveness refers to how appealing the supplier believes the customer (buying firm) to be, and supplier attractiveness refers to how appealing the customer believes the supplier to be (Ellegaard & Ritter, 2007, p. 4). Among the first to argue that a buyer firm should make itself attractive to suppliers, and not just the other way around, were Galt and Dale (1991) who pointed out that " a buyer must make it attractive for a supplier to do business with his or her firm" (Galt & Dale, 1991, p. 18).

For a relationship to develop, the buyer and supplier both need to be aware of the other party. After at least one of the parties becomes aware of the other, a relationship will be initiated only if a minimum level of attraction exists. Attractiveness of another party may be determined by the difference between the expected rewards received from a relationship and the cost incurred by taking part in that relationship (Homans, 1958, p. 603). This implies that attractiveness has a forward-looking orientation. A party is deemed attractive when the expected rewards versus costs outcome exceeds a minimum level (Dwyer, Schurr, & Oh, 1987, p. 16). Thus, in the early stages of a business relationship, the buyer must be sufficiently attractive to the supplier to allow for the start of an exchange relationship, making customer attractiveness the first step to becoming a preferred customer (Schiele et al., 2012, p. 1182).

According to Blau (1964), a person who is attracted to others is interested in proving himself or herself attractive to them. Applying this to a business relationship suggests that when a buyer views a supplier as attractive, it wants this supplier to find it attractive too (Aminoff & Tanskanen, 2013, p. 166). To accomplish this, a customer might try to assess

which attractiveness criteria are most important to the supplier. The customer firm must then decide whether it is willing to fulfill those criteria (Mortensen et al., 2008, p. 807). This implies that attractiveness can foster voluntary commitment and mobilize buyer–supplier resources toward relationships that are deemed most attractive (Mortensen et al., 2008, p. 800). In addition, a supplier that deems a customer to be attractive will act more proactively toward that relationship than toward a relationship with a customer deemed less attractive, thereby lowering relational costs for the more attractive customer (Mortensen et al., 2008, p. 802). Therefore attraction may be seen as a new approach that differs from the traditional approach of managing relationships using power and may be a valuable tool in influencing supplier behavior (Mortensen et al., 2008, p. 801). Attractiveness is thus about understanding and recognizing the specifics of the buyer–supplier relationship and enhancing the firm's attractiveness accordingly (Ellegaard et al., 2003, p. 354). Furthermore, attractiveness is a dynamic concept: if a party is deemed to be attractive at one point in time, this is no insurance that the party will also be found attractive at a later point in time. Attractiveness is judged on a continual basis, and as more interaction takes place, changes may occur in the relational knowledge of each partner that may change the perception of that party's attractiveness (Harris, O'malley, & Patterson, 2003, p. 12). The assessment of the attractiveness of another party also needs to be adapted and altered according to changes in the environment and/or the conditions of the relationship (Ellegaard et al., 2003, p. 353).

2.2.2 Drivers of customer attractiveness

Hüttinger, Schiele and Veldman (2012) conducted an extensive literature review into the drivers of customer attractiveness. They found five categories of antecedents to be influential when determining a customer's attractiveness: market growth factors, risk factors, technological factors, economic factors and social factors (Hüttinger et al., 2012, p. 1191). Market growth factors include factors such as the market share, growth rate and size of the supplier (Fiocca, 1982, p. 57), but also whether the customer provides the supplier with access to new customers and/or markets (Hald et al., 2009, p. 963). Risk factors that influence customer attractiveness include whether the supplier is willing to share risks and provides the supplier with stable demand (Ramsay & Wagner, 2009, p. 134), but patents and copyright protection, market stability and political risk are also taken into account (Fiocca, 1982, p. 57). Technological factors involve the customer's ability to cope with

changes, the depth and types of skills the customer possesses (Fiocca, 1982, p. 57) and whether the customer is committed to innovation (Christiansen & Maltz, 2002, p. 179). Economic factors focus on the economic aspects of the relationship, such as the margins attained in the relationship (Ramsay & Wagner, 2009, p. 134). Other economic factors include price and volume, as suppliers find customers willing to pay higher prices or provide higher volumes to be more valuable (Hald et al., 2009, p. 964). Whether the customer allows the supplier to benefit from economies of scale and/or expertise also increases a customer's attractiveness (Fiocca, 1982, p. 57). The last category, social factors, relate to the social aspects of the relationship. Research has found that extensive face-to-face interaction, supplier participation in a customer's internal teams and a customer's willingness to exchange information all make the customer more attractive in the eyes of the supplier (Christiansen & Maltz, 2002, p. 180). In addition, similarity, familiarity and compatibility of customer and supplier have also been found to positively influence customer attractiveness (Harris et al., 2003, p. 17).

It was initially argued that customer attractiveness has a direct effect on achieving preferred customer status with a supplier. However, research showed that if suppliers have expectations for a relationship with a buyer, which may be based on customer attractiveness, and the buyer fails to meet or exceed those expectations, this failure may diminish the buyer's chances of earning preferred customer status with that supplier (Pulles et al., 2016, p. 137). This implies that to receive preferential treatment, customers not only need to be attractive but also need to be able to satisfy the supplier. This brings us to the second step in the cycle of preferred customer status, supplier satisfaction, which is discussed in the next section.

2.2.3 Supplier satisfaction as second condition to achieve preferred customer status

Despite the fact that previous research has extensively investigated the construct of customer satisfaction (Szymanski & Henard, 2001, p. 16), there has been little research on supplier satisfaction (Essig & Amann, 2009, p. 104; Wong, 2000, p. 429). Satisfaction is a measure that shows a firm's perspective on the outcome of a relationship (Lambe, Wittmann, & Spekman, 2001, p. 25), thus satisfaction is an indication of the quality of the buyer–supplier relationship (Essig & Amann, 2009, p. 104). Wong (2000) was one of the first to touch upon the subject of supplier satisfaction, stating that "partnering efforts

should also take into consideration the satisfaction of the suppliers" if one wants a relationship to be successful (Wong, 2000, p. 427).

Although a variety of definitions exist in the literature concerning what precisely supplier satisfaction is, most seem to be relatively similar (Lambe et al., 2001, p. 24). Supplier satisfaction may be defined as "a supplier's feeling of fairness with regard to buyer's incentives and supplier's contributions within an industrial buyer-seller relationship" (Essig & Amann, 2009, p. 103). Any discrepancies between the expectations for the relationship and the actual outcomes of the relationship determine a party's level of satisfaction with the relationship (Hüttinger et al., 2012, p. 1202). Social exchange theory suggests that costs are associated with being in a relationship: for example, the time and effort invested in the current relationship and the opportunity costs of foregoing a relationship with another party. Therefore, SET suggests, partners will only stay in a relationship as long as there are satisfactory rewards gained from it. The satisfactoriness of the outcomes attained from the relationship is judged relative to some standard, which may differ from party to party. One party may place more emphasis on the economic rewards while another is mainly interested in the social aspects; eventually, however, the economic and social rewards are combined to make a final judgement concerning the satisfaction with a relationship. (Lambe et al., 2001, p. 8) In the literature, satisfaction theorists have proposed two main ways in which parties can evaluate the outcome of a relationship: 1) by comparing their initial expectations to the actual outcome of the relationship or 2) by comparing the outcome of the relationship to what they believe to be a "just" outcome, where justice is based on foundations such as equality, equity and fairness. Often, a combination of the above two methods is used to evaluate the outcome of the relationship (Molm, 1991, p. 477). Thibaut and Kelly (1959) state that when a party judges whether or not the outcomes of a relationship are satisfactory, they need to have some sort of standard against which to judge the acceptability of an outcome. A distinction can be made between two standards. The first is called the comparison level (CL) and is related to the benefits (both economic and social) that one feels are deserved and/or expected in a relationship. (Thibaut & Kelley, 1959, p. 21) An actor is said to be satisfied based on the degree to which the relational outcomes meet or exceed the CL and dissatisfied to the extent that the relationship outcome fails to meet the CL (Molm, 1991, p. 477; Thibaut & Kelley, 1959, p. 21). Second, the opportunity costs of alternatives have to be taken into account. This is accounted for using the comparison level for alternatives ($\overline{CL_{alt}}$), which is the overall level

of benefits (economic and social) available from the best possible alternative relationship (Thibaut & Kelley, 1959, p. 21). When a certain minimum level of satisfaction is not met, parties may choose to discontinue a relationship as to pursue alternative relationships which may be more satisfactory. When dissatisfied suppliers remain in a relationship, they have been found to produce poorer quality output than satisfied suppliers, influencing the buyer's business (Essig & Amann, 2009, p. 104). In an environment where firms are increasingly competing for capable suppliers, supplier satisfaction is a necessary condition for maintaining access to these suppliers (Vos, Schiele, & Hüttinger, 2016, p. 4613). To receive full support from a supplier and get the full potential from a relationship, it is important to ensure that the supplier is satisfied, thus making it useful to determine what drives supplier satisfaction in relationships (Wong, 2000, p. 429).

2.2.4 Drivers of supplier satisfaction

Maunu (2003) identified nine measures of supplier satisfaction and divided them into two dimensions: business-related and communication-related. This division was made based on the idea that supplier satisfaction is achieved both through hard facts and based on feelings. The business-related dimension is concerned with the hard facts, such as profitability, early supplier involvement and business continuity agreements. The communication-related dimension accounts for the belief that supplier satisfaction is also based on the opinions of people, which are considered more personal, soft factors, such as openness, trust, feedback and company values. (Maunu, 2003, p. 76)

Essig and Amann (2009) also researched supplier satisfaction, which they believed to indicate the quality of a buyer–supplier relationship from the perspective of the supplier (Essig & Amann, 2009, p. 104). They found a total of 36 indicators and incorporated these into three dimensions and six factors. The first dimension is concerned with the intensity of cooperation and is deemed to be the strategic level dimension. This dimension includes aspects such as the number of strategic contacts and strategic value. The second dimension is related to the operational level and includes factors such as orders along with billing and delivery aspects of the relationship. In addition, this dimension also measures whether the supplier believes the buyer adheres to arrangements made and contracts established. The third and last dimension of their proposed structure for supplier satisfaction is the accompanying level, which includes factors such as communication, general view and

conflict management but also the business and technical competence of the customer (Essig & Amann, 2009, p. 106).

Hüttinger et al. (2012) conducted an extensive literature review concerning the drivers of supplier satisfaction, which included the abovementioned research. They found that the drivers of supplier satisfaction identified in the literature could be grouped into four main dimensions: technical excellence, supply value, mode of interaction and operational excellence (Hüttinger et al., 2012, p. 1201).

The technical excellence dimension is concerned with research and development, and consists of items such as early supplier involvement (Maunu, 2003, p. 76), technical competence and whether customers are willing to respond to a supplier's requests and suggestions for improvement (Essig & Amann, 2009, p. 109).

The supply value dimension encompasses purchasing, including items such as bargaining position with the customer, adherence to agreements and whether the relationship is cooperative (Essig & Amann, 2009, p. 109). Wong (2000) found that the more traditional transactional and adversarial approach to suppliers in a buyer–supplier relationship did not ensure that benefits from the relationship reached their full potential. Instead, a more relational and cooperative approach to suppliers increased suppliers' willingness to contribute to the relationship and increased supplier satisfaction with the relationship. (Wong, 2000, p. 429) Another important item in the supply value dimension is the profitability of the relationship; as "profitability is fundamental to all successful business," it may be assumed that profitability has an impact on supplier satisfaction as suppliers are also targeting long-term business success (Maunu, 2003, p. 76). For the same reason, suppliers will be more satisfied with buyers that offer them a growth opportunity than with buyers that do not, as they believe these partners will make it easier for them to sell more volume and possibly enter new markets (Hald et al., 2009, p. 964). Later research has shown that profitability and growth opportunity indeed have a significant positive effect on supplier satisfaction (Vos et al., 2016, p. 4621).

The third dimension is concerned with the mode of interaction between buyer and supplier and includes factors such as the willingness of the buyer to communicate with the supplier but also the medium of communication used, which affects supplier satisfaction (Essig & Amann, 2009, p. 105). The reaction of the buyer was also a significant factor, including the commitment of the buyer to the supplier (Wong, 2000, p. 430), the politeness of the buyer's employees and the buyer's approach to conflict management (Essig & Amann,

2009, p. 109). The amount of information exchanged and the timeliness and accuracy of that information also positively influenced supplier satisfaction (Whipple, Frankel, & Daugherty, 2002, p. 75)

The fourth and last dimension is related to the operational excellence of the buying company, and how professional and efficient the operative systems in place in the buyer's company are (Hüttinger et al., 2014, p. 713). This dimension includes aspects such as whether the buyer shares accurate forecasts with the supplier (Maunu, 2003, p. 76) but also the buyer's business competence, support, billing and delivery and payment habits (Essig & Amann, 2009, p. 109).

Once suppliers are satisfied with the relationship with a buyer, they may reward the buyer with preferred customer status, which is discussed in the next section.

2.2.5 Preferred customer status as third and final step in the preferred customer status cycle

A preferred customer is a "buying organization who receives better treatment than other customers from a supplier" (Nollet et al., 2012, p. 1187). These companies have also been called "customers of choice" and receive what they need from suppliers when they need it; they consistently receive better treatment than the other customers served by the supplier (Bew, 2007, p. 1). Preferred customer status thus implies a strategic prioritization of the customer by the supplier, which is revealed by preferential treatment toward that customer—for example, in the form of additional resource allocation (Hüttinger et al., 2012, p. 1195). This allocation may consist of privileged treatment in times of scarcity, such as being served before others when constraints in production capacity prevent the serving of all customers. It may also mean that the supplier offers its best and newest innovations to this customer (Steinle & Schiele, 2008, p. 11).

Customer attractiveness and supplier satisfaction must exist before a customer can be awarded preferred customer status; however, these two factors alone are not enough. As previously discussed, actors can judge the outcomes of a relationship based on two constructs: CL and CL_{alt}. The CL is concerned with whether the outcome of the relationship is in line with what the actor expects and/or believes is deserved, whereas CL_{alt} considers the overall benefits (both social and economic) available from the best possible alternative relationship (Thibaut & Kelley, 1959, p. 21). Thus, even though a supplier may be satisfied with the value of a relationship that matches their expectations

(CL is satisfactory), the supplier may still choose to terminate that relationship when an available alternative partner is expected to provide more benefits ($\overline{CL_{alt}}$ is not satisfactory). Thus, supplier satisfaction alone will not bring a customer preferred customer status; instead, a supplier can be expected to reward a customer with preferred customer status only if the customer "is perceived as attractive, and if the supplier is currently more satisfied with the customer than with alternative customers": in other words, only if the $\overline{CL_{alt}}$ condition is also met (Schiele et al., 2012, p. 1181). This implies that to become a preferred customer, a buying organization has to have higher relational capabilities and create more value for the supplier relative to the supplier's other customers (Nollet et al., 2012, p. 1188). Thus, to be marked as a preferred customer, a customer has to become important in the eyes of the supplier (Williamson, 1991, p. 81).

2.2.6 Drivers of preferred customer status

Hüttinger et al. (2012, p. 1202) found that the drivers of the decision to grant preferred customer status could be divided into four categories: economic value, relational quality, instruments of interaction and strategic compatibility.

Economic value is concerned with the economic aspects of the relationship, which may include high purchase volumes (Williamson, 1991, p. 81), profitability, taking a total cost perspective as a basis for the purchasing price (Moody, 1992, p. 58) and low costs incurred in serving the customer (Bew, 2007, p. 3). The ability for a supplier to grow together with the buyer may also be a driver of preferred customer status, as it allows suppliers to grow their business through the relationship with the buyer (Hüttinger et al., 2014, p. 703).

Relational quality depicts factors such as customer loyalty, satisfaction felt by the supplier with the relationship (Brokaw & Davisson, 1978, p. 10), feelings of trust, a sense of being treated with respect, customer attentiveness and fairness (Moody, 1992, p. 55). Another aspect of relational quality is reliability—whether the buyer acts in a reliable and consistent manner and keeps the promises made (Hüttinger et al., 2014, p. 703). Instruments of interaction include factors such as whether the supplier is involved in product design and at what stage but also whether the buyer shares forecasts and schedules with the supplier, buyer response to the supplier's cost reduction ideas, and whether the buyer has simple and coordinated business processes (Moody, 1992, p. 53). The last dimension is concerned with the strategic compatibility between the buyer and supplier, as

perceived by the supplier. This includes the strategic fit between buyer and supplier (Bew, 2007, p. 3) along with geographical and cultural proximity (Steinle & Schiele, 2008, p. 5). The abovementioned drivers may be used in preferred-customer-oriented supply strategies to influence suppliers' behavior to achieve competitive advantage through superior access to resources (Hüttinger et al., 2012, p. 1195). Pursuing preferred customer status is most important when capable suppliers are scarce and there is thus more competition for supplier access (Steinle & Schiele, 2008, p. 11). Although earning preferred customer status may be easier when purchasing volume is high, research shows that buyers' social competence is also very important in achieving such a status (Ellis et al., 2012, p. 1265). After a customer is recognized as a preferred customer, the intensification of the relationship may lead to new expectations and may further increase the attractiveness of the customer, restarting the cycle of preferred customer status (Schiele et al., 2012, p. 1182).

In summary, customer attractiveness and supplier satisfaction are prerequisites to achieving preferred customer status. Market growth, risk, technological, economic and social factors influence the level of attractiveness of a buying company in the eyes of suppliers, as do the degree of familiarity and similarity between the two companies. Supplier satisfaction is influenced by technical excellence, supply value, mode of interaction and operational excellence in the relationship with the buying company. Preferred customer status, however, is not simply a product of a supplier's being satisfied with the relationship: a supplier has to be more satisfied with the customer than with alternative customers. When this is the case, preferred customer status may be awarded. Preferred customers enjoy better resources from a supplier than do its other customers. This by itself can be viewed as an advantage when the firm is in competition with those other customers of the supplier. The benefits of preferred customer status are further discussed in the next section.

2.3 Cost and price, innovative and operational benefits derived from having a preferred customer status

As previously discussed, customer attractiveness and supplier satisfaction are prerequisites to receiving preferred customer status, a status that implies a strategic prioritization of the customer by the supplier as evident in additional resource allocations to that customer

(Bew, 2007, p. 1; Hüttinger et al., 2012, p. 1195). Receiving better treatment from a supplier, over a suppliers' other customers and possibly the firms' competitors, by itself implies an advantage. As firms compete for the attention and capabilities of a supplier, receiving better treatment than others meets the criterion for being a valuable resource (Steinle & Schiele, 2008, p. 11). As suppliers have emerged as value-adding partners in buyer–supplier relationships, achieving preferred customer status may also lead to a strategic advantage, as it brings access to better resources than those available to competing companies (Essig & Amann, 2009, p. 103; Pulles et al., 2016, p. 137).

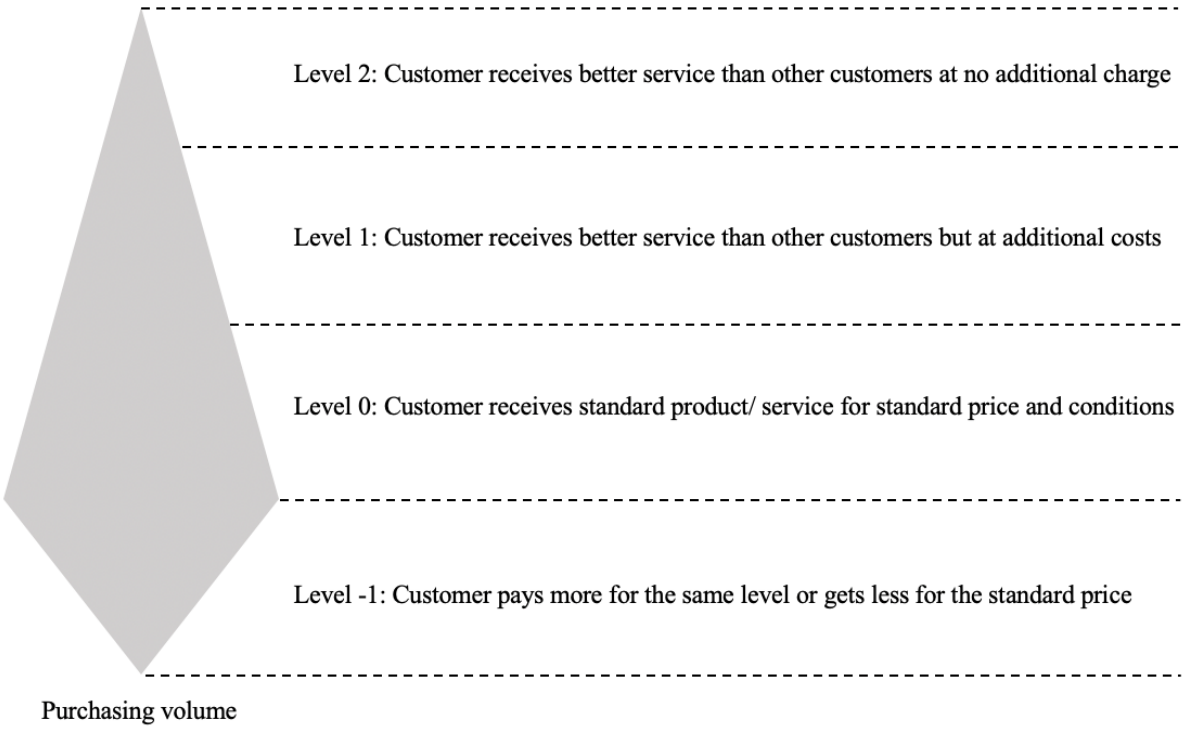

Figure 3: The "tie of advantages" of preferred customer status, as adopted from Schiele (2018, p71)

The types of benefits that a customer receives from a supplier can be distinguished into four levels (Schiele, 2018, p. 71). Companies that are present at level -1 pay more to receive the same level of service as other customers or pay the same as other customers but receive inferior products and/or services. Companies want to avoid this situation at all costs. Level 0 describes customers who pay a standard price and receive standard products and/or services under standard conditions. Being a level 0 customer is the point of departure for purchasers and brings no competitive advantage or disadvantage. Level 1 customers receive better services than other firms but pay an additional fee for these services. At this level, competitive advantages emerge. The highest level that may be

attained by a buying company is level 2. Level 2 customers receive better services than other customers but do not have to pay an additional fee for them. (Schiele, 2018, pp. 71-72)

Benefits received from achieving preferred customer status are always particular to a given market and set of products or services. Generalizing, a preferred customer status may give firms 1) particular benefits related to the product at hand, 2) cost and pricing benefits, 3) innovation benefits and 4) operative benefits such as delivery priority. (Schiele, 2018, p. 70) Particular benefits related to a product or service are hard to discuss in general terms. The other three categories are discussed below.

Cost and pricing benefits may reveal themselves as reductions in purchasing prices. Savings may be as high as 5 to 30% (Blenkhorn & Banting, 1991, p. 188), while other scholars estimate the savings to total only about 2 to 4% off the company's total spending base (Bew, 2007, p. 2). Research also shows that suppliers tend to be more receptive to price negotiations by preferred customers than by regular customers (Nollet et al., 2012, p. 1187). Firms may realize other savings as smooth collaboration between buyer and supplier may lead to reduced inventory levels and a reduction in production downtime (Christiansen & Maltz, 2002, p. 189).

Innovation benefits may come in the form of access to new technologies, as suppliers were found to be more willing to share their new technologies with preferred customers over regular customers (Ellis et al., 2012, p. 1259). In addition, suppliers give their prime commitments regarding new product development to preferred customers, with supplier personnel dedicated for new product development activities of the buyer (Schiele, 2006, p. 932). This suggests that preferred customers may experience quicker, better and less costly new product development processes. Having the help of suppliers in the early stages of the product development process may help prevent errors by identifying potential manufacturing constraints that could increase time-to-market (Hartley, Meredith, McCutcheon, & Kamath, 1997, p. 259). In addition, when suppliers are involved during product development, the process often realizes greater technological improvement and increased product quality (Walter, 2003, p. 721).

Operative benefits may display themselves in terms of increased efficiency. This may include a reduction in the time spent designing and bringing a new product to market (Christiansen & Maltz, 2002, p. 189). In addition, a supplier may be willing to customize its product according to a preferred customer's wishes (Steinle & Schiele, 2008, p. 11).

Preferred customers are also served first in times of scarcity or when changes are requested (Steinle & Schiele, 2008, p. 10). Thus, when particular varieties, specifications or colors of product lines experience surges in demand, a preferred customer will be served first (Williamson, 1991, p. 79). Finally, for a preferred customer a supplier may be willing to keep additional safety stock and/or to relocate its warehouses closer to those of the customer to ease collaboration (Nollet et al., 2012, p. 1187).

It may thus be argued that being a preferred customer and thereby receiving advantages from a supplier that competing firms do not receive may contribute to a strategic advantage. Preferred customers may realize cost reduction and pricing benefits, innovation benefits and operative benefits—for example, in the form of increased efficiency. In the next section, we discuss the importance of the quality of information shared between supply chain partners to create value within the relationship.

3 QUALITY OF INFORMATION SHARED AS IMPORTANT MITIGATING VARIABLE WHEN ENSURING BUYER–SUPPLIER COLLABORATIVE SUCCESS

3.1 The increasing importance of information sharing and its benefits

As discussed before, buyer–supplier relationships are increasingly used as a source of value in today's highly competitive and demanding business environment, where competition is between entire supply chains, not between individual firms (Wu et al., 2014, p. 122). This implies that SCM practices are becoming an increasingly important tool to increase performance, and information sharing is a key driver to ensure supply chain collaborative success, making it an increasingly important factor to ensure overall success (Smith, Watson, Baker, & Pokorski Ii, 2007, p. 2598). In addition, Internet-enabled improvements in the sharing of information between supply chain partners (Jap & Mohr, 2002, p. 27) and improvements in information technology have made it even easier for firms to directly share and integrate informational streams across organizations (Ofek & Sarvary, 2001, p. 1142).

One may distinguish the types of information shared in interfirm relationships based on the impact the information has on the partner firm (Seidmann & Sundararajan, 1997, p. 5).

From this perspective, three types of information may be distinguished: operational, tactical and strategic.

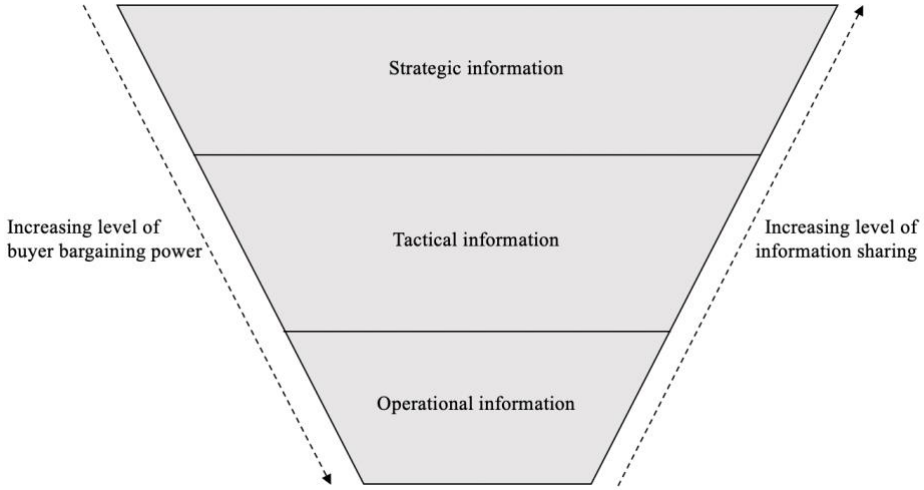

Figure 4: Models of information, based on Seidmann and Sundararajan (1997, p. 5) and Rai et al. (2006, p. 230)

The first level, operational information, concerns the sharing of operational activities, such as production and delivery schedules and inventory levels. This information can enhance operational efficiencies, as it may be used to improve coordination or resources, activities and roles across the supply chain (Rai, Patnayakuni, & Seth, 2006, p. 230).

Shared tactical information may include performance metrics associated with the execution of certain processes and their outcomes (Rai et al., 2006, p. 230). Thus, it allows partners to manage the flow of decision-making activities together in a manner that improves decision quality. For example, when a buyer chooses to launch certain promotions or other market-based activities, it may share this information with suppliers to improve collaborative planning, forecasting and replenishment (Wu et al., 2014, p. 124).

The sharing of operational and tactical information can produce several logistic benefits related to "inventory management, agility and flexibility and the bullwhip effect" (Prajogo & Olhager, 2012, p. 516). The bullwhip effect is concerned with the distortion of the information flow between parties in the supply chain, and states that the information is distorted in an amplified manner as it moves upstream the supply chain (Lee, Padmanabhan, & Whang, 1997, p. 546). Research has shown that if supply chain partners share their sales and inventory data, the upstream partners (suppliers) will have a less distorted flow of information regarding the demand of the end consumer, reducing the so-called bullwhip effect. This more accurate flow of information allows supply chain partners to carry less inventory, reducing holding costs. (Lee et al., 1997, p. 550) In

addition, sharing inventory data with suppliers may enable them to harmonize their production and delivery schedules by better planning of their operations (Kaipia & Hartiala, 2006, p. 381).

The last level of information sharing concerns strategic information. The nature of strategic information is usually long term and includes factors such as customer information and corporate objectives (Hsu, Kannan, Tan, & Keong Leong, 2008, p. 298). Information sharing is said to be strategic when the information shared is used by supply chain partners to gain a collaborative competitive advantage (Wu et al., 2014, p. 124). For example, buying firms may choose to frequently share customer demand information with a supplier, which enables the supplier to respond more quickly to demand changes (Kaipia & Hartiala, 2006, p. 381). As one of the key characteristics of a successful firm in today's business market is the ability to respond quickly to changing end-consumer demand (Mason-Jones & Towill, 1997, p. 137), having a supplier with this ability may help a buyer firm achieve competitive advantage.

3.2 The barriers and bridges to interfirm information sharing

Despite many efforts to establish collaborative relationships to create value, many firms have not yet realized the anticipated benefits of these relationships (Muckstadt, Murray, Rappold, & Collins, 2001, p. 427). One of the reasons these relationships have not reached their full potential is the failure to leverage information flows between the firms (Hsu et al., 2008, pp. 296-297). The reasons for this failure are both social and technological (Wu et al., 2014, p. 130).

First, the appropriate technological infrastructure is needed to make information sharing between two organizations feasible (Wu et al., 2014, p. 130). One major technological innovation that made information sharing between firms easier was the arrival of electronic data interchange (EDI), which allows data to be transferred in a previously agreed upon format from one supply chain partner to another (Li & Lin, 2006, p. 1646). Although EDI has offered many benefits—for example, by increasing the speed of transmission orders—how information is shared between supply chain partners is, in many cases, still far from ideal (Mason-Jones & Towill, 1997, p. 138). Even tough technology has advanced greatly in recent decades, the single greatest barrier named by firms to sharing information with partners is inadequate or incompatible information systems (Fawcett, Magnan, &

McCarter, 2008, p. 42). To bridge this barrier, many managers have invested heavily in information technology systems to connect firms in a meaningful way (Moberg et al., 2002, p. 755). Even after these investments have been made, however, many firms still do not achieve the expected benefits of a higher level of cross-firm collaboration. This failure suggests additional factors are at play that inhibit the successful sharing of information (Fawcett, Osterhaus, Magnan, Brau, & McCarter, 2007, pp. 358-359).

The second area of concern related to the forming of interfirm relationships with supply chain partners has to do with the social aspects of the relationship that are rooted in SET-based issues, such as trust, commitment, reciprocity and power (Wu et al., 2014, p. 130). The nature of the organization and the people that compose the organization may therefore also be considered a barrier to the successful sharing of information between firms (Fawcett et al., 2008, p. 38). Organizations may have a culture that does not promote the sharing of information across boundaries (Fawcett et al., 2007, p. 359). This may be due to traditional interfirm rivalry. Interfirm rivalry is rooted in the traditional belief in competitive relationships, where there is a winner and a loser in a relationship, and can be defined as the "tendency for allying partners to compete rather than willingly cooperate" (Fawcett et al., 2008, p. 37). Information can be seen as power and thus is tightly controlled by employees unwilling to share that power (Fawcett et al., 2007, pp. 365-366). This may even lead to organizations deliberately distorting information, even to their own customers and suppliers, to hide their real intentions, as they may be afraid the competition will get hold of the information (Mason-Jones & Towill, 1997, p. 138). In addition, people may be averse to change and may fear disclosing their weaknesses to others, and thus they may be unwilling to use the new information systems (Fawcett et al., 2008, p. 37). Trust and commitment between partners has been found to positively influence the willingness to share information as this decreases the fear of opportunism by other parties (Surati & Shah, 2014, p. 1761).

Therefore, the willingness of the organization and its employees to share information with partner firms is central to the idea of information sharing, as without this willingness the connection made through even the most elaborate technological systems will be meaningless (Fawcett et al., 2008, p. 37; Moberg et al., 2002, p. 755; Wu et al., 2014, p. 123). To combat barriers to sharing, managers need to understand the willingness dimension of information sharing and invest in an organizational culture that is open to sharing innovation and promotes communication across firm boundaries (Van Den Hooff

& De Ridder, 2004, p. 118). Thus, the creation of a favorable climate between the organization so that members from the organizations are willing to integrate their resources through "voluntary, informatic and reciprocal bonds" which is necessary for information sharing to be successful (Wu et al., 2014, p. 130). This because the power of information becomes visible only when information is employed throughout the supply chain in a correct manner (Mason-Jones & Towill, 1997, p. 147). Inadequate information sharing between buyer and supplier limits the potential value that can be derived from such relationships (Hsu et al., 2008, p. 297). If the information shared is of high quality, this enhances visibility and reduces uncertainty in the production process, which enables firms to derive more value from the relationship (Hsu et al., 2008, p. 298). Thus, the quality of the shared information is of critical importance. Information quality includes aspects such as "the accuracy, timeliness, adequacy and credibility of information exchanged" (Monczka, Petersen, Handfield, & Ragatz, 1998, p. 559). As in our research situation all publishers communicate information to Company X through the same IT system, namely the same online portal, and all publishers receive the same instructions for using this system, this factor is constant and does not differ from one publisher to another. Therefore, it seems that the so-called soft factors, such as trust and involvement, may more strongly influence the quality of information shared in this situation (Myrelid & Jonsson, 2019, p. 369).

In summary, the sharing of information between supply chain partners is becoming increasingly important to succeed in today's competitive environment. The benefits of this information sharing include reduced lead times, a reduced bullwhip effect, lowered inventory costs, decreased response time needed to act on changing consumer demand and increased flexibility. Incompatible and inadequate technology systems have been seen as the main barrier to successful information sharing. However, even when managers invest heavily in technology systems to bridge this barrier, benefits have not always been realized to the expected extent. The culture of the organization, such as an unwillingness to share information due to interfirm rivalry and people's averseness to change, may be social factors inhibiting relationships from leveraging the full power of information sharing. To combat these barriers, managers should invest in a culture that is conducive to the sharing of information.

The next section uses the theoretical implications discussed in this and previous sections to hypothesize which factors may influence customer attractiveness, supplier satisfaction,

willingness to intensify a relationship, information quality and willingness to improve the quality of information shared between supply chain partners.

4 HYPOTHESES AND RESEARCH MODEL: ECONOMIC AND SOCIAL FACTORS THAT ARE HYPOTHESIZED TO HAVE AN EFFECT ON ATTRACTION AND SATISFACTION WHICH IN TURN INFLUENCES SUPPLIER INTENTION AND BEHAVIOR

4.1 Growth opportunity, profitability and dependence as economic factors positively influencing buyer attractiveness from the perspective of the supplier and supplier satisfaction with the buyer and their relationship

In this section we address economic factors that may influence how attractive a supplying company finds a buying company and/or how satisfied a supplier is with its relationship with a buyer. The level of growth opportunity and profitability offered by a buyer may have a substantial impact on a supplier's sales and, we argue, will thus have a positive effect on customer attractiveness and supplier satisfaction. Perceived dependence upon the buyer for economic success may make the buyer less attractive and/or the supplier less satisfied as the supplier may want to develop other relationships to combat the dependence upon a single buyer.

Suppliers may want to access new markets to grow its business, and a relationship with a partner that helps it enter these new markets will be more attractive than a relationship that does not (Walter et al., 2001, p. 368). Namely, a supplier will expect such a buyer to help it establish relationships with other customers in new markets, leading to an increase in the suppliers' revenue (Ramsay & Wagner, 2009, p. 131). Therefore, we argue that a supplier will be more satisfied to be in a relationship with a buying firm that is growing than in a relationship with a firm that is not growing. We see two reasons for this preference: 1) the supplier will be able to sell more volume to a partner that is growing, and 2) there is the chance of amplification—that the buyer will continue to procure other things and enter other markets from which the supplier may profit (Hald et al., 2009, p. 964). If the buyer

meets these expectations, and the supplier continues to perceive growth opportunities with the buyer, the supplier will be satisfied. Therefore, we argue the following:

H1a: *Growth opportunities perceived by the supplier have a positive impact on buyer attractiveness.*

H1b: *Growth opportunities perceived by the supplier have a positive impact on supplier satisfaction with the relationship*.

The profitability of a relationship is an important factor in a supplier's perception of the relationship (Hüttinger et al., 2014; Ramsay & Wagner, 2009; Vos et al., 2016). Profitability is a key factor when deciding whether to conduct business with another party and is a very important function of buyer–supplier relationships. This does not mean that a relationship has to be profitable from the beginning; suppliers may also be willing to make certain large investments in their relationship with a buyer if they believe the relationship will become profitable in the long run. Also, a supplier may be willing to make more concessions on price to buyers who provide large sales volumes, as the volume allows the supplier to utilize its capacity and generate economies of scale. (Walter et al., 2001, p. 367) A relationship with a buyer that provides it with profits will be more attractive to a supplier than a relationship with a buyer that does not (Hald et al., 2009, p. 964). As previously explained, although profitability may be an attractive factor in the relationship, it is not an essential factor in the beginning of a relationship. However, once a relationship progresses, it must become profitable, as profitability is a necessary condition for a company to survive (Walter et al., 2001, p. 367). Therefore, we argue the following:

H2a: *Profitability has a positive influence on buyer attractiveness.*

H2b: *Profitability has a positive influence on supplier satisfaction with a relationship.*

According to Hald et al. (2009) an actor's perception of a valuable relationship with another party creates perceived dependence upon that party (Hald et al., 2009, p. 972). Thus, as the perceived value of a relationship increases, so does the dependence (Kelley & Thibaut, 1978, p. 9). However, dependence on another party creates inequalities if it is not in balance, as the more dependent actor will be at a disadvantage in the relationship in terms of in power and status (Molm, 1994, p. 164). In a business situation it is assumed that the more dependent actor will be exploited by the less dependent actor (Hald et al., 2009, p. 965). This desire to avoid the chance of exploitation may lead to actors not wanting to engage in a relationship with an actor they believe they may become too

dependent on. Once an actor is the more dependent party in a relationship, they will be dissatisfied and will want to change the relationship to balance the structures that cause inequalities (Hald et al., 2009, p. 975; Molm, 1994, p. 164). In an unbalanced relationship, the more dependent actor will look for alternative parties to partner with to limit the risks of exploitation (Hald et al., 2009, p. 962). Therefore, we argue the following:

> H3a*: Perceived dependence on a buyer negatively influences the buyer's attractiveness.*
>
> H3b*: Perceived dependence on a buyer negatively influences a supplier's satisfaction with the relationship.*

4.2 Shared values, buyer reputation, relational behavior and trust as influencing relational factors on buyer attractiveness and supplier satisfaction with their relationship with the buyer

Apart from transactional and economic aspects of the relationship, there are also social factors that play an important role when suppliers decide what buyers they want to do business with. The concepts of attractiveness and satisfaction have their roots in SET and include not only the economic aspects of a relationship but also the social factors (Homans, 1958). These social factors "highlight the importance of the fit between the features of the [supplier's] business with those of the [buyer] and how their relationships works" (La Rocca et al., 2012, p. 1242). To understand how relationships develop and what factors are important, both economic and social factors have to be taken into account (Walter et al., 2001, p. 373). In this section we discuss certain social factors deemed relevant and their possible influence on buyer attractiveness and supplier satisfaction.

4.2.1 Shared values as a relational factor positively influencing buyer attractiveness and supplier satisfaction with the buying company

Shared values are the "extent to which partners have beliefs in common about what behaviors, goals and policies are important or unimportant, appropriate or inappropriate, right or wrong" (Ballou et al., 2000, p. 16). Previous research has found that shared values are required if businesses are to collaborate (Harris et al., 2003). It has also been argued that the more familiar and similar companies in a relationship are, the more attractive these

companies find each other (Harris et al., 2003). If parties in a relationship have shared values, it will be less difficult to establish norms that rule or govern that relationship, as the partners already agree on certain ways to conduct business. These shared values will decrease the degree of fear that the other party may act opportunistically (Lambe et al., 2001, p. 11). Shared values have also been considered an explanatory factor in predicting whether buyers were satisfied with an existing buyer–supplier relationship and were willing to make improvements in that relationship (Krause, Handfield, & Tyler, 2007). Therefore, we argue the following:

H4a*: Shared values as perceived by the supplier have a positive impact on buyer attractiveness.*

H4b*: Shared values as perceived by the supplier have a positive impact on supplier satisfaction.*

4.2.2 Buyer reputation as a relational factor positively influencing buyer attractiveness and supplier satisfaction with relationship with the buying company

When a buying firm is well-known in a community or in society as a whole, people familiar with the company will believe that certain characteristics of the organization are distinctive, especially when they compare the firm to other firms. These characteristics that people feel determine the identity of a company may be seen as a firm's reputation. (Whetten & Mackey, 2002) A favorable market or public reputation has already been found to increase the attractiveness of companies to end consumers (Russill, 1997, p. 131). More recent literature has also focused on organizations' reputation in the business-to-business market and has found that suppliers are more likely to maintain a long-term relationship with buying companies that have a favorable reputation than with those that do not (Meena, Sarmah, & Sinha, 2012, p. 71). A good reputation is seen as a valuable asset, as a supplier may assume that a buyer does not want to lose a good reputation—for example, by not keeping the promises it makes—and may be more willing to engage in a relationship with a buyer with a good reputation (Kirmani & Rao, 2000, p. 72). A supplier that collaborates with a buyer that has a favorable reputation may profit from this relationship when starting relationships with other potential partners. If a buying company is known for its high-quality standards, and a supplier has a relationship with this company, the implication is that the supplier also lives up to these standards. As a result,

other companies may be more confident in dealing with that supplier over others. Conducting business with a customer that has a good reputation thus gives the supplier a valuable reference for future relationships. (Walter et al., 2001, p. 368) In addition, suppliers have been found to derive satisfaction from collaborating with buying companies that have a good reputation (Corsen et al., 2009). Therefore, we argue the following:

H5a*: A favorable reputation as perceived by the supplier has a positive impact on buyer attractiveness.*

H5b*: A favorable reputation as perceived by the supplier has a positive impact on supplier satisfaction.*

4.2.3 Relational behavior as a social factor positively influencing buyer attractiveness and supplier satisfaction with relationship with the buying company

Relational behavior refers to "the buying firm's behavior towards the supplier with regards to the relational focus of exchange capturing multiple facets of the exchange behavior such as solidarity, mutuality and flexibility" (Hüttinger et al., 2012, p. 703). Relational behavior includes the importance of "fairness," viewed as the perception that "the other actor acts in an honorable and fair way" (Hald et al., 2009, p. 965). Even before suppliers engage in a contractual relationship with a buyer, there is interaction between the two companies. Good, harmonious and personal interorganizational staff relationships are seen as a prerequisite to creating an environment in which to perform effectively. However, good interpersonal relationships also enhance the motivational levels of the staff, creating a more pleasant work environment. (Ramsay & Wagner, 2009, p. 132) Once a relationship is established, it is also important that the relational behavior stays positive between the buyer and supplier. Fairness is an important aspect once a relationship is already established; if a supplier feels it is being treated unfairly, it may become so unhappy with the relationship that it looks for alternatives and terminates the relationship. (Zaefarian, Najafi-Tavani, Henneberg, & Naudé, 2016, p. 32) Therefore, we argue the following:

H6a*: Positive relational behavior experienced by the supplier has a positive impact on buyer attractiveness.*

H6b*: Positive relational behavior experienced by the supplier has a positive impact on supplier satisfaction.*

4.2.4 Trust as a social factor positively influencing buyer attractiveness and supplier satisfaction with relationship with the buying company

Trust is a commonly used building block in relational models, and although there are many different definitions of trust in the literature, most researchers agree that trust "involve[s] a belief that one relationship partner will act in the best interests of the other partner" (Wilson, 1995, p. 337). As described by transaction cost analysis research, relations between firms are guided by the desire to minimize transaction costs, both the direct and opportunity costs of a relational exchange (Rindfleisch & Heide, 1997, p. 31). If a supplier has trust that a buyer will keep its promises and not take advantage of the supplier, the buyer will be more attractive to the supplier than a buyer the supplier does not trust. As the buyer and supplier continue their relationship and more transactions take place, the supplier will determine whether it is satisfied with the outcome of this relationship. If the supplier trusts the buyer to keep its promises and believes that the value generated from the relationship is shared in an honest way, the supplier is more likely to be satisfied with the buyer. (Lambe et al., 2001, p. 21) Therefore, we argue the following:

H7a*: A supplier's trust in a buyer has a positive impact on the buyer's attractiveness.*

H7b*: A supplier's trust in a buyer has a positive impact on supplier satisfaction.*

4.3 Buyer attractiveness hypothesized to influence suppliers to be more inclined to invest in the relationship

Customer attractiveness can be defined as "a supplier's assessment of a customer, made on the basis of anticipated outcomes arising from customer-supplier interaction within a relationship" (Mortensen, 2012, p. 1212). A firm is thus said to be an attractive customer when the supplier in question "has a positive expectation towards the relationship with this customer" (Schiele et al., 2012, p. 1180). Attraction is the force in a relationship that fosters voluntarism in resource exchanges and explains why buyer and suppliers chose to work together toward mutually advantageous outcomes (Hald et al., 2009, p. 962). A supplier will find a buyer attractive only when the perceived benefits of a relationship with that buyer outweigh the perceived lifetime costs of the relationship (Ramsay & Wagner,

2009, p. 128). It is argued that suppliers will invest in relationships with buying firms that they deem to be attractive (Hüttinger et al., 2012, p. 1202)

Being an attractive company to form a relationship with is important not only in the initial phase of the relationship but also in the later stages, as suppliers may allocate additional resources to customers they find attractive (Pulles et al., 2016, p. 131). Attractiveness may thus be used to influence supplier behavior (Ellegaard et al., 2003). Increased customer attractiveness has also been found to lead to increased willingness to intensify the relationship and to increased supplier satisfaction, which in turns leads to preferential treatment. This preferential treatment by suppliers can provide substantial benefits for purchasing firms. (Hüttinger et al., 2012, p. 1195) Therefore, we argue the following:

> H8a*: The degree to which a supplier believes a buyer to be an attractive customer positively influences supplier satisfaction with the relationship.*
>
> H8b*: The degree to which a supplier believes a buyer to be an attractive customer positively influences the supplier's willingness to intensify the relationship with the buyer*.

One great constraint to sharing quality information is the lack of willingness to share that information (Fawcett et al., 2008, p. 37; Moberg et al., 2002, p. 755; Wu et al., 2014, p. 123). However, a supplier that deems a customer to be attractive will act more proactively toward that relationship (Mortensen et al., 2008, p. 802) and will invest additional resources in the relationship (Hüttinger et al., 2012, p. 1202). Therefore, we argue the following:

> H8c*: The degree to which a supplier believes a buyer to be an attractive customer positively influences the quality of information shared with the buyer*.
>
> H8d*: The degree to which a supplier believes a buyer to be an attractive customer positively influences the supplier's willingness to improve the quality of information shared between buyer and supplier*.

4.4 Supplier satisfaction with the relationship will positively influence supplier behavior toward the buyer and intention with the relationship

Supplier satisfaction is based on the supplier's experiences with the outcome of the exchange, relative to previously established expectations (Schiele et al., 2012, p. 1180). Satisfaction is thus the disparity between what the supplier expects and the value the

supplier eventually receives from the relationship (Wilson, 1995, p. 338). If a supplier feels the relationship value does not meet its expectations, the supplier will be dissatisfied. When a relationship meets or exceeds the supplier's expectations, the supplier will be satisfied (Schiele et al., 2012, p. 1181). If a supplier is satisfied with the relationship, a buyer will be able to receive full support from that supplier and get the full potential benefit from that relationship (Wong, 2000, p. 429). When suppliers are satisfied, they may also reward the buying firm with a preferred customer status and may assign additional resources to the relationship (Schiele et al., 2012, p. 1180). We argue that these additional resources may come in the form of high-quality information. Therefore, we argue the following:

H9a*: Supplier satisfaction has a positive impact on the quality of information provided to the buyer*.

H9b*: Supplier satisfaction has a positive impact on the supplier's willingness to improve the quality of the information shared between buyer and supplier*.

H9c*: Supplier satisfaction has a positive influence on the supplier's willingness to intensify the relationship with the buyer*.

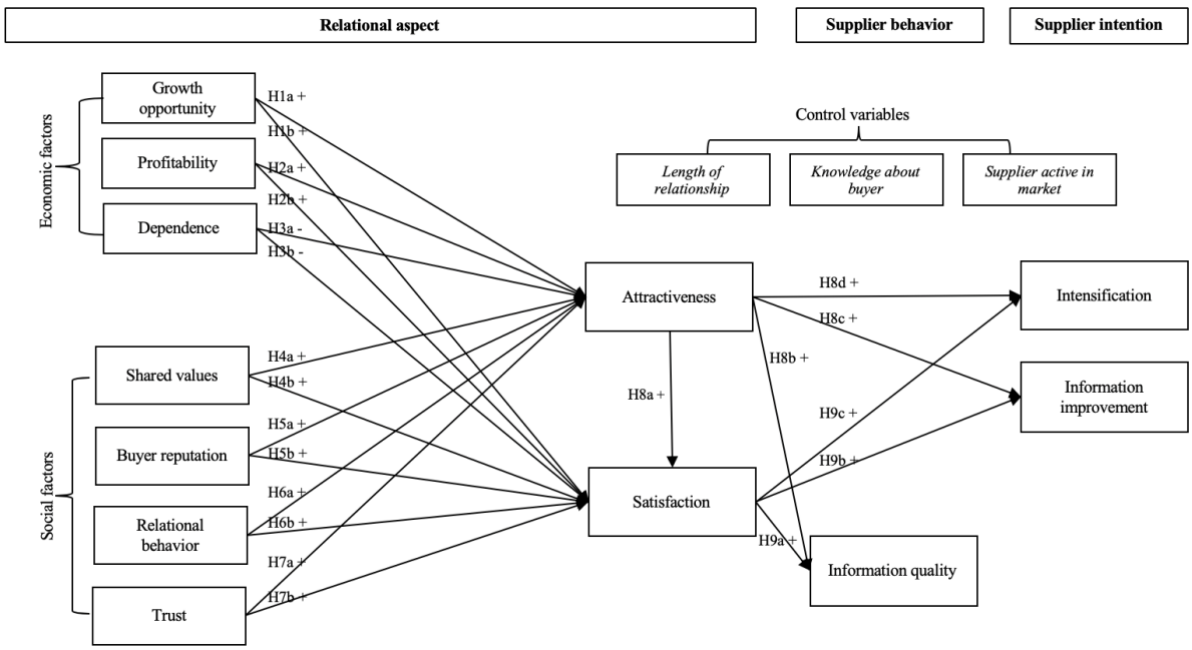

Figure 5: Proposed research model

5 METHODS: PARTIAL LEAST SQUARE PATH MODELING USING SMARTPLS TO FIND WHICH

FACTORS INFLUENCE DIFFERENCES IN ATTRACTIVENESS AND SATISFACTION AND THEIR INFLUENCE ON SUPPLIER INTENTIONS AND BEHAVIOR

5.1 Data collected from publishers in the Dutch book industry was analyzed using SmartPLS 3 to determine the influences on buyer attraction and supplier satisfaction, intentions and behavior

For this study, data was collected using online surveys. Publishers that had sold books through Company X in 2018 or 2019, and which had thus profited from the platform of Company X, were approached. We did not set a minimum order amount because the trend in the publishing market is toward more small publishers, or self-publishers, with little revenue. Therefore, it was difficult to determine a cut-off point, and since small publishers account for a large share of the market, it was deemed useful to include these respondents in the survey. Respondents' information was retrieved from within Company X. Once publishers keep copies of a book at the middleman's warehouse, it is automatically also available to order by Company X. Therefore, some publishers may experience the feeling of an indirect relationship, as there is a middleman. However, Company X receives many questions, including but not limited to questions of small publishers, about how their books are displayed on the platform. In addition, publishers see on the invoice how many books are sold through Company X and at what price.

The Dutch book market industry includes about 1,500 publishers. Of these 1,500 publishers, 1,274 had sold books through Company X in 2018 and/or 2019 and had a valid email address. An email was sent to these publishers containing a link to an online survey, with a request that they complete it. The email explicitly stated that the results would be anonymized and that the survey should be answered honestly, as the results would be reported to the buying company only on an aggregate basis. This message was meant to reduce the chance that suppliers would answer in a socially desirable manner out of fear of losing the buying company as a customer if they gave less desirable answers or fear that the buying company might use the survey information in contract negotiations. Ensuring the results would stay completely anonymous should have limited response bias. Of the 1,274 surveys sent, 84 surveys were returned, which is a response rate of 6.6%. Of these 84

surveys, 63 surveys had responses to all questions and were further analyzed, which totals to a response rate of 4.9%. This is a lower result than was expected, and subject further analyzed in the discussion section of this paper. The characteristics of the buyer-supplier relationship and respondents can be found in Table 1.

Table 1: Characteristics of the buyer–supplier relationship and respondents

Characteristics of the dyads		Characteristics of respondents	
1. Type of supplier		1. Number of years working for the supplier	
General books publisher	73%	0-5 years	20%
Educational books publisher	18%	6-10 years	43%
Management books	8%	11-15 years	10%
		16+ years	27%
2. Number of employees working for the supplier		2. Position of the respondent within the supplier's firm	
1-2	57%	Employee sales department	2%
3-5	12%	Head of sales department	13%
6-10	10%	Employee marketing department	3%
11-20	5%	Head of marketing department	0%
20+	17%	Director/Owner	77%
		Different position	5%
3. Length of supplier-buyer relationship		3. Length of involvement in buyer–supplier relationship	
0-5 years	35%	0-5 years	45%
6-10 years	38%	6-10 years	40%
11-15 years	13%	11-15 years	8%
16+ years	13%	16+ years	7%

The survey included multi-item scales and single-item scales to measure the latent factors, using a Likert scale of 1–5, with 1 = totally disagree with the statement and 5 = totally agree.

The survey included four questions to assess the growth opportunity the supplier believed they were provided by being in relationship with the focal buyer. These questions were based on the research done by Hüttinger et al. (2014, p703) and later tested by (Vos et al., 2016). However, these researchers had tested these questions only in high-tech settings. A principal component analysis (PCA), showed that two of these four questions on our survey were too similar to questions concerning the profitability construct, and were thus excluded, which left two questions for the growth opportunity construct. These remaining questions concerned the supplier's ability to attract different customers and exploit new market opportunities through its relationship with the buyer.

The survey also included four questions about how the relationship contributed to the profitability of the supplier, asking, for example, about the sales volume provided by the buyer and the margins retrieved from the relationship.

Dependence was measured using three questions to determine whether the supplier was dependent upon the buyer. In this particular situation, dependence would also play an important role in the attractiveness of the firm, as the buyer in question is by far the largest retailer in the online book market. Therefore, even before entering a relationship, publishers may feel they are obliged to partner with Company X because of its market position.

Shared values was a construct measured by four questions asking whether the supplier felt it shared the same values as the buyer. The construct is defined as the "extent to which partners have beliefs in common about what behaviors, goals and policies are important or unimportant, appropriate or inappropriate, right or wrong" (Ballou et al., 2000, p. 16). The questions used to measure the constructs were based on the abovementioned criteria.

The buyer reputation construct measured how a supplier believed the buyer to be positioned in the market and whether they believed the buyer's overall reputation was good or poor. This construct was measured using four questions that were based on previous research on buyer reputation. (Pulles et al., 2016, p. 134; Suh & Houston, 2010, pp. 749-750).

The relational behavior construct was concerned with how the supplier believed the buyer behaved in their relationship and was measured using five questions asking whether the buyer was a flexible partner, was helpful in communication and was willing to make adjustments when required by the supplier. These questions had been used in previous research—for example, by Hüttinger et al. (2014, p721)—and were later verified by Vos et al. (2016, p4614).

Trust was measured using four questions that tested whether the supplier believed the buyer took its perspective into consideration when making important decisions. The questions also asked, in general, whether the buyer was looking out for the best interests of the supplier instead of only its own interests.

Table 2: Cross-correlation of latent constructs

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Active_in_market	1.00														
2. Attractiveness	0.33	1.00													
3. Buyer_reputation	0.14	0.38	1.00												
4. Dependence	0.24	0.44	0.04	1.00											
5. Growth_opportunity	0.07	0.67	0.27	0.39	1.00										
6. Information_improvement	0.32	0.35	0.08	0.40	0.31	1.00									
7. Information_quality	0.34	0.27	0.13	0.07	0.07	0.37	1.00								
8. Intensification	0.18	0.48	0.00	0.44	0.30	0.19	0.19	1.00							
9. Knowledge	0.41	0.22	0.07	0.23	0.05	0.10	0.23	0.29	1.00						
10. Length_relationship	0.69	0.25	0.08	0.23	0.10	0.25	0.26	0.19	0.36	1.00					
11. Profitability	0.40	0.70	0.07	0.44	0.51	0.36	0.25	0.58	0.22	0.30	1.00				
12. Relational_behavior	0.07	0.52	0.44	0.01	0.42	0.17	0.09	0.03	0.09	0.00	0.35	1.00			
13. Satisfaction	0.10	0.66	0.27	0.08	0.38	0.18	0.28	0.18	0.11	0.01	0.42	0.60	1.00		
14. Shared_values	0.11	0.65	0.33	0.23	0.63	0.19	0.06	0.36	0.08	0.02	0.53	0.71	0.55	1.00	
15. Trust	0.11	0.58	0.40	0.01	0.45	0.26	0.20	0.17	0.08	0.01	0.36	0.71	0.56	0.69	1

In addition to the variables addressed in the hypotheses listed in Chapter 4, three control variables were included: length of relationship, degree of knowledge about the buyer and years the supplier has been active in the book market. These control variables were tested on all the dependent variables. It was expected that knowledge about the buyer would increase buyer attractiveness, satisfaction with the relationship, information quality, information improvement and intensification. The number of years the supplier had been active in the book market was also taken into account. As Company X is a relatively new player in the book market and sells books exclusively online, the transition to handling with Company X may be more difficult for older suppliers than it is for new suppliers. Therefore, it was expected that the longer a supplier has been active in the book market, the less positive the supplier would be concerning its relationship with Company X. Previous research found that the length of the relationship had a significant positive effect on supplier development activities (Nagati & Rebolledo, 2013, p. 185). Therefore, this variable was included in the model. All control variables were tested on all dependent variables: attractiveness, satisfaction, information quality, intensification and information improvement.

Length of relationship was measured through a single question asking the respondent how long their business had been in a relationship with the buyer in question. Knowledge of the buying company was a single-item scale on which the respondent could indicate the degree to which they believed they knew enough about the company in question to answer all the survey's questions. The respondents were also asked whether they were willing to improve the quality, reliability and timeliness of the information they exchanged with Company X if Company X asked them to do so. Other questions asked respondents whether they wanted to intensify their relationship with Company X because of the

expected value of that relationship. The number of years that a publisher had been active in the industry was derived from the information provided by CB. The exact questions that measured these items and the multi-scaled items can be found in Appendices 1 and 2.

Smart PLS 3 software was used to conduct partial least squares (PLS) and PLS path modeling (PLS-OM) methods to determine which variables had an effect on buyer attractiveness and supplier satisfaction, and in turn what influence these factors had on information quality and on willingness to improve information and intensify the relationship.

To check the quality of the model, we first tested to see whether the constructs that were assumed to be related were indeed related—namely, to test convergence reliability. The results for this test can be found in Table 3. All Cronbach's alpha scores were above the threshold of 0.7. Also, all the composite reliability scores were above 0.7, and the average variance extracted (values were all above 0.5. We are thus safe to assume that the convergence reliability is satisfactory.

Table 3: Quality criteria

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
1. Active_in_market	1	1	1
2. Attractiveness	0.9411	0.9622	0.8945
3. Buyer_reputation	0.9283	0.9485	0.8215
4. Dependence	0.8021	0.8478	0.6550
5. Growth_opportunity	0.8791	0.9414	0.8893
6. Information_improvement	1	1	1
7. Information_quality	0.8494	0.8971	0.6864
8. Intensification	1	1	1
9. Knowledge	1	1	1
10. Length_relationship	1	1	1
11. Profitability	0.9050	0.9337	0.7790
12. Relational_behavior	0.9252	0.9435	0.7703
13. Satisfaction	0.8293	0.9213	0.8541
14. Shared_values	0.8556	0.9028	0.6998
15. Trust	0.8205	0.9173	0.8473

In addition to the quality criteria, we also tested for discriminant validity, which shows to what extent the "measures of a given construct differ from measures of other constructs in the same model" (Hulland, 1999, p. 198). Henseler, Ringle and Marko (2015, p124) (Henseler, Ringle, & Sarstedt, 2015, p. 115) found that, for testing discriminant validity, the heterotrait-monotrait (HTMT) ratio was superior to previous dominant methods such as

the Fornell-Larcker criterion and the examination of cross-loadings. Therefore, in this study we tested the HTMT ratio. As can be seen in Table 4, all values are below the threshold of 0.85 and thus are satisfactory to account for discriminant validity. (Henseler et al., 2015, p. 124).

Table 4: HTMT ratios of the latent constructs

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Active_in_market															
2. Attractiveness	0.3427														
3. Buyer_reputation	0.1522	0.3983													
4. Dependence	0.2478	0.3564	0.0553												
5. Growth_opportunity	0.0945	0.7141	0.3058	0.3570											
6. Information_improvement	0.3154	0.3613	0.1085	0.4864	0.3180										
7. Information_quality	0.3397	0.2871	0.1669	0.1474	0.1212	0.4021									
8. Intensification	0.1778	0.4945	0.0595	0.4296	0.3000	0.1937	0.2133								
9. Knowledge	0.4079	0.2296	0.0807	0.2264	0.0660	0.0958	0.2250	0.2883							
10. Length_relationship	0.6863	0.2505	0.0800	0.2852	0.1103	0.2513	0.2615	0.1860	0.3593						
11. Profitability	0.4209	0.7511	0.0991	0.4500	0.5457	0.3698	0.2640	0.6165	0.2375	0.3152					
12. Relational_behavior	0.0895	0.5458	0.4436	0.0957	0.4527	0.1778	0.1252	0.0923	0.1094	0.0775	0.3785				
13. Satisfaction	0.1065	0.7471	0.2950	0.1309	0.4188	0.2024	0.3282	0.1930	0.1147	0.0792	0.4811	0.6791			
14. Shared_values	0.1164	0.7174	0.3499	0.2187	0.7040	0.2023	0.1272	0.3815	0.0940	0.0789	0.5838	0.7856	0.6519		
15. Trust	0.1182	0.6576	0.4369	0.0927	0.5150	0.2807	0.2374	0.1803	0.0883	0.0218	0.4144	0.8086	0.6772	0.8237	

After these tests, we conducted a PCA set to a varimax rotation so as to view the uniqueness of the constructs tested. The results can be found in Appendix 3. The cut-off value for the factor loadings was set at 0.5, as suggested by previous research (Osborne, Costello, & Kellow, 2008, p. 4). Most constructs met this criterion, apart from customer attractiveness, which measures on multiple items but not on a single item predominantly. Additionally, shared values seem to measure on two different constructs, and "active years in the market" and length of relationship measure on the same construct. This latter is intuitive, as the longer a supplier has been in a relationship with the buyer, the longer it has been in the market. However, we must remember that we are dealing with a small sample size—less than 100 unique samples. Therefore, it is understandable that the constructs may not have loaded as well as they would have for a larger sample size (Osborne et al., 2008, p. 5). Based on the initial PCA analysis, certain constructs of the latent variables were deleted from the research model. An additional confirmatory factor analysis (CFA) was performed on the final selection of constructs. The results can be found in Table 5. A general rule of thumb for these item measures is to accept items that have a loading of 0.7 or higher, as such values suggest that the variance shared between the constructs of an item is higher than its error variance. A loading of 0.7 or higher implies that more than 50% of the variance in the observed variables is related to the variance of the construct. In our

model, there was one construct—namely MDU_Dependence_9—that had a loading of less than 0.7 (0.6860). In general it is advisable to remove items that have a factor loading below 0.5 (Hulland, 1999, p. 198). As this was not the case, and the loading was only slightly below 0.7, we decided to include this construct in the explanatory model.

Table 5: Confirmatory factor analysis—outer loadings of research model

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
ADD_Intensification_166								1							
ADD_Trust_150_2															0.9096
ADD_Trust_150_3															0.9312
Active_in_market_years	1														
LNGTH_Relationship_236_1										1					
MDU_Dependence_200_4				0.7472											
MDU_Dependence_200_5				0.9676											
MDU_Dependence_200_9				0.6860											
PC_Attractiveness_126_1		0.9301													
PC_Attractiveness_126_2		0.9648													
PC_Attractiveness_126_3		0.9423													
Knowledge									1						
S_Buyer_Reputation_300_1			0.8878												
S_Buyer_Reputation_300_2			0.9231												
S_Buyer_Reputation_300_3			0.9234												
S_Buyer_Reputation_300_4			0.8906												
S_Growth_20_3					0.9230										
S_Growth_20_4					0.9626										
S_Information_Improvement_5						1									
S_Information_Quality_1							0.7726								
S_Information_Quality_2							0.8032								
S_Information_Quality_3							0.9182								
S_Information_Quality_4							0.8128								
S_Profitability_90_2											0.8191				
S_Profitability_90_3											0.9108				
S_Profitability_90_5											0.8894				
S_Profitability_90_6											0.9081				
S_RelBehavior_80_1												0.7881			
S_RelBehavior_80_2												0.9208			
S_RelBehavior_80_4												0.8846			
S_RelBehavior_80_5												0.9237			
S_RelBehavior_80_6												0.8642			
S_Satisfaction_100_4													0.9287		
S_Satisfaction_100_5													0.9197		
S_Shared_values_210_1														0.8876	
S_Shared_values_210_2														0.8444	
S_Shared_values_210_3														0.8545	
S_Shared_values_210_4														0.7538	

To check for multicollinearity—to see whether two or more predictor variables significantly co-correlate with each other such that one predictor variable can be used to predict another predictor variable—we checked inner variance inflator factors (VIFs). As a rule of thumb, inner VIF values should be below 5 to be acceptable (Hair, Ringle, &

Sarstedt, 2011, p. 145). All VIF values calculated were below 5, and could thus be included in the model, as can be seen in Table 6. As the CFA, multicollinearity, convergent reliability and divergent reliability tests all showed satisfactory results, we were

	Attractiveness	Information_improvement	Information_quality	Intensification	Satisfaction
Active_in_market	2.269	2.101	2.101	2.101	2.278
Attractiveness		2.069	2.069	2.069	4.202
Buyer_reputation	1.370				1.515
Dependence	1.588				1.648
Growth_opportunity	2.159				2.526
Information_improvement					
Information_quality					
Intensification					
Knowledge	1.391	1.229	1.229	1.229	1.456
Length_relationship	2.115	1.946	1.946	1.946	2.151
Profitability	2.023				2.403
Relational_behavior	2.818				2.819
Satisfaction		1.858	1.858	1.858	
Shared_values	3.305				3.311
Trust	2.679				2.958

Figure 6: Inner VIF values

confident that the constructs measured what they were intended to measure and could be included in the research model for further analysis.

After tests accounted for the quality of the data, the data was transferred to the SmartPLS3 software to start testing the relationships. For the further statistical analysis of the data, as we were using multiple variables, we could use either a covariance-based or PLS-based method (Barroso, Carrión, & Roldán, 2010). Covariance testing has been found to be effective in confirming or rejecting theories when the sample size is large and the data is approximately normally distributed (Ong & Puteh, 2017). PLS has been found to be an effective method for investigating explanatory variables that are possibly correlated and thus is better suited for predictive rather than explanatory research (Hair, Ringle, & Sarstedt, 2011). As we wanted to test both the antecedents of customer attractiveness and customer attractiveness's influence on willingness to intensify the relationship and on quality of information shared, we were testing both reflective and latent constructs. When measuring both constructs at the same time, PLS has been found to be more flexible (Becker, Klein, & Wetzels, 2012). When research elaborates upon previous research conducted, includes many constructs and variables, and the sample size is relatively small, PLS models are preferred (Hair et al., 2011, p. 144). As our research extends upon the

research of Hüttinger et al. (2014) and Vos et al. (2016), has a sample size of less than 100 (i.e., 63 cases) and is predictive in nature, we chose to use the PLS approach.

The final research model included the factors growth opportunity, profitability, dependence, shared values, buyer reputation, relational behavior, trust, attractiveness, satisfaction, intensification, information improvement and information quality. Control variables were length of relationship, knowledge about buyer and how long the supplier was active in the market. The next section discusses the results obtained from the research model structured and generated running SmartPLS3 software using the PLS method.

6 RESULTS: ATTRACTIVENESS AS MAIN EXPLANATORY VARIABLE IN THE LOW-TECH BOOK MARKET PREDICTING SUPPLIER INTENTIONS WITH THE RELATIONSHIP

6.1 Growth opportunity, profitability, buyer reputation, and trust as significant antecedents for buyer attractiveness

Our testing found several economic and social factors that significantly affect the supplier's perception of buyer attractiveness. The positive relationship between growth opportunity and attractiveness ($\beta = 0.2953$, $\alpha < 0.001$) shows that suppliers find a buyer they deem able to provide them with growth opportunities more attractive than a buyer that cannot provide these opportunities, confirming H1a. A more profitable relationship led to the buyer's being seen as more attractive ($\beta = 0.3008$, $\alpha < 0.01$) than when the relationship was less profitable, confirming H2a. The more favorably a supplier viewed a buyer's reputation, the more attractive the supplier found this buyer ($\beta = 0.1857$, $\alpha < 0.05$), confirming H5a. When a supplying company had trust in its relationship with a buyer, the buyer was found to be more attractive ($\beta = 0.2579$, $\alpha < 0.05$) than when the supplier had less trust, confirming H6a.

Dependence, shared values and relational behavior were not found to have a statistically significant influence on customer attractiveness. All three control variables—length of relationship, knowledge about the buyer, and supplier's active years in the publishing market—showed no significant influence on the supplier's perception of buyer

attractiveness, as can be seen in Table 7. The model had explanatory power of $R^2 = 0.7621$ regarding customer attractiveness, and with this R^2 score this structural model can be described as a substantial structural model (Hair et al., 2011, p. 145).

Table 6: Results of research model—dependent variable: attractiveness

Dependent variable: Attractiveness	β	T Statistics	P Values
Growth_opportunity	**0.2953**	**2.8448**	**0.0045**
Profitability	**0.3008**	**2.8042**	**0.0051**
Buyer_reputation	**0.1857**	**2.2801**	**0.0226**
Dependence	0.12	0.913	0.3613
Relational_behavior	0.0188	0.1572	0.8751
Shared_values	0.0396	0.2634	0.7923
Trust	**0.2579**	**2.5371**	**0.0112**
Length_relationship	0.0932	0.9153	0.3601
Knowledge	-0.1249	1.4219	0.1551
Active_in_market	0.0464	0.4215	0.6734

6.2 Relational behavior as statistically significant antecedent positively influencing supplier satisfaction with the relationship

The results showed no statistically significant relationship between the economic factors growth opportunity ($\beta = -0.2316$) and profitability ($\beta = -0.0279$) and the satisfaction the supplier derived from the relationship, rejecting H1b and H2b. The effects for growth opportunity and profitability were both negative, although we had expected them to be positive.

The results did find a statistically significant relationship between relational behavior ($\beta = 0.3402$, $\alpha < 0.05$) and supplier satisfaction. This shows that when a supplier was believed to be behaving in a more favorable way in a relationship with a buyer, the buyer was more satisfied with the relationship than when the relational behavior was less favorable, confirming hypothesis H5b.

For the other social factors tested—dependence, shared values and trust—no statistically significant relationship was found, rejecting H3b, H6b and H7b as can be seen in Table 8. All results were in the hypothesized direction except for buyer reputation, which showed a negative effect on supplier satisfaction, although the effect was not significant.

There was a positive, significant relationship between customer attractiveness and supplier satisfaction ($\beta = 0.7971$, $\alpha < 0.01$). This shows that the degree of attractiveness of the

buyer from the supplier's perspective positively influences the supplier's level of satisfaction with the relationship, confirming hypothesis H8a.

All the control variables tested against the variable satisfaction (length of the relationship, knowledge about the buyer and years active in the publishing market) were also found to be statistically insignificant. What is interesting is that all three control variables had a negative relationship with satisfaction, albeit an insignificant one. The model had explanatory power for the variable satisfaction of $R^2 = 0.5955$, and with this R^2 score, this structural model can be described as a moderate structural model (Hair et al., 2011, p. 145).

Table 7: Results of research model—dependent variable: satisfaction

Dependent variable: Satisfaction	β	T Statistics	P Values
Growth_opportunity	-0.2316	1.4597	0.1444
Profitability	-0.0279	0.1767	0.8597
Buyer_reputation	-0.1395	1.2727	0.2032
Dependence	-0.1125	0.8053	0.4207
Relational_behavior	**0.3402**	**2.0898**	**0.0367**
Shared_values	0.0198	0.1177	0.9063
Trust	0.0151	0.0894	0.9288
Attractiveness	**0.7971**	**3.7531**	**0.0002**
Length_relationship	-0.128	0.7772	0.4371
Knowledge	-0.0221	0.2315	0.8169
Active_in_market	-0.0654	0.3799	0.704

6.3 Attractiveness found to positively influence the willingness of suppliers to improve the information they share and if they wanted to intensify the relationship, satisfaction found to negatively influence supplier willingness to intensify the relationship

The results showed that attractiveness had a significant positive influence on whether suppliers said they were willing to improve the information shared ($\beta = 0.3106$, $\alpha < 0.1$) and whether they wanted to intensify the relationship ($\beta = 0.6324$, $\alpha < 0.01$), confirming H8b and H8d. Attractiveness was not found to have a statistically significant effect on quality of information shared, leading to the rejection of H8c.

The results also showed that satisfaction had a statistically significant influence only on willingness of the supplier to intensify the relationship ($\beta = -0.252$, $\alpha < 0.1$), but this effect was in the opposite direction of what had been hypothesized, thereby leading to the rejection of H9c. Satisfaction was not found to have a statistically significant relationship

with quality of information shared or with whether a supplier wanted to improve the information it shared with the buyer, leading to the rejection of H9a and H9b. These results show that neither attractiveness nor satisfaction has a statistically significant effect on the supplier behavior measured—namely, the quality of information already provided to the buyer.

All control variables tested against information quality, willingness to improve information shared and intensification of the relationship were found to be statistically insignificant except for the control variable knowledge about the buyer, which had a positive effect on willingness to intensify the relationship ($\beta = 0.2085$, $\alpha < 0.1$). This implies that the better the supplier knows the buyer, the more likely the supplier is to want to intensify the relationship. The explanatory power of this model regarding the willingness to intensify the relationship ($R^2 = 0.3065$), willingness to improve information shared with the buyer

Table 8: Results—dependent variables: information quality, information improvement and intensification

($R^2 = 0.1762$) and information quality of the information shared between buyer and supplier ($R^2 = 0.1851$) indicates a weak structural model (Hair et al., 2011, p. 145). However, as these factors were not earlier tested in combination with customer attractiveness and supplier satisfaction, this may be considered explanatory research and therefore a lower R^2 can still be considered acceptable (Hair et al., 2011, p. 147).

Dependent variable: Information quality	β	T Statistics	P Values
Attractiveness	-0.02	0.1114	0.9113
Satisfaction	0.2639	1.4690	0.1419
Length_relationship	0.0662	0.3629	0.7167
Knowledge	0.0813	0.4994	0.6175
Active_in_market	0.2386	1.2274	0.2197

Dependent variable: Information improvement	β	T Statistics	P Values
Attractiveness	**0.3106**	**1.9274**	**0.054**
Satisfaction	-0.034	0.1899	0.8494
Length_relationship	0.0642	0.4747	0.635
Knowledge	0.0752	0.4876	0.6258
Active_CB	0.2014	1.3864	0.1657

Dependent variable: Intensification	β	T Statistics	P Values
Attractiveness	**0.6324**	**3.6305**	**0.0003**
Satisfaction	**-0.252**	**1.7855**	**0.0742**
Length_relationship	0.0454	0.2638	0.7919
Knowledge	**0.2085**	**1.6555**	**0.0979**
Active_in_market	-0.126	0.6659	0.5055

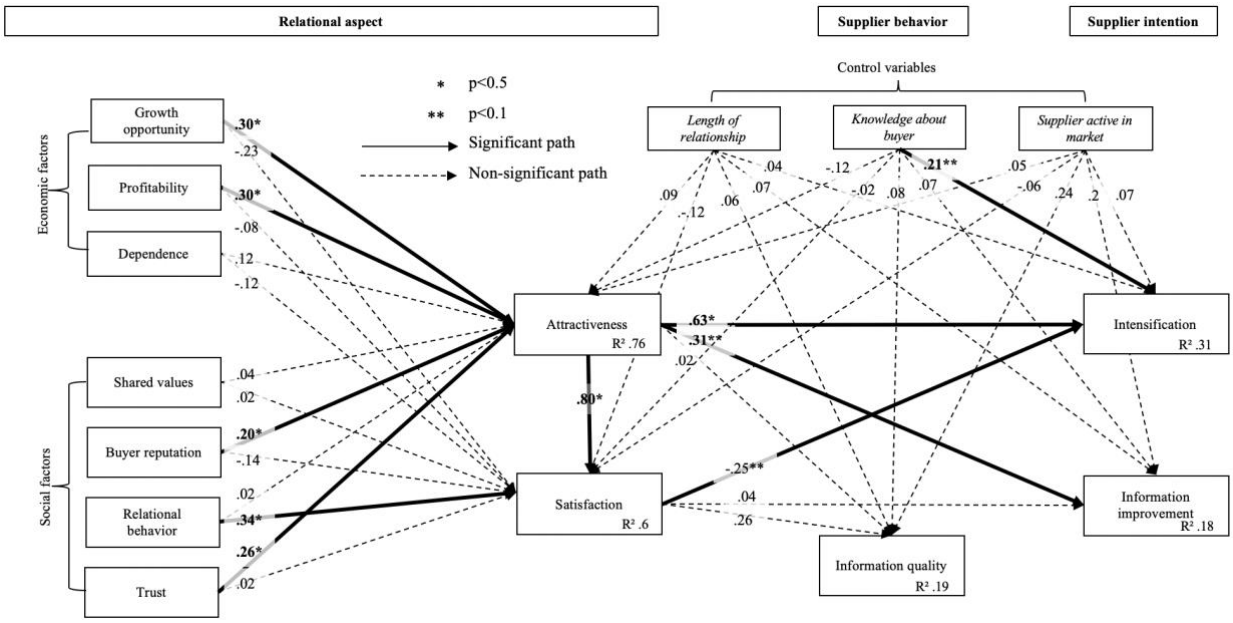

Figure 7: Research model with significances

7 DISCUSSION: ATTRACTIVENESS AS MAIN EXPLANATORY VARIABLE IN THE LOW-TECH BOOK MARKET PREDICTING SUPPLIER INTENTIONS

Growth opportunity, profitability, buyer reputation and trust where found to be antecedents that positively influenced customer attractiveness. Growth opportunity was found to be a significant antecedent to customer attractiveness in earlier research conducted in the high-tech market (Hüttinger et al., 2014, p. 711), and now it has also been found to be significant in the low-tech book market, providing the first evidence that generalization of antecedents may be possible. Profitability was first researched by Vos et al. (2016, p4618) and was found to have a significant influence on supplier satisfaction. Although profitability was not the found to have a significant influence on supplier satisfaction in this study, we did find that profitability had a significant positive effect on customer attractiveness. In addition, growth opportunity, trust and buyer reputation were found to significantly positively influence customer attractiveness. Although a firm's reputation has long been found to be an important influencing factor when end consumers choose what products to buy (Russill, 1997, p. 131), this factor had been overlooked in the business-to-business market. Our results imply that also in the business-to-business market a good reputation may be seen as a valuable asset when firms decide whom to choose for collaborative relationships. An additional factor that was exploratory for our research was

the influence of shared values on customer attractiveness and supplier satisfaction. We found only a very small positive influence of shared values on customer attractiveness and supplier satisfaction, which had no statistical significance.

There were two variables that were found to have a significant effect on supplier satisfaction: relational behavior by the buyer and buyer attractiveness. The degree to which the supplier found a buyer to be attractive strongly positively correlated with the degree to which the supplier was satisfied with the relationship with the buyer ($\beta = 0.7971$, $\alpha < 0.01$), implying that suppliers are more satisfied to be in relationships with more attractive buyers than in those with less attractive buyers. This is in line with earlier research that states that customer attractiveness is important not only in the initial stage of relationship formation but also in the later stages of relationships when suppliers judge whether they are satisfied with the relationship (Pulles et al., 2016, p. 137).

The other variable that had a significant effect on supplier satisfaction was relational behavior by the buyer as perceived by the supplier, and the effect was positive. This implies that the degree to which a supplier believes a buyer to exhibit favorable relational behavior is positively associated with the satisfaction the supplier derives from the relationship. This result was also expected, as previous research showed that positive relational behavior should positively influence the level of satisfaction felt by the supplier (Nyaga et al., 2010, p. 101). This research provides evidence for the notion that this is generalizable to the low-tech industry.

Growth opportunity and profitability were hypothesized to positively influence supplier satisfaction. These variables, in fact, had a negative effect on supplier satisfaction, although the observed effect was not significant. A possible explanation may be derived from the SET notion that satisfaction is determined by the discrepancies between the expectations for the relationship and the actual outcomes of the relationship. If a buyer does not live up to the expectations of the supplier, the supplier is said to be dissatisfied (Thibaut & Kelley, 1959, p. 21). If a supplier has higher expectations for growth opportunity and profitability for its relationship with a buyer, and thus finds the customer more attractive, it may be more difficult for the buyer to live up to these expectations, thereby causing the supplier to become dissatisfied with the relationship.

We did not find a significant effect of supplier satisfaction on information quality or on willingness to improve information, but the relationships observed were in the hypothesized positive direction. Supplier satisfaction was found to have a significant

relationship with willingness to intensify the relationship, but in the opposite of the direction hypothesized—namely, this relation was negative. This suggests that the more satisfied the supplier is with the relationship, the less likely the supplier is to want to intensify the relationship. Previous research found that supplier satisfaction is a mitigating variable in the relationship between customer attractiveness and preferential resource allocation, thereby implying that attractive customers will not necessarily become preferred customers and receive additional resources unless they are able to satisfy the supplier (Pulles et al., 2016, p. 137). However, the current research showed that attractiveness does have a positive, significant relationship with both supplier intentions: willingness to intensify the relationship and willingness to improve information quality. As satisfaction has a negative or insignificant effect on supplier intentions, this provides evidence that in the book market satisfaction may not play a role in receiving additional resources. Rather, attractiveness alone is more important in explaining supplier intentions. Previous research found that attractiveness is the first step to supplier satisfaction which in turn may lead to becoming a preferred customer and receiving additional benefits (Hüttinger et al., 2012, p. 1203). However, this theory has only been tested in markets where an initial level of attraction was present before the relationship was established (Schiele et al., 2012b, p. 137) and this is not the case in the online book market due to the presence of CB. Once a publisher works with CB, they automatically work with Company X. Therefore, the belief that customer attractiveness only influences preferred customer status and the receiving of additional benefits through its influence on supplier satisfaction may not be the case in markets where attractiveness is not per definition considered before the start of the relationship. In addition, SET assumes that the attitudes and behaviors of partners in a relationship are determined by the rewards of interaction minus the cost of that interaction (Wu et al., 2014, p. 122). A possible explanation for supplier satisfaction having a negative or insignificant effect on supplier intentions may thus be that when suppliers are satisfied with a relationship, they believe that all the value they could possibly derive from it has already been attained and that investing additional resources in the relationship would only increase the cost without bringing additional benefits.

8 CONCLUSION: FOCUSING ON ATTRACTIVENESS TO INFLUENCE SUPPLIER INTENTIONS

8.1 Customer attractiveness as main variable to explain supplier intentions

In conclusion, attractiveness was found to be the main variable in explaining supplier intentions for the relationship. Although customer attractiveness was not found to influence current supplier behavior in terms of quality of information provided, it was shown to positively influence the supplier's willingness to intensify the relationship (by investing additional resources) and to improve the quality of information shared in response to a request from the buyer. As supplier satisfaction had a negative or insignificant relationship to the supplier behavior and intentions measured, it may be assumed that attractiveness is a more important variable in explaining supplier behaviors and intentions in the book market.

This paper contributes to the current literature in several ways. First, we found a statistically significant positive relationship between buyer reputation and customer attractiveness. Buyer reputation was an antecedent viewed as a valuable asset in the firm–consumer relationship (Russill, 1997, p. 131) but had not been previously tested in buyer–supplier relationships.

Second, to our knowledge this is the first research conducted regarding customer attractiveness, supplier satisfaction and additional resource allocation in a low-tech market. Related to this, this was the first study to test whether influencing factors identified in research conducted in high-tech markets could be generalized to low-tech markets. Indeed, we have found some antecedents, such as growth opportunity, profitability and relational behavior, to also be significant in low-tech markets. However, the cycle of preferred customer status, in which customer attractiveness leads to supplier satisfaction which in turn leads to preferred customer status and additional resource allocation, does not seem to apply in this context. Instead, although customer attractiveness was found to have a significant positive effect on supplier intention, supplier satisfaction, by contrast, had a significant negative effect on one aspect of supplier intention.

8.2 Managerial implications; firms should focus on both economic and relational aspects of their relationship to increase their attractiveness to influence supplier behavior

According to our findings, in the book market, customer attractiveness is the main influencer in explaining the supplier's satisfaction and intentions. Growth opportunity, profitability, buyer reputation and trust were found to be significant antecedents to customer attractiveness. This suggest that a buying company wanting to encourage a supplier to allocate resources to their relationship should focus on highlighting these aspects of its business. Growth opportunity, profitability, buyer reputation and trust will make them a more attractive customer and increase the likelihood that businesses want to work with them and provide them with additional resources.

In addition, customer attractiveness was found to significantly influence a supplier's willingness to provide higher quality information to a buyer. As information sharing is a key variable in improving supply chain performance, managers may use their attractiveness as leverage in the relationship with a supplier to receive higher quality information. Managers may also leverage customer attractiveness to increase supplier satisfaction, as these variables were found to have a large positive relationship. Additionally, we found that relational behavior was a statistically significant influencer of supplier satisfaction. This implies that if mangers want to increase supplier's satisfaction, they could focus on exhibiting positive relational behavior.

Lastly, this research found evidence that a firm's reputation is also important in the business-to-business market. This means that firms should not only focus on their reputation when they sell to end consumers but that reputation may also influence the willingness of other firms to do business with them and provide them with additional resources. As collaborative relationships are increasingly used as a source of value creation, and therefore are of importance, firms also in business-to-business markets should pay attention to their reputation and leverage it when possible.

8.3 Further research should focus on the SET principles to explain customer attractiveness, supplier satisfaction and the quality of information shared

This research has some limitations that may be explored through further research. The first limitation may be that the sample size used in this research was relatively small, as we had

only 63 useable questionnaires returned, which is a relatively small number for the analyses conducted. Second, from each company only one person was approached to complete the questionnaire. It is possible that this person was not a good representative of the general views of the organization in question, which may have influenced specifically the social factors considered in this research. Additional research may choose to send the survey to multiple people from each organization. Third, the purchasers of Company X also sent out personal reminders to their contacts at each organization asking them to complete the survey. The respondents therefore may have had a more favorable view of the buying company than the general population. Further research can choose to abstain from this practice. If this had not been done in this situation, however, an even smaller number of respondents would have participated. Fourth, one should note that the market chosen as a low-tech market was the book market, which is relatively highly regulated in comparison to most other low-tech markets. Fifth, this research tested the supplier–distributor relationship, as the buying company in question did not use the products purchased as input for their own products but directly sold them to end consumers. Sixth, this was the first instance where customer attractiveness was tested on influencing supplier satisfaction in a business-to-business market and was found to have a significant positive influence on supplier satisfaction. However, this could be due to the small sample size and the industry setting of the research. To combat all these limitations, further research should focus on gathering a larger sample size, in a diversity of low-tech industries also including buyer–supplier relationships so as to find reliable evidence on the significances found in this study and make the study's findings generalizable.

Further research should continue to test the preferred customer cycle in other industries. To date, most research concerning customer attractiveness, supplier satisfaction and preferred customer status has been centered in the automotive industry and other high-tech industries. From these results, evidence was collected, and the preferred customer cycle was hypothesized (Pulles et al., 2016, p. 137). However, results from a low-tech market show that attractiveness has a direct positive influence on supplier intention and therefore perhaps also on preferred customer status and additional resource allocation. This research tested the supplier intention to allocate additional attention, and thereby resources, to the relationship and did not specifically measure preferred customer status. Further research may add to this by specifically measuring preferred customer status, including assessing preferential treatment and additional benefits the customer perceives. This will sketch a

clearer picture of the influence of customer attractiveness and supplier satisfaction on preferred customer status in low-tech markets.

This research did not find a significant relationship between customer attractiveness and information quality or between supplier satisfaction and information quality. Further research should continue to find what factors may influence the quality of information shared between companies. Perhaps the model was not applicable in the book-market and/or the sample size was too small to find significant results. In addition, we used a self-reporting metric of information quality—namely we asked the suppliers what quality of information they believed they provided to the buyer. Further research may use more objective performance metrics of the buying company to match customer attractiveness and supplier satisfaction to information quality to determine whether customer attractiveness and supplier satisfaction may be used to influence information quality.

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9 APPENDIX 1: INTERVIEW QUESTIONS (ENGLISH)

General information/Supplier characteristics

- Please indicate the number of employees working for your firm.
- Please indicate the number of years your firm is present in the book industry
- Annual Turnover (in €). (When you belong to a cooperation, please provide your specific company turnover)
- Please indicate the annual turnover that Company X has as a % of your total annual turnover
- Type of publisher (educational/general publisher)

Interview questions: based on (Hüttinger et al., 2014)

Growth opportunity for your company: Interview questions: based on (Hüttinger et al., 2014)

The relationship with Company X ….

- 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 different customers
- enables us to exploit new market opportunities

Economic profitability: Interview questions: based on (Hald et al., 2009; Ramsay & Wagner, 2009; Vos et al., 2016)

The relationship with Company X ….

- provides us with large sales volumes
- helps us achieve good profits
- allows us to gain high margins
- has a positive influence on the profitability of our firm

Positive relational behavior: Interview questions, based on: (Hüttinger et al., 2014) and (Ramsay & Wagner, 2009)

- Problems that arise in the course of the relationship are treated by Company X as joint rather than individual responsibilities
- Company X 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 this customer
- This customer would willingly make adjustments to help us out if special problems/needs arise

- Company X is flexible when dealing with our firm (e.g. when I want content information about my books to be adjusted on their website, this is done in a timely fashion etc.)
- [It is easy to conduct business with Company X] (Ramsay & Wagner, 2009)

Favorable reputation: Interview questions: Based on (Pulles et al., 2016; Suh & Houston, 2010), (Explorative)

- In the market the partner firm has an [overall] good reputation (Suh & Houston, 2010)
- The firm is positively perceived in the market (Suh & Houston, 2010)
- In the market the partner firm has an [overall] negative reputation(Suh & Houston, 2010)
- This customer has a good reputation for trustworthiness and fairness (Pulles et al., 2016)
- [This customer has a reputation for being reliable]

Shared values: Interview questions, based on: (Krause et al., 2007) (Explorative)

- Both firms share the same business values
- [We believe Company X and we are in agreement] on what is in the best interest of the relationship
- [We recognize ourselves in the way Company X conducts themselves in the business market]
- The buyer shares our goals for this business

Customer attractiveness: Interview questions, based on: (Hüttinger et al., 2014)
What were your expectations towards this customer a year ago/when starting the business relationship?

- Our firm had positive expectations towards profitability and large sales volumes from our relationship with this customer
- We expected future improvements through the collaboration with this customer
- In general, we expected positive outcomes from current and future relationships with this customer

Information Quality: Interview questions, based on the concept of information quality by (Monczka et al., 1998), (Explorative)

- We consider the information we provide to Company X through the portal to be accurate
- We consider the information we provide to Company X through the portal to be adjusted in time (at least 24 hours) before the information becomes outdated
- We consider the information we provide to Company X through the portal to be reliable

- We check on a regular basis if the information we provide to Company X (e.g. through the portal) is correct and make adjustments when needed.

Intensification (Pulles et al., 2016)

- We would like to intensify our relationship with Company X because of the expected value of Company X

Willingness to improve information shared (Explorative)

- If Company X asks us to pay extra attention to the accuracy, reliability and timeliness of the information provided through the CBonline portal, we are inclined to do so

Trust: based on McKnight et al. (2002); Kumar et al. (1998); Hüttinger (2014) = Dissertation; Blonska et al. (2003)

- Company X keeps promises it makes to our firm
- When making important decisions, Company X considers our welfare as well as its own
- We trust Company X to keep our best interest in mind
- We consider Company X as trustworthy

Dependence: based on (Kaiser 2014)

- In our relationship, our company is very dependent upon Company X
- To achieve our business goals, our company has to maintain this relationship to the customer
- We have no good alternatives to Company X

Customer satisfaction: Vos et al. (2016), Cannon (1998) and Pulles et al. (2016)

- Our firm is very satisfied with the overall relationship to Company X
- Generally our firm is very pleased to have Company X as our business partner
- If we had to do it all over again, we would still choose to use Company X
- Our firm does not regret the decision to do business with Company X

10 APPENDIX 2: INTERVIEW QUESTIONS – DUTCH

Algemene informatie

- Aantal medewerkers dat werkzaam is bij uw bedrijf
- Aantal jaren dat uw bedrijf al actief is in de boekenmarkt
- Jaarlijkse omzet (in €). (Als u tot een coöperatie behoort, graag de specifieke jaarlijkse omzet van uw bedrijf)
- Percentrage van uw jaarlijkse omzet dat gegenereerd wordt door Company X
- Uw bent een: algemene uitgever/educatieve uitgever.

Groeipotentie voor uw bedrijf
De relatie met Company X …

- … 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

Economische prestaties
De relatie met Company X…

- … 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

Gedrag van de klant in de relatie

- Problemen die zich voordoen tijdens de relatie worden behandeld door Company X als gezamenlijke in plaats van individuele verantwoordelijkheden
- Company X is toegewijd om verbetering door te voeren waar onze relatie als geheel baat bij heeft en niet alleen Company X zelf.
- We hebben beide baat bij/verdienen beide in verhouding tot de inspanning 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 Company X
- Company X is bereid om aanpassingen te maken om ons bedrijf te helpen als er speciale problemen/behoeften ontstaan
- Company X is flexibel in de omgang met ons bedrijf
- De samenwerking met de operationele/gespecialiseerde afdeling van Company X is erg goed.

Goede reputatie:

- Company X heeft over het algemeen een goede reputatie in de markt
- In de markt wordt Company X positief waargenomen
- In de markt heeft Company X over het algemeen een negatieve reputatie
- Company X heeft een reputatie voor dat zij eerlijkheid en te vertrouwen zijn
- [Company X heeft een reputatie voor betrouwbaarheid]

Gedeelde waarden:

- Wij en Company X hebben dezelfde waarden m.b.t. zakendoen
- [Wij denken dat wij en Company X] het eens zijn met wat in het beste interesse is voor onze relatie
- [Wij herkennen onszelf in de manier dat Company X zaken doet]
- Company X heeft dezelfde doelen in de markt als wij

Aantrekkelijkheid van de klant

- Deze vragen gaan over de verwachtingen die u heeft over de relatie met Company X
- We beschouwen Company X als een aantrekkelijke partner voor toekomstige samenwerkingen
- We verwachten positieve resultaten van de relatie met Company X
- Ons bedrijf heeft positieve verwachtingen van de waarde van de relatie met Company X

Kwaliteit van informatie: m.b.t. herdruk data en verschijningsdata

- Wij beschouwen de informatie die wij aan Company X leveren door middel van het portal als correct
- Als informatie die in de portal staat incorrect is, passen wij deze minimaal 48 uur voordat de datum verschijning/herdruk datum die in het portal staat deze aan.
- Wij beschouwen de informatie die wij aan Company X leveren door middel van het portal als betrouwbaar
- Wij controleren op een reguliere basis de informatie die wij aan Company X leveren door middel van het portal, en passen deze aan als deze incorrect is.

Intensification

- We zouden graag de relatie met Company X willen intensiveren vanwege de verwachte waarde van de relatie.

Trust: based on McKnight et al. (2002); Kumar et al. (1998); Hüttinger (2014) = Dissertation; Blonska et al. (2003)

- Company X komt de beloften na die ze naar ons bedrijf maken
- Bij het maken van belangrijke beslissingen kijkt Company X ook naar ons perspectief en niet alleen naar zijn eigen voordeel
- We vertrouwen erop dat Company X rekening houdt met onze belangen

- We zien Company X als betrouwbaar.

Afhankelijkheid: based on (Kaiser 2014)

- In deze relatie zijn wij als leverancier erg afhankelijk van Company X
- Om onze bedrijfsdoelen te behalen is het noodzakelijk dat wij de relatie met Company X onderhouden
- We hebben geen goede alternatieven voor Company X

Bereidheid om aanpassingen te maken

- Als Company X ons vraagt om extra aandacht te besteden aan de correctheid, betrouwbaarheid en tijdigheid van de informatie, zijn wij geneigd dat te doen

Klanttevredenheid

- Ons bedrijf is zeer tevreden met de algehele relatie met Company X
- In het algemeen is ons bedrijf zeer tevreden met Company X als business partner
- Als we alles opnieuw zouden moeten doen, zouden we er weer voor kiezen Company X als klant te nemen
- Ons bedrijf heeft geen spijt van de beslissing om zaken te doen met Company X

11 APPENDIX 3: PRINCIPAL COMPONENT ANALYSIS

Below you can find the Principal component analysis (PCA) explanatory results. As can be seen, only the construct of customer attractiveness and shared values does not seem to load properly onto one construct. As the confirmatory component analysis did not find any issues with these constructs, and due to the small number of cases, we decided to still use these constructs for further analysis

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
S_Growth_20_3	0,176	0,209	0,179	0,876	-0,067	0,015	0,136	-0,104	0,036	0,072	0,084	-0,076	-0,075	0,024	-0,07
S_Growth_20_4	0,198	0,334	0,079	0,743	0,027	0,171	0,057	-0,066	0,123	0,194	0,162	-0,023	0,109	0,191	0,152
S_Profitability_90_2	0,093	0,845	-0,091	0,031	0,031	0,208	0,121	0,126	-0,001	-0,168	-0,101	0,071	0,18	-0,086	-0,161
S_Profitability_90_3	0,12	0,802	0,021	0,146	0,132	0,085	0,149	0,163	0,09	0,153	0,23	0,092	0,025	-0,011	0,008
S_Profitability_90_5	0,185	0,82	0,041	0,165	0,071	0,094	0,037	0,14	-0,031	0,031	0,18	-0,012	-0,158	0,2	0,15
S_Profitability_90_6	0,248	0,76	0,001	0,282	0,108	0,036	0,169	0,077	0,083	0,192	0,002	-0,019	0,154	0,104	0,086
S_RelBehavior_80_1	0,859	0,107	0,023	0,048	0,022	0,05	-0,067	0,109	-0,159	0,02	0,041	0,148	-0,136	0,032	0,025
S_RelBehavior_80_2	0,821	0,084	0,24	0,176	0,125	0,143	-0,194	-0,024	0,047	0,189	0,102	-0,051	0,108	0,089	-0,047
S_RelBehavior_80_4	0,825	0,288	0,211	0,041	-0,006	0,092	0,009	0,07	0,08	0,061	0,039	-0,028	-0,025	0,035	0,258
S_RelBehavior_80_5	0,819	0,151	0,181	0,078	-0,026	0,231	0,03	-0,101	0,245	0,025	0,176	-0,028	0,112	-0,045	-0,079
S_RelBehavior_80_6	0,718	-0,078	0,283	0,203	-0,018	0,324	0,048	-0,022	0,245	0,168	-0,023	0,124	-0,072	0,004	-0,13
S_Buyer_Reputation_300_1	0,078	-0,018	0,894	0,18	-0,093	0,061	-0,003	-0,003	-0,016	0,02	-0,085	0,038	-0,058	-0,128	0,103
S_Buyer_Reputation_300_2	0,275	0,013	0,841	-0,058	-0,025	0,153	0,11	-0,049	0,118	0,198	0,142	-0,022	-0,018	0,023	-0,038
S_Buyer_Reputation_300_3	0,202	0,02	0,872	0,097	-0,001	-0,05	-0,02	-0,039	0,234	0,135	0,009	-0,008	0,082	0,079	-0,036
S_Buyer_Reputation_300_4	0,102	0,025	0,905	0,068	-0,143	0,097	-0,027	-0,05	-0,113	-0,112	-0,007	-0,084	0,003	0,078	-0,006
S_Shared_values_210_1	0,451	0,246	-0,034	0,263	-0,012	0,181	0,008	-0,13	0,374	0,198	0,567	0,124	0,12	0,034	-0,016
S_Shared_values_210_2	0,5	0,256	0,051	0,211	-0,142	0,151	0,078	0,04	0,102	0,115	0,696	-0,018	0,003	0,02	0,061
S_Shared_values_210_3	0,369	0,357	0,247	0,236	-0,014	0,105	0,022	-0,088	0,254	0,496	0,175	-0,043	0,214	0,224	0,161
S_Shared_values_210_4	0,349	0,12	0,162	0,223	0,032	0,2	0,09	0,09	0,024	0,767	0,114	0,011	0,05	-0,189	-0,02
MDU_Dependence_200_4	-0,064	0,053	0,003	0,026	0,066	-0,023	0,898	0,197	-0,001	0,029	-0,009	-0,042	0,162	-0,003	0,024
MDU_Dependence_200_5	-0,078	0,295	0,001	0,3	0,023	0,11	0,639	0,051	-0,062	0,023	0,093	0,144	0,121	0,002	0,498
MDU_Dependence_200_9	-0,064	0,263	0,035	0,066	0,132	-0,096	0,788	-0,041	-0,029	0,049	0,029	0,132	-0,168	0,282	-0,102
ADD_Trust_150_2	0,615	0,178	0,108	0,103	0,101	0,154	-0,045	-0,012	0,576	0,124	0,222	-0,094	-0,08	0,034	-0,09
ADD_Trust_150_3	0,362	0,108	0,311	0,231	0,19	0,227	-0,104	0,096	0,601	0,014	0,151	-0,152	0,208	0,076	0,081
PC_Attractiveness_126_1	0,223	0,44	0,303	0,413	0,127	0,451	-0,026	0,148	0,12	0,06	-0,065	0,098	0,123	-0,113	0,261
PC_Attractiveness_126_2	0,21	0,454	0,248	0,407	0,068	0,462	0,097	0,208	0,116	0,069	0,106	0,103	0,188	0,024	0,315
PC_Attractiveness_126_3	0,241	0,47	0,204	0,435	0,108	0,367	0,142	0,241	0,255	0,131	0,077	0,08	0,161	0,078	0,169
S_Satisfaction_100_4	0,319	0,324	0,192	0,069	0,053	0,74	-0,033	-0,107	0,166	0,167	-0,027	0,111	-0,093	0,006	0,069
S_Satisfaction_100_5	0,341	0,109	0,031	0,074	0,209	0,819	-0,071	0,04	0,013	0,052	0,199	-0,06	0,073	0,081	-0,059
S_Information_Quality_2	0,008	0,116	-0,129	0,108	0,806	-0,037	-0,141	0,108	0,009	0,098	-0,037	0,148	-0,214	-0,285	-0,062
S_Information_Quality_3	0,125	0,2	-0,132	-0,028	0,854	0,128	0,026	0,174	0,053	0,08	-0,103	0,088	-0,059	-0,041	0,011
S_Information_Quality_4	-0,06	-0,029	-0,024	-0,079	0,862	0,152	0,085	0,034	0,052	-0,145	0,069	-0,128	0,31	0,008	0,067
Information Improvement	0,117	0,149	0,055	0,176	0,271	0,09	0,351	0,188	0,064	-0,141	0,027	-0,029	0,066	0,738	0,007
LNGTH_Relationship_236_1	0,005	0,171	-0,018	-0,073	0,156	0,01	0,154	0,896	-0,114	-0,012	0,011	0,099	0,074	0,01	-0,106
Knowledge	0,082	0,12	-0,055	-0,054	0,073	0,045	0,09	0,245	-0,066	-0,003	0,021	0,922	0,083	-0,014	0,031
Active_CB_years	0,018	0,266	-0,14	-0,015	0,143	0,002	0,054	0,775	0,185	0,067	-0,035	0,212	-0,107	0,151	0,192
ADD_Intensification_166	-0,104	0,558	-0,019	0,071	0,027	0,043	0,166	-0,007	0,1	0,159	0,054	0,203	0,704	0,068	0,053