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Pham Thuy Quyen, Nguyen

Master's Thesis

**THE ROLE OF TRUST IN DEVELOPMENT OF COLLABORATIVE BUYER –
SUPPLIER RELATIONSHIP**

1st supervisor: Professor Katrina Lintukangas

2nd supervisor: D.Sc. Sirpa Multaharju

ABSTRACT

Author	Pham Thuy Quyen, Nguyen
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In any relationship between organizations, trust is considered as the root. It is due to the fact that the way they think and behave with other partners depends a lot on their trust in those involved parties. In fact, the firms will never talk or collaborate with those they do not trust, instead they will behave carefully, and pay attention to every spoken word. It means that organization is likely not to hesitate to collaborate with those who absolutely believes on them. Therefore, it can be found that trust is at an important position in any relationship, especially collaborative relationship between the purchasers and the vendors, even in its building and developing process.

The aim of this thesis is to explore how trust is manifested in collaborative relationships through the lenses of TCE. From then, it aims to understand how important trust is in the growth of collaborative buyer – supplier relationship. In order to gain insights into the knowledge, this thesis use qualitative research method, in which data will be mainly collected from the interview sent to both buying firms and supplying ones. In addition, what mainly concentrated on in this thesis are transaction costs, trust concept, the way to establish and retain it, collaborative buyer – supplier relationship, as well as some essential elements leading to its success and the stages in development and assessment of collaborative partnership.

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1. INTRODUCTION

1.1. BACKGROUND

As the pressures on the issues that business faces become more complicated, collaboration between firms can bring more chances for them to move forward in reinforcing involved parties and network development. Through collaborative partnerships, companies can give their contribution and mutually get the advantages of both partners, promote the learning and development of skills and knowledge in order to reach joint targets. Value can also be added by seeking partners of companies through collaboration efforts. In spite of having different strategies and approaches, when collaborative relationship exists within the buyers and the vendors, common goals and good results will be received. Therefore, it can be said that collaborative relationship plays an essential role in supporting companies in getting mutual benefits.

It is obvious that having and maintaining a good collaborative buyer – supplier relationship will help purchasers to decrease transaction costs as well as enhance work rate (Henke et al., 2008). Furthermore, in order that the requirements of competitive market can be met, it is necessary for organizations to improve their adaptability as well as their innovation through collaboration with key vendors. According to Henke and Zhang (2010), good collaborative buyer – supplier relationship will support organizations to reach their vendors' inventive potentiality and improve competitive advantages. In addition, Lee (2004) proved that ability to meet the changes of market needs will be enhanced by collaboration in which purchasers and vendors collaborate to achieve more flexible and suitable activities. Therefore, it can be said that the managerial levels are suggested to focus on developing and managing collaborative buyer – supplier relationship in order to obtain these benefits.

Powers and Reagan (2007) claimed that successful management of collaborative buyer – supplier relationship will lead to a success in competition. Christopher (2005) also said that organizations who take the highest advantage from cooperative buyer – supplier relationship

usually try to seek trusting relationship and common advantageous resolutions. Therefore, in order to achieve a good collaborative relationship with common benefits, it is vital for purchasers and vendors to realize the essential elements leading to good collaboration.

In order to well develop collaborative partnership, there are several elements supporting the development process. However, among those elements, trust is considered as one of the most important factors leading to the success of collaborative relationship development. According to Williamson (1981), opportunism is considered a main element leading to poor collaborative buyer – supplier relationship. Nooteboom (2006) described trust as an anticipation in which involved parties do not follow opportunism even there exist opportunities. Hence, performance of organization including negotiation, communication as well as investment decision can be impacted by the perspective of trust of involved parties. As a result, trust is considered to play a vital position in a successful cooperative buyer – supplier relationship. Thus, it is indispensable that firms, especially managerial levels understand and apply trust efficiently in order to get good collaborative relationship within involved parties.

1.2. RESEARCH QUESTIONS

As discussing in above part, what mainly concentrated on are trust concept, the way to establish and retain it, collaborative buyer – supplier relationship, as well as some essential elements leading to its success and the stages in development and assessment of collaborative partnership. In other words, this thesis aims to recognize and review how to develop collaborative relationship between purchasers and vendors, particularly trusting relationship. From then, it aims to understand how important trust is in the growth of collaborative buyer – supplier relationship. In order to approach to the target of this study, there are a main research question and two sub – questions as below:

Main research question: What is the role of trust in collaborative buyer – supplier relationship development?

Sub questions:

- How to build and maintain trust?

- What are the advantages and the disadvantages of trust in development of collaborative buyer – supplier relationship?

In this paper, a deep knowledge about how trust can be built and maintained as well as the advantages and disadvantages of trust in development of collaborative buyer – supplier relationship will be given. By resolving these above research questions, the level of the role of trust in development of collaborative buyer – supplier relationship will be explained. Furthermore, some basic information about Vietnamese business operation way will also be provided in order that business opportunities can be found by global organizations.

1.3. LIMITATIONS

This thesis will be analyzed based on the relationship between case company and their key strategic vendors who have already developed collaboration relationship with them. Hence, this study will focus on trust concept, the way to build and maintain it, collaborative buyer – supplier relationship, as well as some essential elements leading to its success and the stages in development and assessment of collaborative partnership. Yet, this paper will not show the way in which the supplier strategies are implemented or the way in which trust strategy are put in place for the organization. In addition, because this paper will be researched based on certain case company together with their relationship with their key suppliers, the outcome is not able to be applied to all organizations.

1.4. CONCEPTUAL FRAMEWORK AND KEY CONCEPTS

Previously, there were a lot of researches about similar topic which were studied in various aspects in order to gain insight into the advantages of close relationship between purchasers and vendors as well as strategical methods aiming to achieve effective business outcomes. As the chosen topic is “The role of trust in development of collaborative buyer – supplier relationship”, this thesis will use transaction cost economics theory (TCE) as a theoretical frame and background. In addition, the aim of this thesis is to explore how trust is manifested in collaborative relationships through the lenses of TCE. Therefore, the conceptual framework of this thesis showed in figure 1 consists of three main concepts, which are trust, buyer – supplier relationship and transaction costs. They mutually impact, based on the TCE frame.

Regarding to Hawkins et al. (2008), transaction cost economics is a formal integrative theory supporting organizational efficiency through recognizing and managing characteristics of economic transactions. Furthermore, transaction cost economics also highlights the costs supporting efficiency of administration of interfirm transactions (Heide and John, 1992).

Transaction cost economics was initially used for describing the organizations’ nature as well as their differentiation in market. Transaction costs and management costs compared determined the border of organizations stood on organization’s decision on market (Coase, 1937). Later, Williamson (1993) evolved transaction cost economics and found basic elements influenced organizations’ decisions on market. In addition, Dahlstrom and Nygaard (1999) stated that transaction cost economics associated transactional characteristics of relationship administration and logically supported to evaluate efficiency of transaction aiming to control opportunism and transaction costs.

According to Reuer and Arino (2007), alternative optimal methods of systematizing economic transactions contributes on recognizing interfirm governance based on specified situations implicating relational governance or hierarchical setting, etc. There are several characteristics of relational partners, such as possessing bounded rationality, conducting opportunistic

manners, especially frequently uncertain transactions and specificity asset transactions (Williamson, 2005). Therefore, based on transaction cost economics, it is advised to structurally form relationship exchange depended on economic units managing and preventing an organization's wrong manners as well as improving cooperation in order to diminish transaction costs and partners' opportunistic inducement (Luo et al., 2015).

Croom (2001) stated that organizations frequently engage in long – term transactions are motivated to involve in trust creation, instead of opportunism. In addition, the best ways for organizations to deal with vendors is enhancement in partnership as well as making higher pressure in reducing cost with better productivity (Sheth and Sharma, 2006). Trust can support buyer – supplier relationship development from input to output. Due to the fact that antecedents of trust can enhance the possibility to create buyer – supplier partnership in the very first stage (Heffernan, 2004). Besides, trust also brings positive outcomes to relationship between involved parties.

According to Campelo (2009), supplier relationship management was applied as subsystem in supply chain management, providing different ways to work with supplying firms based on higher clarity, sustainable optimism, as well as process and productivity enhancement. Besides, a general reference structure resulted from supplier relationship management practices facilitates sufficient transmission between organizations and supplying firms (Hald et al., 2009). Otherwise, supplier relationship management was described by Moeller et al. (2006) as the assemblage of executive tasks, such as installing, developing, maintaining, and softening internal supplier relationship, and examining external suppliers in order that value is generated and improved.

It is obvious that there will be an increase in cost, inefficiency and fluctuated pricing structure if there is no collaborative supplier relationship. Therefore, supplier relationship management plays an important role in supporting organizations to develop commonly beneficial relationship with their vendors as well as enhance quality, effectiveness, innovation, etc. According to Cheung et al. (2010), sharing resources between purchasing firms and supplying ones can create

competitive benefits and develop their relationship. Thus, organizations are recommended to make effort into enhancement of interaction, sharing of information, etc. Meanwhile, risk and conflicting performance may be weakened by cultivating trust, engagement and communication between involved parties (Centola et al., 2004).

Furthermore, there are many advantages of supplier relationship management forcing organizations to take them priority in order to get success. For example, with a strategic supplier relationship management, organizations can decrease expenditure. In fact, the cost spent for supplying firms is more than internal one. Thus, good buyer – supplier relationship can help buying firms to save a lot of money via discount, appealing bargain, encouragement, etc. Especially, with a strong relationship with key suppliers, purchasers can reduce the unpredictable expenditures resulted from postponements, and production mistakes.

In addition, efficiency which is considered a vital element in competition can be risen by sufficient supplier relationship management. In other words, purchasers can efficiently decrease risks, boost interaction, management, assure tasks done with coherent behaviors, solve problems immediately, as well as increase perceptibility supporting sourcing, etc. From then, it can be said that purchasing organizations can get the highest value from their vendors with good supplier relationship management.

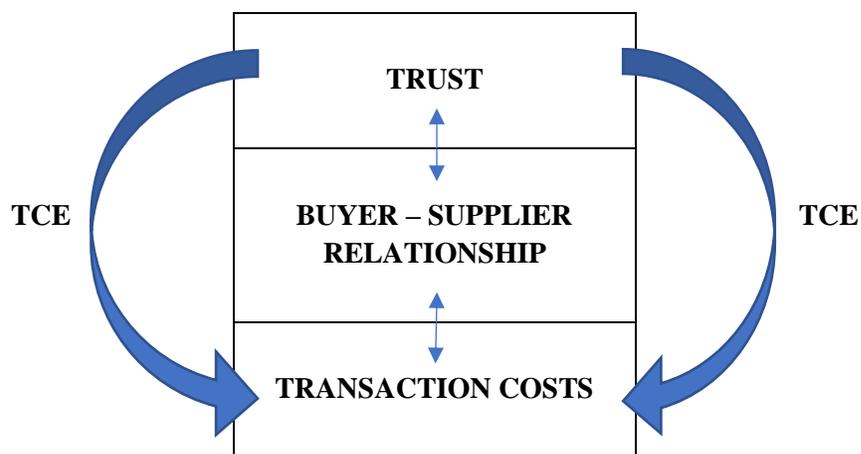


Figure 1. Conceptual framework

1.5. STRUCTURE OF THESIS

The study's content will be separated into five major sections, including introduction, theoretical background, research methodology, results and conclusion. The chapter of introduction will provide general view of what the researched issue is and the importance of researched topic. This first chapter will consist of five main parts, such as background, research questions, limitations, conceptual framework and key concepts, as well as thesis structure.

The second chapter will deal with theoretical background and be divided into four key sections. The aim of this literature review is to increase awareness and understand the role of trust in the development of collaborative relationship between buyers and vendors and their theoretical definitions. This chapter will also focus on a number of key factors for a good partnership and the main benefits of trust in a collaborative relationship between the buyer and the supplier.

The next chapter will be about research methodology and consist of five parts, such as research methodology, case study, case selection, data collection plan and data analysis. Then, the fourth chapter will show the research outcomes and analyze these results to give answers for the above research questions. Finally, the fifth chapter will be conclusion, answers of the main research question as well as two sub questions and provide managerial implications. Furthermore, recommendations for case company and future research will be also mentioned in this chapter.

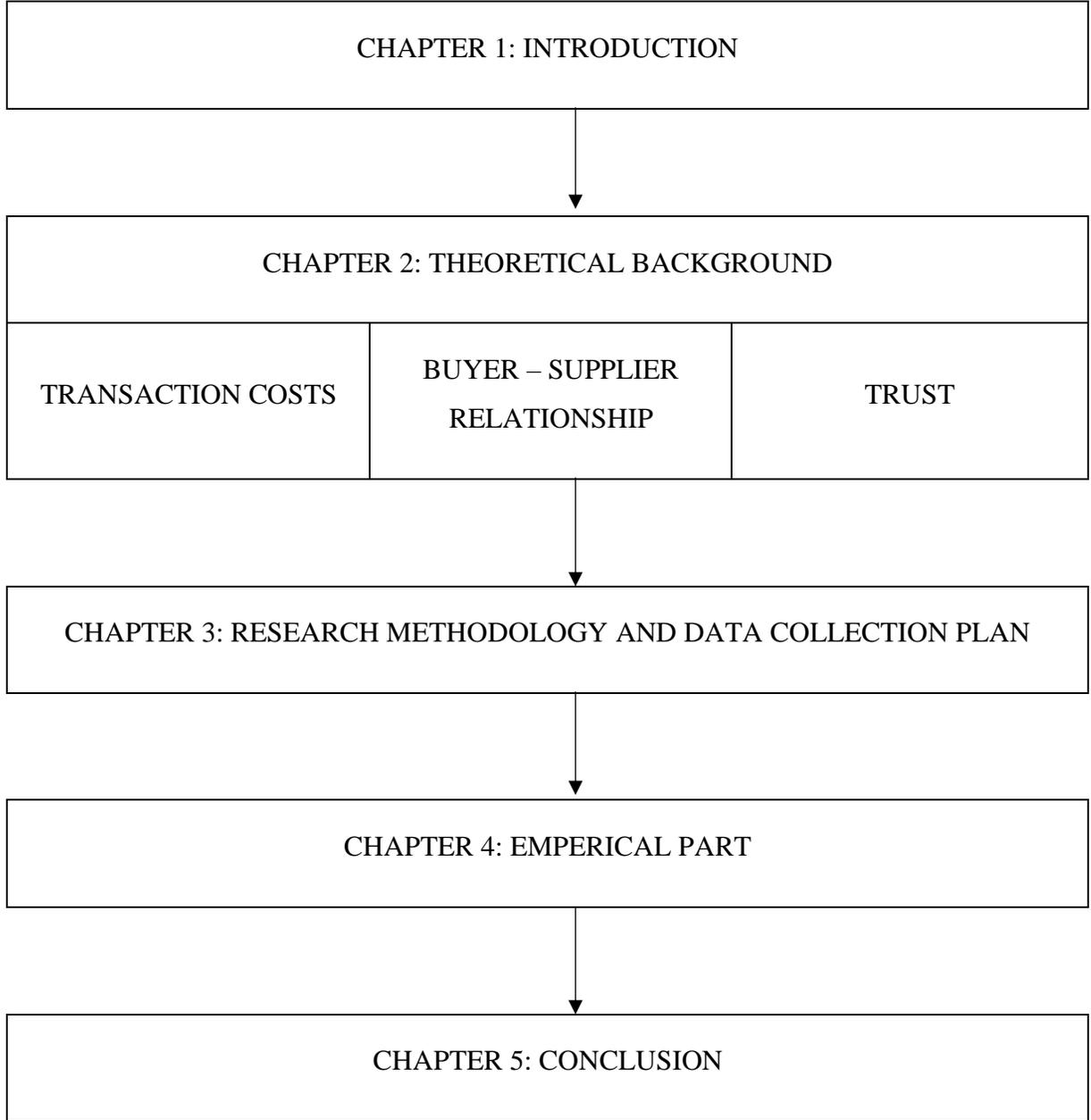


Figure 2. Structure of thesis

2. TCE AND TRUST IN BUYER – SUPPLIER RELATIONSHIP

The content of this review will be separated into four key sections, including chapters of theory and discussion. This literature review aims to increase knowledge and to understand the role of trust in the growth of collaborative buyer – supplier relationship based on TCE frame and their theoretical definitions. This report will also focus on some essential factors of a good partnership and main benefits of trust in collaborative buyer- supplier relationship.

This theoretical background part primarily focuses on factors of transaction costs, trust, the way to create and sustain it, collaborative buyer – supplier relationship, as well as some key factors that lead to its success and the growth and assessment phases of collaborative partnership. However, this analysis does not discuss how the supplier strategies can be applied or how trust strategy can be introduced into organization.

2.1. ELEMENTS ON TRANSACTION COSTS

Transaction costs play an essential role in offering deep conceptual insights; therefore, many researchers have conducted a lot of studied about them. According to Arrow (1974), transaction costs were considered as the costs using for operating economic system. Later, Barzel (1997) had a wider definition about transaction cost which was the cost related to the transmission, apprehension and right protection. Similarly, North (1990) defined transaction costs as the costs spent for essential exchanged feature measurement as well as right, policy and agreement protection.

According to Groenewegen (1996), transaction costs economics is considered as the key of new institutional theory of organizations. In order that inter – organizational relationships are analyzed, transactions are used by transaction cost economics as the fundamental unit. Furthermore, North (1990) claimed that transaction costs are likely to move toward costless in a perfect condition consisting of good information transmission between involved firms.

Coleman (1994) stated that risks in behaviors or transactions for firms who have to conduct resources investment before getting a return will be led by unbalanced delivery time.

It is obvious that transactions actually happen only over a certain period and information is never transmitted perfectly. Therefore, it can be said that the positive transaction costs are resulted from three main elements including bounded rationality, opportunism and asset specificity (Rao, 2003). Williamson (1975) described bounded rationality as action thought as reasonable, but only in a limited way, which relates to awareness and language limitations. Simon (1957) explained that people lacking capability in making their future plan make efforts to solve the complex and unpredictable problems surrounding them. In other word, they have a shortage of expertise as well as skills in order to forecast exactly and manage all the different situations which are likely to happen.

According to Williamson (1994), opportunistic behaviors consist of inadequate or false information transferring, even deliberation in misguiding, hiding information aiming to lead involved parties' confusion and reach their own's interest. In other words, those who follow opportunism is likely to lack of trust within the relationship because of their efforts to seek for advantageous circumstances for themselves only. Based on TCE, these behaviors will create various risks for the business relationship in long – term. In addition, relationship having opportunism is considered to base on calculation instead of trust (Bachmann and Zaheer, 2008). Hence, it is vital to deduct in opportunism as well as opportunistic behaviors in transaction cost economic.

Rao (2003) described behavioral characteristics in the existence of unbalanced information between involved firms by using adverse selection and moral hazard in transaction cost economic. Adverse selection can be understood as a phenomenon of misleading other parties by hiding a firm's private information in the transactions. In addition, moral hazard is described as post – contractual opportunism in the existence of imperceptible unbalanced information. Nonetheless, Williamson (1994) pointed out that not all firms regularly conduct opportunistic

behaviors in real world. It is simple that they look for self – interest but they are not totally opportunistic.

Asset specificity is described as enduring expenditure for specific transactions by Williamson (1985). Therefore, both partners are received the identical hierarchy and higher productivity compared with other market transaction by high - asset – specificity transaction. Furthermore, he said that according to transaction cost theory, reliance between involved parties is resulted from market transactions associating with high functional assets, which can produce tremendous transaction costs if one of the involved parties chases opportunism.

According to Dyer and Chu (2003), in order to determine control variable for the exposure of the suppliers relating to specific investment transaction, asset specificity is undertaken. Heide and John (1990) claimed that involved partners can be harder to get unsatisfaction by specific investments including functional systems, capital, human resources, etc. In other words, these specific – asset investments bring high constant and collaborative expectancy of suppliers due to growth in switching costs brought by asset specificity and supporting more powerful firm to take advantage of less powerful ones.

In order to have a leader position in the competitive market, it is suggested that the organizations minimize transaction costs. Based on TCE theory, the managerial system’s attraction is affected by how transaction costs are mitigated (Williamson, 1985). One of the best ways to lessen transaction costs is applying trust within the collaborative relationship. Due to the fact that common trust between the purchasers and the vendors will support them to lessen the amount of time and resources for ex – ante and ex - post transaction costs, such as searching, negotiating, auditing, etc. during the transaction period. In long – term, it leads to a reduction in tendency of opportunistic behaviors which are considered one of the elements affected much on the development of collaborative relationship between the purchasing firms and the supplying ones (Dyer and Chu, 2003). Therefore, it can be said that the higher the trust degree supporting reduction in the transaction costs is, the higher level of successful collaborative buyer – supplier relationship is.

2.2. FACTORS OF GOOD BUYER – SUPPLIER RELATIONSHIPS

Buyer-supplier relationship value has been increasingly acquired due to its effect on the competitive position of companies and their long-term performance. Anderson and Katz (1998) commented that growth and value creation are much more focused by organizations than cost minimization, so sourcing strategies of organizations tend to shift to collaborative relationships, focusing on few suppliers with leverage external capabilities to increase competitive advantages.

It is essential that companies involved fulfill their current needs, future economic and moral goals in a cooperative relationship (Macbeth and Ferguson, 1994). Therefore, it can be assumed that collaborative buyer – supplier relationship is formed when the demands of each party and their expertise as well as experience are identified and shared by the companies involved.

Ellram (1991) specified collaborative buyer – supplier partnership is an on – going relationship between two parties with extended time contracts, prioritizing the exchange of knowledge as well as risks and rewards of relationship. Collaborative relationship between purchasers and suppliers is regarded as potential resource and needs to be managed continuously by both organizations. This cannot however be extended to all forms of suppliers. For some instances, transactional relationship may be more suitable than collaborative one. Organizations should also carefully choose their correct approach to implement for each kind of their suppliers, so that they can achieve the best outcomes from a partnership.

There are several essential factors influencing the strength level of buyer – supplier partnership, such as: genuine commitment, trust, open communication, sufficient resource, capable staff and patience (Steele and Court, 1996). These elements can support buyers as well as suppliers to get a general overview of the essential components used to enhance or even minimize a successful collaborative relationship. Therefore, buyers and suppliers need to comprehend these main elements in detail.

According to Morgan and Hunt (1994), commitment was defined as a faith of partners on their on - going relationship with others, which is critical to ensure attempts to retain it at the highest level and keep it ongoing. Besides, Powers and Reagan (2007) noted that commitment can be observed when partners seek to sustain collaboration. However, it is optimal for the top managerial levels to discuss a goal setting before processing the next negotiation. Trust also plays an essential role in ensuring good interaction between parties. When mutual engagement occurs, it leads to a shared conflict settlement and an increased ability to address partners' needs (Monczka et al., 1998). Thus, a genuine commitment is also seen as an integral aspect of long – term cooperation and long – term benefit achievement.

According to Stuart et al. (2012), trust is one of the most commonly stated elements contributing to a positive collaborative relationship. Sabel (1993) defined trust as shared conviction that no party will exploit the other's weakness. The higher trust level in respective company is, the greater the cooperation is. Hence, organizations need to have a clear understanding of the definition and impact of trust.

Effective communication at strategic and organizational level consists of sharing of expectations, plans, aims, relationship evaluation (Paulraj and Chen, 2007). Common objectives achieved through communication will help both parties understand each other's activities, which will be important for improving relationship. Moreover, shared expectations contribute to a reduction in the dispute of principal agent problem (Zsidsin & Elram, 2003). Thus, Powers and Reagan (2007) said that focus areas improving efficiency are prioritized by specific targets, while unrealistic targets will make both buyers and suppliers misunderstand and misalign in priorities. Feedback is another essential type of communication. The requirements and areas for changing for both purchasers and suppliers will be explained by feedback (Modi & Mabert, 2007).

According to Philip Sadler (2003), it is mandatory for the parties involved to have capable staff sufficiently trained to operate their jobs effectively and have sufficient patience to solve problems. There are some common obstacles to be overcome by business, such as: impatience,

pride, complacency, and overdependency. Since solving issues is not straightforward, the involved parties should have their trained staff to collaborate and learn to efficiently tackle it internally.

Mutual support activities are long – term joint initiatives between purchasers and suppliers aiming to enhance supplier efficiency (Modi and Mabert, 2007). Buyers will benefit from enhanced supplier efficiency, while suppliers will benefit from improved operational performance related to enhanced flexibility, increased product quality, cost reduction, and short lead time. Hence, both organizations will get advantage from mutual support programs. Furthermore, support activities could include group activity, training of partners' employees, investments and production progress (Nagati and Rebolledo, 2013).

A resource combination can also lead to increasing the economic efficiency. From a resource – based view, an internal resource can serve to boost the strategic advantages of an organization and generate economic benefit in an indirect way (Barney, 1991). Kraaijenbrink et al. (2010) claimed that resources are not constant since they are often shifted after shifting conditions and may not create sustainable competitive advantage. Yet, there are several concerns that capital can be useful corporate properties. Valuable resources can be led from both internal activities and external ones, such as: cooperation with other parties. Dyer and Singh (1998) specified that parties can reach out to particular external resources by relationship specific contributions incorporating both two parties' resources.

There are five stages of creating and assessing collaborative partnership as below. According to Ellram (1991), such stages do not exclude together, but indicate a likely replicated cycle. In the first step, businesses are expected to establish a competitive need, form a team as well as seek approval from top management. After having preliminary demands, companies will transit to second and third steps, in which they will classify their prospective partners, and choose suitable partners who match their needs. Then, in phase 4, businesses should begin a partnership with their suitable partners by tracking preferences and offering high degree of support. Finally, companies will assess their relationship with partners by sticking with the current level or by

growing their relationship, such as: raising the amount of cooperative relationship, even reduce or destroy their relationship.

It is evident that identifying potential partners plays a significant role in establishing a long – term relationship (Elmuti and Kathawala, 2001). In fact, sustaining a relationship is often challenging, it requires both parties to comprehend the core factors that lead to the sustainability of their long – term relationship.

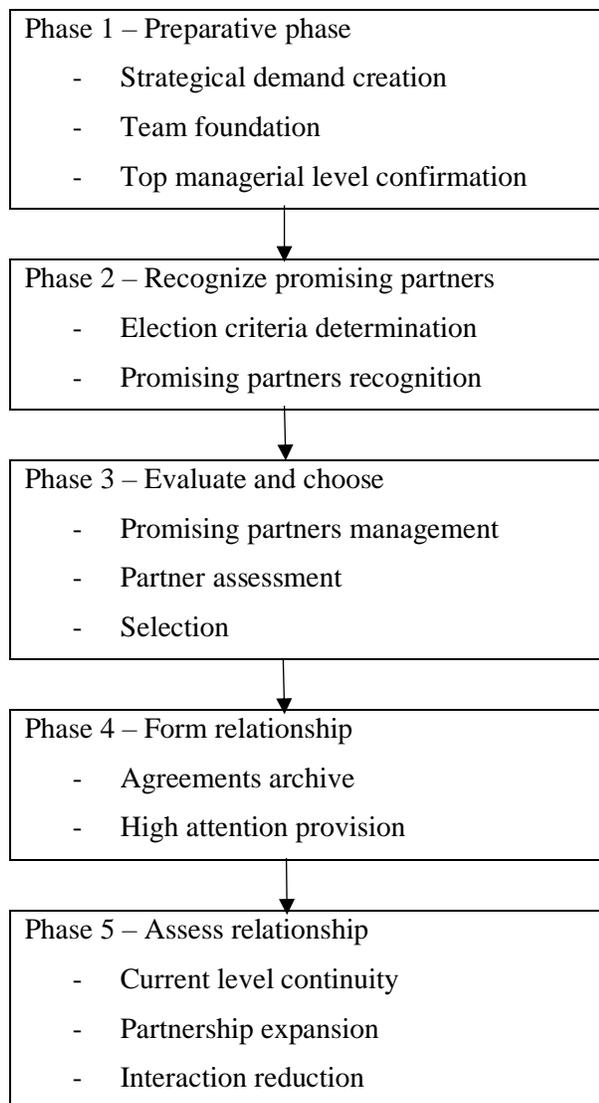


Figure 3. Phases in development and evaluation of partnership (Source: Ellram, 1991)

2.3. ANTECEDENTS OF TRUST IN BUYER – SUPPLIER RELATIONSHIPS

In spite of several core elements that lead to a successful collaborative buyer – supplier relationship described above, this analysis will primarily concentrate on the position of trust in the growth of collaborative partnership between purchasers and suppliers.

There have also been several researchers who have invested much time in identifying trust throughout the decade, but there are also theoretical controversies concerning the position and importance of trust in business relations (Bachmann & Zaheer, 2008). There are some outstanding concepts of trust that will be listed as follows. According to Bhattacharya et al. (1998), on the basis of expectations, organizations should gain trust, which is expected to deliver positive results. In addition, Cummings and Bromiley (1996) described trusts as a belief of a person and a shared belief between people, in which other person or groups are trying to act in a trustworthy manner and transparent in negotiations as well as do not utilize opportunistic behaviors even when opportunity is available. Conflicts between assumptions of different disciplinary methods in organizational and management literature are the factors leading to debates and confusion in this topic (NooteBoom, 2006).

It is difficult to study about trust. Trust is regarded as a reciprocal concept in the research of Seppänen et al. (2007). In other words, there is reciprocal correlations between trust and cooperation. This proposed cause and effect correlation is one of the reasons for the confusion in seeking antecedents, size, and outcome of trust.

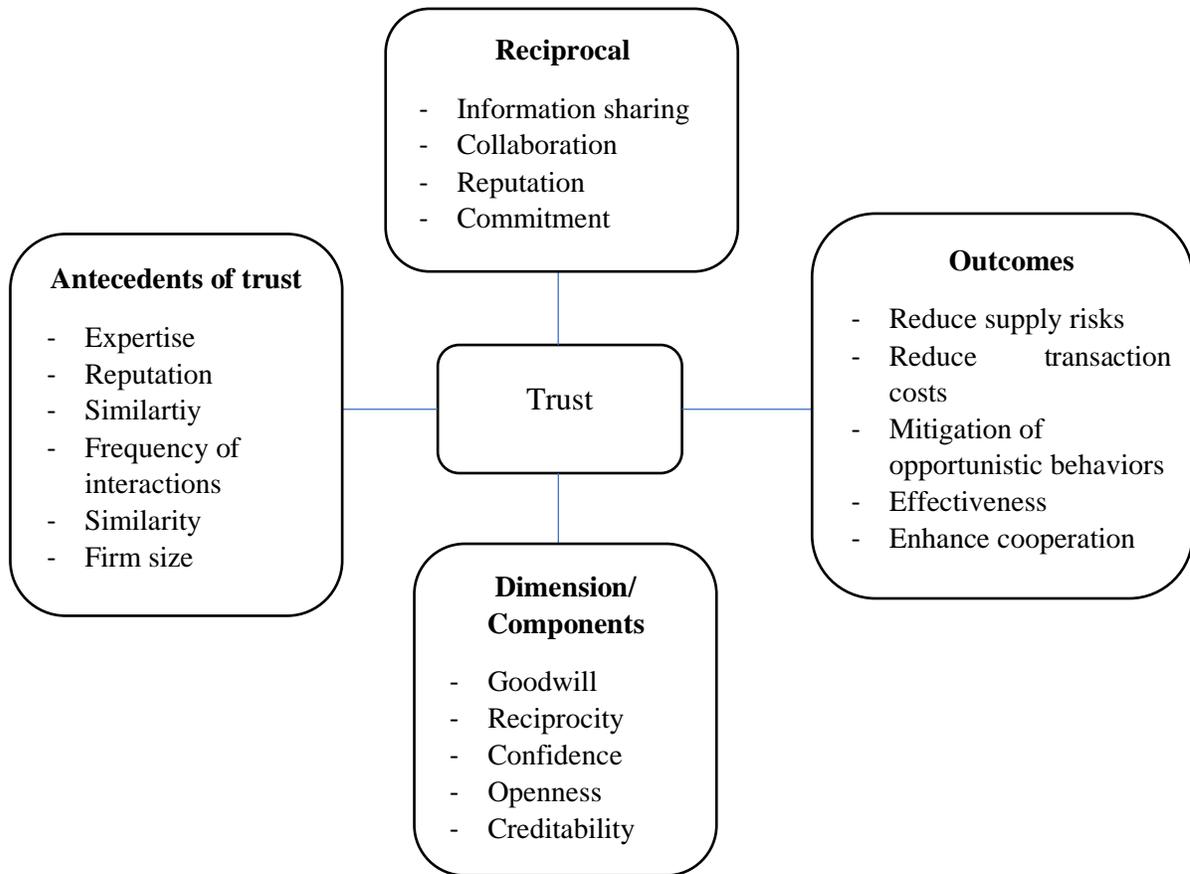


Figure 4. Antecedents, dimension/components, and consequences of trust (Source: Seppänen et al. 2007)

Over a period of time, a variety of antecedents of trust has been researched. However, some main antecedents of trust can be chosen to review in this paper, such as: Expertise, Reputation, Similarity, Frequency of interactions, Similarity and Firm size. There is a difference in level of antecedents of trust. Hence, it is necessary for categorizing them due to the fact that one antecedent is not always suitable for each level. There are three categorizations of these antecedents of trust, including Organizational trust, Personal trust and Both of them.

According to Moorman et al. (1993), expertise is considered to play an essential base for trust. For instance, Lee and Dawes (2005) said that through promises created by the competences of a vendor, a purchaser's trust can be built. Evidently, Doney and Cannon (1997) proved that the expertise of vendors is positively related to the level of trust on the vendors. In addition, antecedent of trust called expertise can be applied for both organizational and personal trust.

Doney and Cannon (1997) defined that vendor's reputation is the level of trust which organizations and customers give to a vendor, in terms of truthful and responsibility. Furthermore, reputation has a definition as popular information regarding to the reliability of a firm or a person (Jemaa and Tournois, 2009). When there is no previous business, this popular information often plays an essential role in building a partnership. Therefore, reputation is considered as a good antecedent of trust which suits for both levels of organization and person, especially in case of building new partnership.

According to Doney and Cannon (1997), the level of trust can be enhanced by frequently interacting due to the fact that the generous motives can be attributed by the buying firms. Establishment of trust can be occurred if companies and staff frequently interact. The reason is that each other's conducts in many cases can be assessed by involved partners. Therefore, it can be said that through regularly interacting, trusting partnership can be achieved (Jemaa and Tournois, 2009).

Johnson and Grayson (2005) stated that the level of trust will be improved by similar values and interests due to the fact that it is possible for them to forecast the vendors' conduct in the future through having same trust on targets, strategies, etc. Similarity belongs to both personal level and organizational one.

Doney and Cannon (1997) considered vendor size as the element affecting on the purchasing organization's vendor selection and establish a trusting partnership. In other words, firm size is an index for the vendors to be trusted. According to Koufaris and Hamptonsosa (2004), the organization tends to be more interested in and believe in the firms having larger size compared with others.

In order to get insight into the link between trust and collaborative partnership between the purchasers and vendors, it is necessary to explore and understand the phases of trust development. Below figure shows the growth of trust.

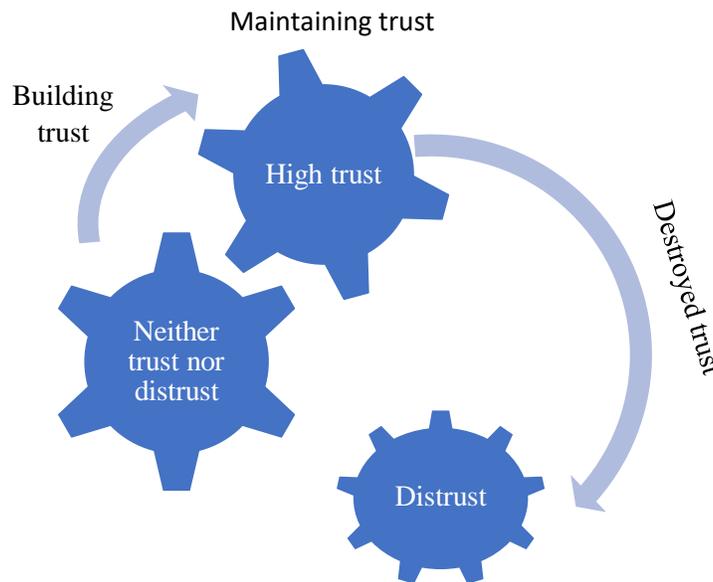


Figure 5. Growth of trust (Source: Currall & Inkpen, 2006)

Currall and Inkpen (2006) indicated that three phases of trust development, including building trust, maintaining trust and destroyed trust, should take place. First of all, because of the lack of trustworthiness information among parties, trust begins at a neutral level. Therefore, faith would be formed and strengthened slowly during the stage of building trust due to the trustworthiness of parties. When trust has reached its highest level, it grows and moves to a stage of maintaining trust. Trust remains intact in this stage until the parties concerned take steps to break it. If trust - destroying acts take place, faith is decreased slowly and passed through the destroyed trust phase, even down to zero. Therefore, immense attempts to restore trust and preserve faith in order to avoid further devastation are necessary for parties.

There are two converse concepts which should be researched surrounding the topic of the role of trust in development of collaborative buyer – supplier relationship, such as power and dependency. Power basically exists in the concept of dependency. In other words, if power of organization X is more than firm Y, it can be said that firm Y depends on organization X.

According to Dwyer et al. (1987), when alternative resources for valued resources are limited, an organization will be highly depended on another organization. Therefore, it can be said that possessing resources which others need and administering the alternative resources will lead to the appearance of power. Dwyer et al. (1987) also showed that the ability for reaching expected targets will lead to power.

Gelderman (2003) stated that when organizations have more power than dependent organizations, there is intension that these organizations will utilize their power to get their dependent organizations' collaboration and to get valuable results. The concept of dependency was considered an essential measurement tool of relationship between purchasers and vendors (Handfield and Bechtel, 2002). To be more detailed, in a relationship between purchasers and vendors, how vendors' dependency is different from the purchasers' one is estimated by power.

According to Gelderman (2003), there are two kinds of power and dependency including interdependency asymmetry and total interdependency. If the degree of the dependency of two involved parties is not the same, it is called interdependency asymmetry. In long term, this kind of relationship is weak because of its leading to inefficient relationship and efforts for taking advantage. Meanwhile, in long term, if total interdependency's degree is high, the relationship between involved parties will be collaboration because they will mutually invest in. The characteristics of this relationship consists of mutual trust, genuine commitment, expectation on continuous relationship as well as encouragement for maintaining long – term collaborative relationship. Mudambi and Helper (1998) stated that dependency positively influences on exposure of one of the involved firms.

There are two main elements affecting on the supply strategy of organizations, such as profit impact and supply risk (Kraljic, 1983). This portfolio aims to decrease the supply risk and maximize the purchasing power. According to Kraljic (1983), there are four main classifications, including Leverage Items, Strategic Items, Non – critical items, and Bottleneck items. First of all, in the Leverage items category, it can be found that the profit impact is high, but the supply risk is low. It means that the purchasing firms can take advantage of their power

in buying because of a large number of vendors in the market. Second, in the Strategic items category, both supply risk and profit impact are at high level. To be more detailed, the notable supply risk will appear because there is only one vendor supplying that kind of strategic products. Therefore, in order to minimize the supply risks in this category, the purchasing organizations are suggested to develop collaborative relationship together. Besides, it is advised that the buyers select and evaluate vendors carefully.

Third, in Non – critical items category, the priority of purchase and the supply risk are both low due to a large number of alternative vendors. Meanwhile, in the bottleneck items category, the profit impact is at low level while the supply risk is at high level. Hence, Olsen and Ellram (1997) recommended that buyers are advised to make an effort for standardizing their orders or seeking for alternatives in order that they can control their orders more efficiently. From then, it can be said that organizations can use this portfolio to consider if they will take advantage of the vendors' competition or develop cooperative partnership with their vendors.

2.4. ROLE OF TRUST IN COLLABORATIVE BUYER – SUPPLIER RELATIONSHIP

Organizations, intending to take advantage of cooperative partnership, is assumed to participate in mutual ties between purchasers and vendors (Dwyer et al., 1987). This assumes that companies could collaborate with their vendors or purchasers as they understand their benefits through relationships. Bachmann and Zaheer (2008) have reported that relationships are based on the perception of economists rather than on trust.

Conversely, trust is attributed to positive outcomes in interactions between parties as most of the researchers presented. According to McEvily et al. (2003), not only does trust influence, sustain relationships between organizations, but also participates and integrates capital in joint activities and manages them. Wykstra et al. (2001) endorsed that trust provides big benefits to collective partners, including: excellent knowledge exchange, improved teamwork, cooperative initiative to minimize inefficiencies, as well as an encouraging manufacturer to invest in product

creation. Additionally, trust is seen as the most important driver of transaction efficiency, negotiation, and conflict resolution (Zaheer et al., 1998). Moreover, trust encourages the creation of collaboration, high efficiency, more optimistic attitudes and expectations (Dirks and Ferrin, 2001). Trust is characterized as the reliance of the organizations on others in which they volunteer to participate in and contribute to the preservation of their rights and benefits (Hill et al., 2009). Handfield and Bechtel (2002), therefore, said that trust plays a protective role in preventing the impact of a breach of the psychological contract, improving suppliers' reaction and protecting real investments.

According to Liu et al. (2010), in long – term relationships, non – obligatory power encourages parties to cooperate for their mutual advantages by enhancing mutual contact and understanding, conflict reduction, and satisfaction and willingness increase to engage in further cooperation. Furthermore, organizations must interlink, trust and organize in order to get success (Monczka et al., 1998).

There are five phases of collaborative buyer-supplier partnership formation and evaluation, from setting criteria to identifying potential partners to create relationships with suitable suppliers and improving or breaking their relationship. This can be said that the parties concerned need to consider the efficient way and critical factors to increase and sustain their relationship, as it is not easy to find and select appropriate partners, and it is more difficult to maintain relationship.

There are five factors listed which are important features of a successful working partnership between suppliers and buyers, such as: genuine commitment, trust, open communication, sufficient resource, capable staff and patience. There are key factors contributing to the improvement of cooperative partnerships. If they all occur and interdepend within a partnership, it can produce an effect of reinforcement. It ensures that working partnerships will be strengthened, and conflict risks will be rare through the interdependence of these factors. Hence, vendors and buyers will both benefit from this collaborative relationship, and even end customers will also get advantages from created value of this relationship.

Trust across open communication networks decreases unpredictability and susceptibility. Clearly, buyers and vendors have different reasons for forming close ties. Via trust-based communication, the involved parties can gain new capabilities that rivals cannot easily replicate. The reciprocal trust between purchasers and suppliers has a positive impact on knowledge exchange, asset specificity and costs of transaction which has a positive effect on the growth of cooperation and the performance of companies.

In addition, the concept of trust, power, and dependency is linked to relationships between purchasers and suppliers. A measure of protection against ambiguity, opportunism and vulnerability is often called trust. However, trust is more related to long – term relationships than short – term ones. On the contrary, power and dependence are more attached to short – term relationship than long – term relationship. Furthermore, the asymmetry of interdependence is different from total interdependence. Total interdependence is completely related to the relationship of long – term cooperation, mutual trust and mutual commitment.

Lastly, suppliers with powerful negotiation capabilities and proprietary technologies are less reliant. Because of their lack of trust and power disparities, buyers are required to visit suppliers regularly and collaborate for getting mutual advantages. In addition, power gaps reduce cooperation and coordination; however, increase buyers' vulnerability. In a nutshell, the ideal cooperative buyer - supplier relationship as well as business relationship are shown by particular commitments made by strategic partners, and a reciprocal trust, cooperation and communications.

3. RESEARCH METHODOLOGY AND DATA COLLECTION PLAN

3.1. RESEARCH METHODOLOGY

Flick (2007) said that it is vital to select suitable research methodology because its necessity in supporting understanding studied issue. According to Hammarberg et al. (2016), in order to have answers for apparent questions about issues, quantitative research methodology is considered the best fit because of its benefits on carrying out actual data, and defined variables. On contrary, qualitative research methodology takes an advantage over quantitative research methodology when dealing with immeasurable data such as knowledge, attitude, viewpoint, etc. According to Flick (2007), in qualitative study, analysts are keen on participants' viewpoints on studied problems. Hence, it can be said that qualitative study is naturally informative and explanatory with more realistic approach compared with quantitative one. Furthermore, data collected in qualitative study serves as empirical materials for naturally analyzing and understanding various phenomena based on a variety of relevant parties' perspectives.

Garcia and Gluesing (2013) showed that qualitative research data collection can consist of different techniques, such as observation, formal or informal interviews, pictures or video clips, etc. Hence, analysts should select appropriate ways for their research. My study will be conducted based on perspectives of both purchasing firm and their key supplying firms in order to get a neutral point of view of not only buyers' perspective but also suppliers' one about this aspect instead of choosing one among involved parties. Not only do companies relate to the buyer – supplier relationship, but also relevant staff has an impact on collaborative buyer – supplier relationship development. Thus, it is obvious that there is a diversity of personal perspectives on a study even in a specific company. As a result, in order to broadly understand about the role of trust in development of collaborative buyer – supplier relationship, individual's view on this subject is also taken into account. Therefore, my paper will use qualitative research method with purchasing team and supplying firm interviews as the central method. Case company and their relationship with vendors will be used as the primary source for analyzing. By applying this interview technique, interviewees can clearly understand as well as modify

questions. Thus, it can be said that interview is considered effective research technique in order to support researchers to have more empirical data.

3.2. CASE STUDY

According to Yin (2003), case study is an investigative research method about present – day aspects in reality. Case study naturally explores and investigates contemporary phenomenon by analyzing an event, or a relationship within a limit. Case study applies a test contributing a standardized method for behavior observation, information collection, data analysis during a period of time.

George and Bennett (2005) presented that case study will be more effective if quantitative research is helpless. There are four main benefits which case study method of qualitative study has including receiving higher conceptual validity, acquiring new assumptions, investigating causal structure, as well as evaluating complicated causal relations.

According to Ghauri (2004), case studies are considered the appropriate method for analysts to gain insight into the studied unit. As mentioned above, this paper mainly concentrates on trust, collaborative relationship between buyers and suppliers as well as the role of trust in development of collaborative buyer – supplier relationship. Consequently, this thesis will use a case study method, in which case company and their buyer – supplier relationship will be examined to deeply understand, assess and analyze the main subject.

3.3. CASE SELECTION

Before conducting the thesis, interviewees responding interview questions were prudentially selected. During interview process, I made an effort to contact and collect data from both buyers and suppliers. Therefore, case company and their key suppliers were invited to take part in the interviews. The chosen organizations operate business in B2B manufacturing industry in

Vietnamese market. After being confirmed by these chosen organizations, interviews were performed with 3 employees in purchasing team of the case company and 2 employees in sales team of their key suppliers. They were chosen from different positions in order to get more perspectives of various levels and working characteristics. List of respondents is summarized as below.

Organization	Respondents	Position	Industry	Group
X	A	Purchasing Manager	Footwear	Purchaser
X	B	Purchasing Assistant Manger	Footwear	Purchaser
X	C	Purchasing Assistant	Footwear	Purchaser
Y	D	Marketing and Sales Executive	TPU Outsole	Supplier
Z	E	Sales Assistant Manager	Fabric	Supplier

Table 1. List of respondents

Respondent A, B, C are from Purchasing team of the medium – sized British – based footwear manufacturer called organization X, which produces several kinds of shoes for international footwear brands of Northern Europe and Canada. Meanwhile, respondent D is Marketing and Sales Executive of a medium - sized Italian – based TPU Outsole manufacturer called organization Y, which produces and supplies a lot of kinds of outsole for shoes manufacturer in Vietnam. Respondent E is working for Sales team in a large Taiwanese – based fabric manufacturer called organization Z, which supplies a large amount of materials for shoes and garment making in Vietnam.

These respondents are from various types of organizations, who have different experience and working characteristics in multinational working environment. These organizations will be categorized into two main groups: purchaser and supplier. As a result, respondent A, B, C are Purchaser and respondent D, E are Supplier. They will respond interview questions based on their companies' perspective. It will support in grasping studied subject from both sides of viewpoints.

3.4. DATA COLLECTION PLAN

According to Laura (2014), data collection is seen as one of the most essential steps in conducting the study. Due to the fact that data collection supports the scholars in getting answers for research questions by systematically gathering and recording data from a variety of related sources. Moreover, Wendy (2012) expressed that assuring the accuracy of collected data requires data collection progress to be systematic.

There are two main sources of data collection, including primary data and secondary one. According to Elsesser and Lever (2011), the scholars who follow primary data collecting approach will collect researched data by themselves through various ways, such as interview or observation. Meanwhile, Alan and Emma (2015) stated that secondary data collecting approach uses available data which has been already collected by other scholars or

organizations. Annual reports or website of organizations can be considered different sources of secondary data.

This thesis will mainly use primary data collecting approach. The primary data will be gathered by sending a list of questions related to the studied subject to case company and their key suppliers in order to gain insight into both the buyers' perspective and suppliers' one about the studied topic. These questions will be brainstormed to suit the studied context and give a valid outcome. The questions will be sent to the respondents by contacting them via Skype calls and emails in order that the validity of the interviews can be higher within the scope of the research. Furthermore, in order to assure the reliability and validity as well as information loss risk minimization when conducting interviews via Skype calls, the answers of respondent will be noted and written directly in papers.

3.5. DATA ANALYSIS

Creswell (2009) described that data analysis in qualitative research consists of different steps including being accustomed to the qualitative data, revisiting research aims, structuring and labeling data by coding, recognizing data or themes leading to answer of research questions. Furthermore, there are different common methods used for analyzing qualitative data, such as content analysis, narrative analysis, discourse analysis and grounded theory. However, this thesis will mainly use narrative analysis method for collected qualitative data. To be more detailed, this narrative analysis method is applied to examine and determine content of interviews. It concentrates on utilizing experiences interviewees share to solve the research questions.

After receiving the responses from the interviewees related to the studied subject, collected data will be prepared for the first stage of analyzing data aiming to transform raw data into meaningful and readable data because they are mostly words. Then, the collected data will be read many times in order to be got acquainted with as well as transcribed; whereas the fundamental patterns will be looked for. While reading the collected data, research goals will

also be reviewed and research questions which collected data can be applied to answer will be partly recognized. After that, the collected data will be labelled, coded. Finally, the themes and the most common responses to questions can be identified as well as coded data which can answer research questions can also be recognized and interpreted.

4. EMPIRICAL PART

4.1. EMPIRICAL BACKGROUND

This part will provide a brief structure of the interview, as well as present the interview's responses in each theme. The aim of this empirical background is to bring a fundamental knowledge of the interview and its results, which will contribute to comprehension the empirical analysis and findings. As mentioned in the part above, the collected qualitative data is collected from the in – depth interviews responded by both purchasing team and supplying team who have good experience linked with the researched subject. The aim is to collect data from different respondent groups, including getting experts' opinions who have been working for many years in studied aspect, as well as managerial levels of organizations having various business locations who are representatives of firms with diverse operating scale.

The selected interviewees, who have a certain knowledge about buyer – supplier relationship and ability to give reliable identification about the elements affecting collaboration in their relationship with the buyers or suppliers, are working in B2B factories in Vietnamese market. The respondents answer the questions created based on theories and grouped by three themes. Due to the fact that the target of the interviews is to compare theoretical data with empirical data in the case company and their key suppliers in order to get interesting findings about studied topic. The questions based on these themes are created to clearly provide a framework for the analysis and discussion to find out findings for research questions and research topic. The below table shows the structure of interviews.

Theme number	Themes	Concern
1	Respondents' background	Respondent's basic information
		Respondents' position and experience in that position
		Suppliers or buyers network
		Organization's main purchasing approach
2	Perspectives about collaborative buyer – supplier relationship	Collaborative relationship
		Essential elements on development collaborative buyer – supplier relationship
		Benefits of collaborative buyer – supplier relationship
3	Perspectives about trust	Trust concept in working process with buyers/suppliers
		Personal trust
		Organizational trust
		Antecedents of trust
		Outcomes of trust

Table 2. Structure of interview

4.1.1. Respondents' background

Respondents' background is the first theme of the interviews, which was created to get information about their experience in researched topic as much as possible. Furthermore, the answer of this theme is used for consolidating the reliability of their knowledge about research topic. Based on the interviewees' answers, almost interviewees have more than 3 years in their current position. In the case buying company, the respondent A and B have 5 – year experience in the position of Purchasing Manager and Purchasing Assistant Manager, respectively. Meanwhile, the respondent C has worked for 4 years as Purchasing Assistant in the case buying firm. Regarding to the supplying companies, the respondent D also has 4 - year experience, but in Marketing and Sales Executive position whereas the respondent E reports the lowest period of time in experience as Sales Assistant Manager, about 3 years.

In fact, before they are working in the current positions, they experienced more than 3 years for each lower position in B2B industry which relates to research field. Therefore, it can be seen from their responses that all of them have long – time experience about buyer and supplier relationship management, which give them a deep knowledge of researched subject. From the collected data for this theme, it can be said that the answers of chosen interviewees for the next questions are trustworthy based on their experience about the studied topic.

In terms of the suppliers and buyers network, all of the participants manage a medium - sized global suppliers and buyers network. All of them have a medium number of suppliers and buyers, with the range of 50 to 200 partners located in various nations. The organization X has partners in over 5 nations worldwide, while the organization Z has the same statistics. Organization Y shows that they also have the global partner network in various nations and well collaborates with their partners. Particularly, the partners of the participants mainly come from China, Europe, Taiwan and Vietnam.

All of the firms of the participants apply strategic item as their primary purchasing approach; therefore, it can be partly found that collaboration is essential in relationship management.

However, they have a variety of methods to operate purchasing activities and supplying ones. Organization X has a strong collaborative relationship with their strategic vendors. Factory Z tries their best to meet the requirement of the customers based on the collaborative attitude. Meanwhile, the company Y is a new manufacturing plant located in Vietnam and has more – than - five – year operation, but they also choose collaborative strategy to work with their partners.

Respondents' background	
Respondents' position and experience in that position	<ul style="list-style-type: none"> - Purchasing position with over 4 years at least - Sales position with over 3 years at least
Suppliers or buyers network	<ul style="list-style-type: none"> - Medium network with a range of 50 to 200 partners worldwide - Location of partners are mainly from China, Europe, Taiwan and Vietnam
Organization's main purchasing approach	<ul style="list-style-type: none"> - Strategic item purchasing approach

Table 3. Summary of theme 1

4.1.2. Perspectives about collaborative buyer – supplier relationship

The second theme of the interview is called perspectives about collaborative buyer – supplier relationship. There are three opened questions in this theme. The questions in this theme aims to find out the view of respondents on their collaborative relationship development, its benefits as well as the factors influencing on collaboration development, which is based on the aspects of managerial and executive levels in both buying company and supplying company. The first question in this second theme is used to analyze how managerial levels of both the buying firms and the vendors determine the concept of collaborative buyer – supplier partnership as well as determine if these companies has developed strategically collaborative buyer – supplier relationship within their supplier and buyer base or not.

In general, the results of these interviewees' responses are quite similar. All of them think that collaborative buyer – supplier partnership is defined as an on – going relationship between two firms, in which mutual information sharing, risks and rewards will be taken priority. However, this kind of relationship is suitable for only some strategic suppliers or buyers because it is impossible for companies to collaborate with so many strategic suppliers. In other words, in order to develop and maintain collaborative partnership, it is required that firms should have adequate capacity and resources, but there are not many firms can meet that requirement for retaining collaborative partnership with both strategic and non – strategic suppliers. Therefore, it is necessary for both buyers and vendors to specify who are their strategic suppliers or buyers.

In the second question, a diversity of factors influencing on development of collaborative buyer – supplier relationship is noted by the interviewees. All of the interviewees were asked to rate five elements which are theoretical considered as the essential factors of a successful collaborative buyer – supplier partnership. This aims to find out the view of the respondents on how essential these elements are for a successful collaborative partnership between the purchasers and the vendors. The table below shows the average rates of the answers from the respondents.

Factors	Rate
Genuine commitment	4.8
Trust	4.8
Open communication	4.8
Sufficient resource	4.0
Capable staff and patience	3.4

Table 4. Essential factors of a good buyer – supplier partnership

As can be seen from the table above, most of the interviewees answered that Genuine commitment, Trust and Open Communication have the strongest effect on developing collaborative buyer – supplier partnership with the equal average rate of 4.8. In the interview, they also highlighted Sufficient resource as so critical factor with 4.0 for the average rate. However, Capable staff and patience is at the lowest level, which its average rate is only 3.4. Next, the results of this question continue to be categorized into three measurement levels, including Operational level, Dyadic Level and Personal Level.

Organizational Level	Dyadic Level	Personal Level
Sufficient Resource	Open communication	Genuine commitment
Capable Staff and Patience		Trust

Table 5. Three measurement levels of essential factors of a good buyer – supplier relationship

The final question in this theme is given in order to research the view of both buyers and vendors on the benefits received from collaborative buyer – supplier relationship. To answer the question, the respondent A added her opinion that in order to define collaborative buyer – supplier relationship, the risks have to be smaller than the benefits received from the collaborative partnership. Along with that view, the respondent B thought that there are many benefits both involved parties can receive from collaborative relationship, such as operation performance improvement, flexibility enhancement, as well as new innovation access. Furthermore, the respondent C implemented that higher level of trust will be received from collaborative partnership with some strategic vendors. Hence, it can be said that strategic vendors are able to lessen supply risks.

Besides, the interviewee D explained that vendors can be motivated in order to speed productivity to meet their customers’ requirements thanks to collaborative partnership. From then, it can be said that flexibility can be enhanced. The respondent E claimed that this enhanced flexibility can be useful in both occurred errors or mistakes and crisis. Final mentioned benefit is new innovations access. All of the interviewees vote that the innovation access is marvelously

essential in order to compete with other rivals because vendors can be considered as a critical source of new innovations.

Perspectives about collaborative buyer – supplier relationship	
Collaborative relationship	<ul style="list-style-type: none"> - On – going relationship - Mutual information sharing, risks and rewards priority - Suitable for only some strategic suppliers
Essential elements on development collaborative buyer – supplier relationship	<ul style="list-style-type: none"> - Genuine commitment, Trust and Open Communication - Operational level, Dyadic Level and Personal Level
Benefits of collaborative buyer – supplier relationship	<ul style="list-style-type: none"> - Operation performance improvement, flexibility enhancement, as well as new innovation access - Higher level of trust - Lessen supply risks

Table 6. Summary of theme 2

4.1.3. Perspectives about trust

The third theme of the interview is called perspectives about trust which is divided into five main parts. The questions in this theme aims to find out the view of respondents on trust concept, including organizational trust, personal trust, its benefits as well as the factors influencing on trust formation, which is based on the aspects of managerial and executive levels in both buying company and supplying company.

This first part of the third theme is formed surrounded definition of trust, which aims to get perspectives of both buyers and suppliers about trust and also have a comparison between definition of trust in theories and reality with the views of experts. There are two questions in this theme, one is opened question and another one is yes – no question. However, in yes – no question, the respondents can add their explanation of their answer if they want.

First question is about definition of trust concept in their working process with their supplying organizations and buying companies. The aim is to confirm if the signification of trust is similarly understood by the interviewees or not. To start asking this question, the theoretical description of trust was given to all of the interviewees. There are different answers for this question from the interviewees; however, the common point is that they believe trust will bring benefits for both parties. Specifically, the respondent A stated that trusted suppliers is believed on their supplies which have good quality as well as reasonable price with good service and no cheat occurs. Furthermore, the respect and assistance of both parties for common benefits are also mentioned in the answer of the respondent A. What the respondent C and the respondent E thought about trust is also a part of this statement. Meanwhile, the interviewee B added that trust depends on long – term relationship of buyers and suppliers.

Moreover, the respondent D of the supplying firm answered that trust between their company and buying company is based on four elements, including the quality of their company's products, timing, payment, and no being a "bad guy". First of all, they are willing to improve what have to be improved in order to have good products for the buying companies. In addition,

quality and color of mass production has to be followed the confirmed sample on development stages and customers' standards. Secondly, timing is one of the elements affecting on trust mentioned by the respondent D. The supplying firm will try to ship products on time and follow the schedule provided to the customers. Thirdly, the supplying firm which the respondent D is working trust on their customers when customers pay on time and follow the terms of payment. Finally, the respondent D thought that letting other vendors copy their company's product in order to get cheaper price and stop working with them without any discussion on reducing the price will negatively affect trust between them and the buying companies.

Regarding to the second question in this theme which asks about their attitude or understanding of trust in working process with their suppliers or buyers, all of the selected interviewees have positive responses in which they stated that their attitude or understanding of trust during working with their supplying firms and the buying firms is changed. Especially, the respondent D added her opinion that her company would change to be a better - price vendor to support their customers and want the same thing from their buying firms because profit is the DNA in the business.

Furthermore, all of the participants agreed that trust plays an essential role in developing a partnership with buyers or suppliers. The respondent A claimed that trust is a vital element affecting on the decision of starting a collaboration. Also, the respondent C emphasized that establishing a strong collaborative relationship will be difficult if there is no existing trust. Besides, the respondent E added her comment that her company always aims to pay their attention to the kinds of goods offered to their clients. According to the respondent B, the value that the vendors give to them is considered as a sign for them to decide if they will either trust or not within the partnership.

In the respondents' opinion, trust is dynamically changing. Also, they said that relationship without existing friction can lead to a gradual growth in the degree of trust. The respondent A noted that organizations and their staff should build and develop trust and emphasized that the high degree of trust can be result from the value of information and honor. In addition, the

respondent B said that agreements or contracts appreciation in the very first stage of the relationship can develop trust.

In terms of trust decline, all interviewees claimed that reduction in level of trust will occur when the information is wrongly applied or does not fulfill the conditions. Furthermore, they added that trust decline can be a result from only promising without doing of involved parties. In particular, the interviewee B showed her opinion that the trust which the vendors who wrongly apply confidential information receive will be seriously affected. Furthermore, she also said that there will be a reduction in the level of trust when the prerequisites, lead - time, as well as delivery date cannot be met by the vendors. Besides, the respondent D stated that inefficiently communicating will lead to trust decline due to the fact that confusion and probable issues will occur.

The next part of this theme is called Personal trust, which is created surrounded the personal trust aspect. This part contains two opened interview questions which aims to find out more information and view of respondents about personal trust in selecting suppliers and developing collaborative relationship with suppliers or buyers as well as its influence on responding to the trust of other parties placed to them.

First of all, by answering the first question related to their thought about personal trust in selecting vendors and developing collaborative relationship with their suppliers or buyers, the respondent A showed that personal trust is very important to build a long – term good cooperative relationship because it will create a win – win situation for both parties. Similarly, the respondent B and the respondent C believed that personal trust is dependent on the long – term relationship between involved parties and it is the most important factors when they work with the partners, especially in business. Furthermore, the personal trust affects them on considering which suppliers they will choose and how much each selected supplier can be used. For example, if the sales staff promises to do something but they do not do that or do it in converse way, they will never trust them again as well as choose their companies as the strategic suppliers in the supply base. Adding to the opinions of the buyers’ perspective on the personal

trust issue, the respondent D comments that when she personally trusts someone, she will treat them better than the others. Reversely, the respondent E thinks that personal trust is important, but it is not as critical as other factors, such as the size, or the reputation of the buying companies when they choose the buyers to work with. Normally, they will prefer to choose the buyers having good reputation because it will make them feel safer in working with them.

Second, when being asked if they personally feel trusted by their suppliers or buyers and how they will respond to that trust, all of them shows positive answers. In order to answer why they think the suppliers trust them, the respondent A proved that the suppliers gave her more knowledge by showing more exact lead time, how it works and what might happen during their sample and mass production stage. Therefore, she can know more about the samples and sometimes she can accept some default or imperfect of their products because she can explain it to her customers. Moreover, the interviewee B explained that she and her suppliers should make a plan which is suitable with their production in the peak season. For instance, she will check her company's plan as well as her suppliers' plan and advise them which material can be delivered first in order to avoid the orders will be stuck. In fact, she cannot give them many changes in her orders, but she can control and fix them with her suppliers. The respondent C has almost identical opinion with her two above colleagues, she thinks that any relationship is maintained when they have a trust. In order to respond to her suppliers' trust, she needs to share her mind and solve problems based on their mutual respect.

Regarding to the suppliers' perspective on this issue, the respondent D answered what makes her feel being trusted is that her buyers give her more projects and if any issue happens, even when it was caused by other colleagues, the buying companies will inform her and give her time to improve and solve it. Therefore, she will never let them down when trusting her during working process. In addition, the respondent E explained the reason why she thinks the buyers trust her is that she still works with them well. No one can work in good cooperative relationship if they do not feel trusted by each other. Hence, when she feels trusted by her buyers, she will try her best to improve better quality as well as better price when negotiating with them.

Third part of this theme is related to view of organization trust, which targets to research both buying firms and supplying firms' perspective on the role of organization trust in selecting key suppliers or buyers and developing collaborative relationship with them. Answering this question, the interviewee A thought that organization trust is more efficient when working with the suppliers in order that goals will be achieved to satisfy her customers. Furthermore, the respondent B commented that in terms of organizational performance, she believes some strategic suppliers because they deliver on time, and their materials have good quality as well as they solve problem quickly. Complementing the opinion of her colleagues, the respondent C confirmed that organizational trust in selecting supplier is critical when they start and maintain any collaborative relationship.

Standing in the suppliers' perspective, the interviewee D thought that organizational trust is quite essential because she can know which one is trustable and which is not really trustable. From then, she can know how to arrange the plan to please her buyers in order to enhance her products or service and treat them much better. The respondent E also had quite same idea about this issue, she thought that organizational trust plays an essential role in choosing key buyers and developing collaborative relationship with them. It is because when her company has worked with strategic buyers over 4 years, she can trust the company, the group which she has been working even though they change purchasing staff who she has worked for long time.

A question related to main elements of the buyers or the suppliers needed for receiving the supplying firms or the buying organizations' trust was also asked. In the theoretical background, there are a lot of antecedents of trust mentioned in several studies. However, in this section, some main elements abridged are used to ask the interviewees, including Expertise, Reputation, Similarity, Frequency of interactions, and Firm size.

Antecedents	Rate
Expertise	4.8
Reputation	3.8
Similarity	3.5
Frequency of interactions	4.5
Firm size	3.5

Table 7. Rating of antecedents of trust

From the above table, it can be found that expertise is the most essential element impacting on collaboration decision of both buyers and vendors which the average rate is 4.8. Based on the buyers' perspective, the respondent A explained that expertise plays an essential role in starting any B2B relationship if there is no existence of previous experience with other organizations. In other words, one organization can collaborate with another and receive trust firstly based on its expertise which shows its capability to transfer knowledge if that organization does not know another before.

Frequency of interactions is the second most important antecedents leading to trust of organizations, with average rate is 4.5. Almost the participants thought about this factor similarly. Especially, the respondent D showed her opinion that the level of trust will be higher

when two involved organizations frequently interact. It means that the high frequency of interactions will lead to the willingness to share information together, which shows the level of trust within the relationship between the purchasers and the vendors. If they do not frequently interact together, it may be synonym that they have not had enough mutual trust in order to collaborate.

The next antecedent of trust called Reputation has the third highest rate, with the average rate is 3.8. This element seems to be the highest rating when there is no previous experience in collaboration between two parties, but it turns out that it is at only the third position. Based on the buyers' perspective, the respondent B gave her argument that reputation will play a vital role to start the relationship if there is no initial partnership with one organization. Due to the fact that the high fame of one organization will lead to the higher trustworthiness in building a new relationship. However, based on the vendors' perspective, the respondent E thought that reputation is not essential element if she cannot certify it by herself.

As the interviewees, for the beginning stage of building new relationship, the organizations' reputation in the industry will much impact on the trust degree. Also, they emphasized that the whole process of building and developing trust will be influenced by this element. Particularly, the respondent A said that their buyer – supplier relationship occurs because of their trust on partners' business. The reason is that the firm's compulsory conditions has to be abided by the vendors. In addition, the respondent C said that the high qualification has to be met by their vendors in order that the partnership can be built. Also, the performance of the vendors determines if what they promised can be delivered or not.

Meanwhile, similarity and firm size are the two lowest rated antecedents of trust which have the same average rate with 3.5. The respondent C showed her opinion that she will be likely to be attracted by another organization business if she finds that there is a similarity with that organization. Here, similarity can be consisted of similar policy, similar industry, similar vision, etc. In terms of the firm size, according to the table above, it does not have strong effect on the level of trust to start a new business relationship.

This final part of this theme is created with an opened question related to positive outcomes that trust can bring to the interviewees' relationships with their buyers or suppliers. By collecting the responses of these participants, the aims of getting more information and opinions of both the buying firms and supplying ones about the role of trust in buyer – supplier relationship will be achieved. In the respondent A's opinion, trust can help both parties to think about the other side and do things better in order to satisfy another party. From the respondent B's view, she thought that trust can bring her good suppliers and benefits to her company.

Adding more information on her colleague's answer, the respondent C thought that the supplying firms will share market information when they have trust. Therefore, she can catch up with the trend and come up with business solutions on time. Interestingly, the respondent D thought that she will not feel it as a business relationship, she will feel like a family. That is what trust positively brings to her relationship with her buyers. Likewise, the respondent E said that if she trusts her buyers and customers, she can develop and maintain a long - lasting relationship with them. The reason is that she knows she can rely on them and commit to create mutual benefits.

Perspectives about trust	
Trust concept in working process with buyers/suppliers	<ul style="list-style-type: none"> - Decision of starting and developing collaboration - Mutual benefits for both involved parties - Better quality products with better price and services - No cheating or opportunistic behaviors - Product quality, timing, payment, no being a “bad guy”
Personal trust	<ul style="list-style-type: none"> - Important to build a long – term good cooperative relationship - Win – win situation - Affect on choosing strategic vendors
Organizational trust	<ul style="list-style-type: none"> - Satisfy customers - Supporting in starting and maintaining any collaborative relationship - Identify who is trustable
Antecedents of trust	<p>Affect on collaboration decision of both buyers and vendors:</p> <ul style="list-style-type: none"> - The most: expertise - The second: Frequency of interactions - The third: Reputation - The two lowest: Similarity and Firm size
Outcomes of trust	<ul style="list-style-type: none"> - Effort to satisfy involved parties - Good suppliers and benefits to company - Market information sharing - Family feeling

Table 8. Summary of theme 3

4.2. ANALYSIS AND FINDINGS

This part focuses on analyzing the empirical background above as well as comparing findings to the theoretical background which concentrates on the conceptual framework. Therefore, the main point of this part is aiming to the benefits that are received from collaborative buyer – supplier partnership, the main factors influencing on this collaboration as well as the role of trust in development of collaborative buyer – supplier relationship.

4.2.1. Collaborative buyer – supplier relationship

Mutually beneficial is one of the top priority elements leading to cooperation. When collaborative relationship between the purchasers and the vendors is created, there will be a lot of benefits, such as there will be more likely that the partners will think of them first when there is a need to refer someone to a distributor. Moreover, due to regular information sharing, they will become the first partner who know about discount policy and it of course, helps them to improve their profit. Therefore, it can be said that in terms of the buying companies, the relationship between partners is considered as symbiotic relationship which brings a lot of positive benefits for both involved parties. In some cases, the buying firms sometimes have to ask their supplying companies for help in bringing some special products into their distribution system in order to meet their customers' requirements.

According to Caniels and Gelderman (2005), it is recommended that organizations which provide strategic items should be collaborated closely because the serious contribution to this kind of relationship will be guaranteed by the significance of the items. Besides, collective dependency, long – term adjustment, information sharing as well as win – win target is comprised of strategic supplier relationship. Therefore, it leads to the fact that the relationship does not only aim to expenditure mitigation, but also value formation. In the same point, the respondents from the interview emphasized that strategic vendors play a critical role in the business relationship. In addition, collaborative relationship concerning functional and key matters, in which information about mechanics, targets, and intention are contributed mark a

key vendor relationship. Regarding the case company's vendor base, it is found that they begin merging the strategic supplier concept; however, in fact, their relationship with vendors are likely to be more functional compared with strategic. Notwithstanding, all vendors chosen for participating in the interview think that they are strategic suppliers of the case organization, due to the fact that their relationship consists of collective dependency, and a close cooperation. Nonetheless, the case company stated that collaborative relationship is also vital for other kind of vendors which are not considered strategic, but significant.

As the development of collaborative buyer – supplier relationship is a part of this thesis, the consequence of the cooperation will be also investigated. Hansen (2009) considered collective advantages as a fundamental for a strong cooperation. In this paper, the collectively advantageous relationship has been described as the kind of relationship in which both the buyers and vendors realize that advantages are more than the disadvantages. Thus, the perspectives of the interviewees about the advantages and disadvantages are analyzed.

In terms of risks in collaborative relationship, not only the case company but also their strategic suppliers consider dependency as a vital uncertainty because an inequality in power in the relationship will be created. According to Hald et al. (2009), the degree of speculation based on specific relationship, the value of the relationship created for an organization, as well as how many alternatives are will lead to dependency. As the answer of the respondents, the vendors basically focus on the value of the relationship create for an organization, whereas the buyers concentrate on linking dependency to the speculation based on specific relationship. Nonetheless, the source of collaboration is referred by the vendors, which involves in a critical uncertainty because a firm will be deprived of too much when the relationship becomes worsen. According to Anderson and Jap (2005), the opportunism uncertainty will be boosted by the level of invested resources. This is also mentioned in the responses of the interviewees as attainable risks in the development stage of the vendors. Furthermore, the respondents of the case company pointed out that deficit of neutrality, fewer substitutes because of a lack of ability for recognizing new vendors. It is quite similar with the opinion of Villena et al. (2011), in which the circumstance that more excellent allies are ignored is a result of cooperative relationship.

Therefore, it is obvious that the respondents of the case company recognize higher risks with collaborative relationship compared with the vendors' respondents.

Regarding the advantages of the collaborative relationship, Goffin et al. (2006) showed some fields that it has effect on, including operation, finance, and strategy. As the answers of the respondents from both the case buying company and the vendors, collaborative relationship is highlighted to improve efficiency in operation, adaptability, as well as innovation. In terms of efficiency in operation, the main advantages concern to the capability of constantly enhance standard, delivery time, as well as expense. Furthermore, Dyer and Chu (2003) said that transaction costs will be lessen by cooperative relationship between the buying organizations and the supplying one because trust existing this kind of relationship will minimize opportunism. Besides, this theory is supported by the findings part of this paper, which is trust and collective dependency can lessen opportunistic behaviors. In terms of vendors' advantages, the findings are quite similar to the theory of Henke et al. (2008) who highlighted the advantages for the supplying firms consists of successful business and productivity enhancement.

It can be seen from the theories that not only the purchasers but also the vendors can receive the significant advantages of cooperative partnership. This is also right for the researched relationship, the respondents of the case buying company and the supplying one accept that they get mutual benefits from the collaborative relationship together. Furthermore, the findings are supported by the responses of all of the interviewees that the potential advantages are more than the risks with cooperative partnership. Also, this implies that the interviewees from both the buying firms and the supplying firms are suitable for researching what factors are important to the collaborative partnership.

In terms of the critical elements which have strong effect on collaborative buyer – supplier partnership, the results of this question lead to the findings, which the respondents rated the essence level of five factors mentioned in the theoretical background. In addition, further questions are asked to find out the rooted information and reasons why those elements are seen as critical to the good buyer – supplier partnership. The question was formed based on the

elements emphasized as essential in a lot of theories, and their average rates were combined into the below table. The range of rate for these elements is from zero to five, which means from “not essential at all” to “so essential”. It can be obviously seen that the interviewed elements are recognized as essential because there are not any elements rated lower than 3.4.

Buyer Rates		Vendor rates	
Genuine commitment	4.9	Genuine commitment	4.8
Trust	4.6	Trust	4.8
Open communication	4.4	Open communication	4.8
Sufficient resource	3.9	Sufficient resource	4.0
Capable staff and patience	3.3	Capable staff and patience	3.4

Table 9. Summary of essential factors of a good buyer – supplier partnership

As can be seen from the above table, the difference between the rating of the buying firm and the supplying ones is not too far. However, it is obvious that the rating of the supplying firms for the essence level of the factors affecting on a collaborative buyer – supplier partnership is somewhat higher than the buying firm, except the factor called Genuine commitment. There are

a large number of causes leading to the higher rate of the vendors. Possibly, it may be because the partnership is appreciated more essential compared with the buying firms do. The reason why is that it is the market where the buying firms dominate and have more powerful negotiation. In other words, the vendors are suspected to highly depend on the partnership with the buyers. Consequently, the primary findings can be summarized that not only the buyer but also the vendors evaluate the factors called Genuine commitment, Trust, as well as Open communication to be the highest essential elements strongly affecting on collaborative partnership between the buying firms and the supplying ones.

According to Autry and Golicic (2010), these rated elements categorized into three measurement levels, such as organizational, dyadic and personal level are introduced to be mutually linked. This is like the findings of this paper, which clearly recognize the mutual link among these mentioned elements. Stuart et al. (2012) highlighted that trust is built by robust operational performance. Meanwhile, a vendor respondent reinforces this point by stating that to improve the level of trust of the buyers, they will improve their performance. On the contrary, Nielsen (2011) commented that performance is led by trust. Hence, it can be said that not only does trust basically help to enhance operational performance at the very first phase of the partnership, but also can the opposite case occur. Besides, it is emphasized by the buyer respondents that communication can be supported by a vendor's strong operational performance, in which trust among involved partners can be grown up. In addition, it is also noted by the vendors respondents that organizations should avoid making disagreement in order not to decrease the level of trust. In a nutshell, strong operation performance plays a critical role in supporting trust within a partnership.

Modi and Mabert (2007) highlighted that the improvement of operational performance can be a result of communication. Also, the buyer respondents emphasize that communication including feedback system, target attainment will support the vendors in performance improvement. In addition, the significance of clear communication between the buyers and the vendors is emphasized by the case buying company and the supplying ones. They comment that it strategically encourages the vendors to transfer value to partnership. Also, the significance of

knowledge allotment is noted to be an element supporting innovative ability and problem – tackling skills by both the respondents and Dyer and Chu (2003).

According to Hald et al. (2009), trust is impacted by genuine commitment, which impacts on information allotment. Similarly, both the vendors and the case buyers state that genuine commitment has to be delivered by an organization, in order that it is not considered as untrustworthy. Furthermore, as the vendor respondents’ comments, high level of trust among involved partners can lead to business and knowledge allotment improvement because the vendor will be reliable and not disclose buyers’ confidential information. Therefore, the findings of this paper assists theories in terms of mutual link among the different elements, which is summarized in below figure.

Operational Level	Operational performance → Trust and Open Communication
Dyadic Level	Open communication → Operational Performance Knowledge allotment → Innovation
Personal Level	Trust → Knowledge allotment and Operational performance

Table 10. Summary of mutual link of factors

4.2.2. Trust

According to Nyaga et al. (2010), there can be a difference in the perspectives about trust between the buying organizations and the supplying one. However, when analyzing the data relating to trust concept, it can be found that the respondents from both the buying firms and the supplying firms similarly think of the way trust can be built within a collaborative relationship between the buying firms and the supplying ones. In terms of trust definition in working process, compared with theories mentioned in theoretical background, it can be said that all perspectives of the case respondents mentioned above generally followed the mainstream of these researchers' definition. It is obvious that trust is considered as an individual's belief or a mutual belief between companies and bring mutual benefits for involved parties, in which there are no cheat or opportunism occur during cooperation period. This mainspring is not only theoretical findings but also perspectives of working cases in reality.

In addition, the respondents also add some interesting points which are trust depends on long – term relationship between buyers and suppliers. Thus, trust obviously has a bidirectional link with buyer – supplier relationship. If both the buying companies and the vendors try to work collaboratively, trust will be created in order to share information, and approach towards the mutual benefits. Meanwhile, if trust between involved parties occurs in their relationship, collaborative buyer – supplier relationship will be enhanced and has positive outcomes. Therefore, it can be said that trust plays an important role in development of collaborative relationship between the buyers and the vendors.

The data collected from the interview prove that all of the respondents think that trust plays an important role in establishing a good collaborative buyer – supplier relationship in long term. Fawcett et al. (2012) considered trust as an essential element supporting an increase in success possibility as well as higher level of commitment. In addition, according to Moore (1998), trust give a belief to involved parties that demand fulfilment will be occurred. Besides, Sahay (2003) stated that trust will help involved parties to sustain the collaborative relationship in the supply

chain. Interestingly, the findings from the analysis of the interview is consonant with these researchers' opinions.

In addition, another interesting point is that according to one respondent in the interview, trust will positively help her company improve their quality in order that they can meet the customer requirements more easily. From then, it is true that trust will bring positive outcomes for both involved parties, which they will make an attempt to reach mutual benefits and there will be no opportunism or opportunistic behaviors during cooperation period. It is clear that there will have only short – term benefits for involved parties, if one of them use opportunistic behaviors to work with their partners. Due to the fact that, in this case, they will focus on only their own benefits, as well as the way to improve their own benefits only. By contrast, if they put their faith on each other, they will try their best not to make their partners disappointed by enhancing their products' quality, or down price a little bit in negotiation stage, etc. This will lead to the fact that long – term benefits for involved parties will be created and improved continuously. Therefore, by analyzing these answers of the interviewees and comparing with theoretical background, it can be seen that trust plays an essential role in enhancing collaborative relationship between the buying firms and the supplying firms, especially enhancing the mutual long – term benefits.

According to Nyaga et al. (2010), the buying organizations will attempt to protect the stability of satisfaction feeling in their relationship with the vendors because they trust together. Similarly, the respondents of the interview states that an organization no matter what it is buying position or supplying one, giving its trust in an involved party will see the risk of external opportunism as minimal. This will lead to an improvement in cooperation and developing good collaborative relationship.

With their study in various fields, Handfield and Bechtel (2002) showed that the higher degree of trust is, the more cooperation and information sharing chances as well as openness can be enhanced. The real findings can be found that collective chances and innovation abilities are results from cooperation and information sharing. An involved organization recognizes possibly

enhanced things if it is shared information. Nonetheless, the level of trust will determine if an involved organization can be shared information or not. According to Fawcett et al. (2012), cooperation, innovation and competing efficiency can be enhanced by forming trust. The information will be fearlessly shared by the purchasers and vice versa if there is a definite degree of trust within a partnership. This allows both sides to conduct and respond quickly to any changes.

Previously, factors using for investigating cooperative degree of trust forming were indicated in a lot of theories in order that solid competitive advantages. The respondents of the interview showed that their organizations concentrate on trust formation and development with their strategic vendors. These are strategies to give a sign to credibility, initiative management, as well as value creation. It is shown from the findings that potential initiatives are conceived by both the supplying firms and the buying ones in order that trust can be grown up and the collaboration's level is higher.

In terms of the antecedents of trust, almost of the respondents from two sides high rated for expertise, frequency of interactions, as well as reputation. The element called expertise can be highlighted because of the attraction of the organizations to correct information in order that their arrangement can be adjusted correctly. Similar to the ideas of Kumar and Pugazhendhi (2012), the respondents indicated that the performance of supply chain can be efficiently inflated by confidential information sharing because it will support in inventory reduction as well as smooth production. Besides, feedback system is used for communication improvement. In particular, integrated database as well as audit visits will be utilized. Also, according to Marinagi et al. (2015), the value of information plays an essential role because of its role as intermediary in the performance of the supply chain. Furthermore, frequency of interactions enhances the level of trust in a partnership due to the fact that the agreements and prerequisites will be followed, instead of ignored.

According to Kwon and Suh (2004), trust can be cultivated into good faith after exchanging many times. It can be found that the creation of trust as well as commitment will naturally occur

when a vendor can retain a partnership with a purchaser and vice versa. In the similar meaning, the respondents of the interview said that the involved party's fame is recommended to be sustainable unless the trust formation progress can be disrupted. This can lead to the break – off in partnership between the involved partners. In terms of the elements which can decrease the degree of trust within a relationship, almost of the respondents pointed out lacking communication and confuse. In their opinions, performance inefficiency can be led by poverty of trust among involved parties. Actually, this ineffectiveness was argued by Kwon and Suh (2004) that overabundance of verification, check and approvals of involved parties.

Nyaga et al. (2010) indicated that satisfaction improvement, which is resulted from the essence of trust and engagement, is considered an essential element in long – term partnership among organizations. In addition, Maloni and Benton (2005) said that the buying firms and the supplying ones will be unsatisfied with the partnership if there is no trust and engagement. The findings in this part agrees that the level of trust and engagement affects on the level of comfort in the partnership. From the perspective of the purchasers, both above factors greatly influence on comfort in partnership. The lower the demands of controlling vendors are, the more comfortable in a partnership the purchaser feels. It also refers that higher comfortable in a partnership can be a result of transaction cost reduction affected by trust and engagement.

Besides, it is likely to be that feeling satisfied with the outcomes and good performance motivates the purchasing organization. Actually, purchasers steadily use index in order to evaluate the performance of the vendors. The lower are the expectation in being satisfied and performance gotten, the higher possibility in investment in the partnership occurs. Furthermore, Benton and Maloni (2005) stated that pleased vendor can meet what the clients expect. Therefore, there is a tendency that development of the vendors' comfort is reinforced by the purchasing organizations. This is clearly proved in this findings part. Both the purchasers and the vendors can cooperate in order that both involved parties can take advantage on their mutual competencies. The enhancement in the vendors' comfort which leads to good performance of the vendor is resulted from the purchasers' willingness in improving collective advantageous

strategies (Nyaga et al., 2010). Therefore, both sides should develop strategies to reinforce collaborative partnership together in order that outcomes will be positively created.

Trust is considered a catalyst between involved partners because it helps to persistently create comfort between involved organizations (Kwon et al., 2004). Evidently, from the interview, the respondents showed that pleased purchasers will be likely to apply collaboration strategies which have a positive influence on the progress of forming trust. Furthermore, it can be found from the findings that engagement between the vendors and the purchasers aiming to build a collaborative partnership in long term will be led by satisfied feeling of the involved parties. Previously, Skinner et al. (1992) proved that satisfied feeling is positively related to collaborative relationship and negatively related to disagreement. These theoretical findings seems to be similar with this findings part. It means that collaborative relationship plays an essential role in forming engagement in partnership, but disagreement is considered as a negative factor which lessens the level of trust.

In addition, it can be said that satisfied feeling for all of the involved parties in the supply chain and source of power can be created by trust and engagement in the partnership. Generally, the findings indicates that purchasers' satisfied feeling and good performance have been significantly affected by the relationship between the buying firms and the supplying ones which is influenced by power. Similarly, if power is unnecessarily used, the level of trust will be negatively affected because it will lead to a decrease in satisfied feeling which results in disadvantages in partnership. Hence, it is highlighted that the engagement and trust relate to sustainable satisfied relationship, especially in case of asymmetry of power in the supply chain partnership.

Theories showed that the asymmetry of trust and power in the relationship compensate distrust and risks (Ireland and Webb, 2007). In reality, the findings part found from the interview supports this theoretical statement that there is the interviewees' positive view that collaboration in relationship leading to collective advantages will be resulted from the high degree of trust. In

other words, the awareness of legitimacy boosts along with trust which lessens opportunities of utilizing power actives in order to opportunistically behave.

Similar to the theoretical statement that sustainable trust is considered an essential factor in collaborative relationship between the purchasers and the vendors, the findings also show that relationship can be damaged if there is usage of power but no trust. According to the participants, the relationship having no trust will be considered as a control in order that benefit for only one involved partner will be achieved. From then, the involved firms are likely to admit the power behaviors of the others if the relationship depends on trust. As a result, it will motivate the collaborative relationship in the supply chain.

In addition, the interviewees pointed out that frequently punishment on an involved organization which does not meet the requirements, including standard, lead time as well as price will deteriorate the level of trust in a partnership. It can be also found from the findings that coordinating capabilities with the vendors or the buyers will be harmed by the violent behaviors. Besides, organizations will more highly engage in the targets which maintain good productivity in the supply chain if there is the asymmetry between trust and power. It is also supported by the theoretical arguments of Ireland and Web (2007) that violent power and enormous usage of violent power which negatively lessen the level of trust in a partnership will be negated by the collaborative motivation in a positively trusting partnership.

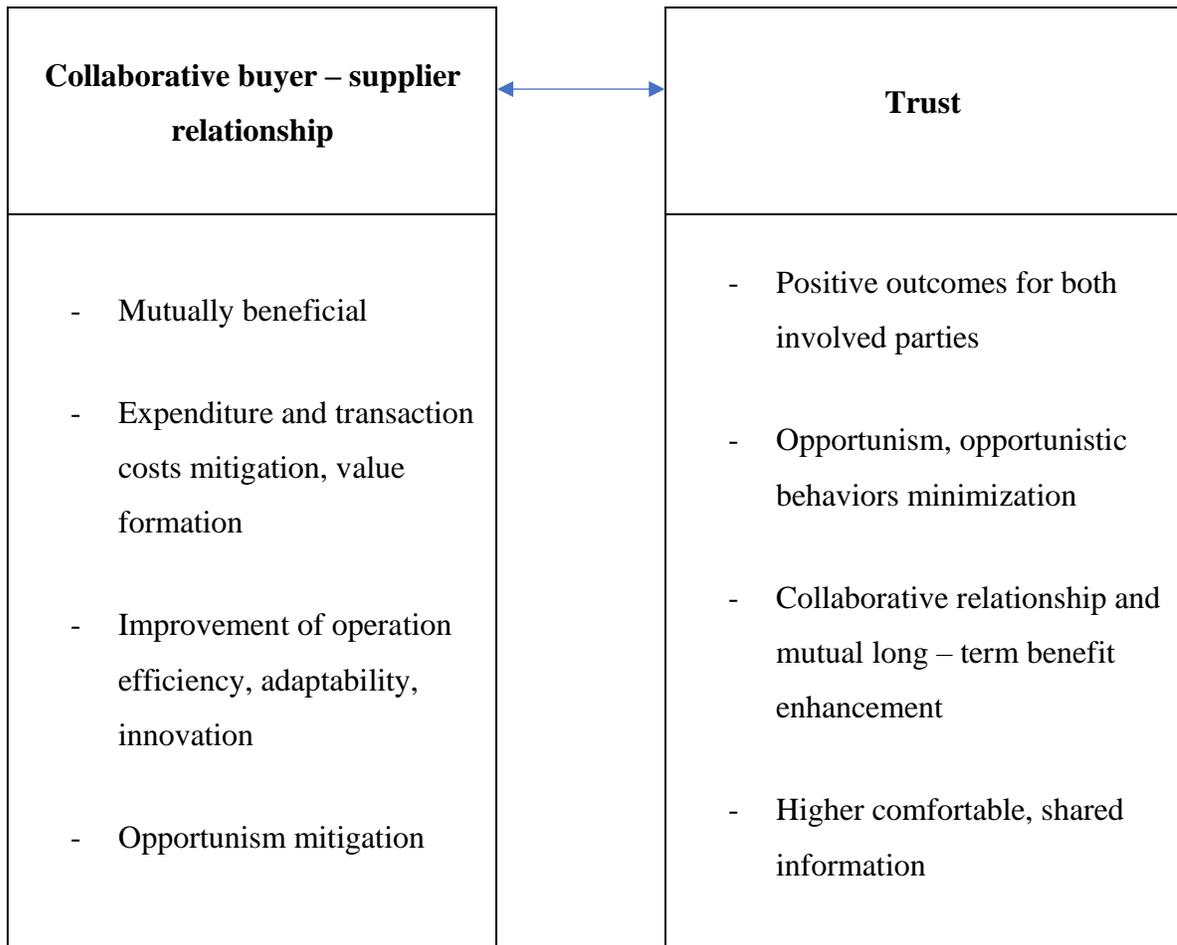


Table 11. Summary of analysis and findings

5. CONCLUSION

This chapter will draw the final conclusions of this thesis which is related to the main research question written in the first chapter, which is mainly concentrating on answering what role of trust in development of collaborative buyer – supplier relationship. In this chapter, the managerial implications as well as recommendation and suggestions for future research will be also cited.

In order to investigate the role of trust in development of collaborative buyer – supplier relationship, the following main research question is developed:

What is the role of trust in collaborative buyer – supplier relationship development?

Besides, to respond to the main research question, there are two sub questions as followings:

- *How to build and maintain trust?*
- *What are the advantages and the disadvantages of trust in development of collaborative buyer – supplier relationship?*

What is the role of trust in collaborative buyer – supplier relationship development?

From above analysis, it can be seen that collaborative advantages can be received from trust of the involved firms. It not only brings better information transfer, but also lessen collaborative disadvantages, such as transaction costs. All of these benefits bring better productivity as well as economic results in buyer – supplier relationship. In a nutshell, this paper somewhat authenticates preceding theoretical debates which proposed that value will be created by trust in collaborative social and economic exchange relationships. Especially, the analysis and findings part above shows that information distribution in partnership between purchasers and vendors

is promoted by trust. Therefore, it can be said that trust in collaborative buyer – supplier relationship plays an essential role as competitive advantage in economic and industrial environment where high valuation related to information distribution exists, as well as high transaction costs are expected.

According to Sahay (2003), trust is considered to play an essential role in advancing and retaining a successful collaborative buyer – supplier relationship. In fact, after being analyzed, it can be seen that foundation and development of partnership between the purchasers and the vendors are directly impacted by the degree of trust. Therefore, it can be said that building and maintaining a good collaborative partnership will depend on the level of trust.

Furthermore, from the empirical part, it can be found that regular chance research for cooperation and information sharing will be supported by the high degree of trust. Also, the receptivity of the supply chain with strategic vendors is enhanced by the high level of trust. Especially, it also occurs in the situation in which there is no control power of the purchasing firms. If there is any ineffective operation, the exorbitantly verifying, inspecting, as well as certifying involved parties will be a result of low degree of trust.

Besides, it is also proved that the higher possibility of favorable outcomes, closer collaborative relationship, lower transaction costs, more enduring supply chain partnership will be supported by the presence of trust. Therefore, it is necessary for organizations to continually build trust which will lead to improvement in cooperation, innovation and competitive advantages.

What are the advantages and the disadvantages of trust in development of collaborative buyer – supplier relationship?

There is a positive relation of trust affecting the outcomes of relationship between purchasers and vendors. There are a lot of advantages that trust brings to relationship between purchasing firms and vendors, such as excellent information distribution, greater harmonization, collective

attempts for reducing ineffectiveness, as well as vendors' product - development - stage engagement motivation. Furthermore, when having trust within a relationship, the buyers can get more benefits from collaborative buyer – supplier relationship, such as better - quality products with better price, speed productivity. From then, the profits will be enhanced more and more.

In addition, one of the advantages of trust in development of collaborative buyer – supplier relationship is that trust can bring good suppliers and benefits to organizations, even a family feeling. In fact, trust can positively motivate long – term collaborative relationship building and maintaining process. Besides, trust helps to meet the satisfaction expectation of the partners. Trust is considered a catalyst between involved partners because it helps to persistently create comfort between involved organizations. Therefore, it can be said that trust create positive working environment for organizations within the network. Also, trust helps to maintain the long – term collaborative relationship as well as keep it undamaged.

Regarding the disadvantages which trust can bring in developing collaborative buyer – supplier relationship, dependency is considered as one of the disadvantageous factors. If an organization trusts too much in their supplying firms, they can be difficult to manage uncertainty properly when their partners face the issue. For instance, almost factories located in Vietnam put high trust on their Chinese supplying firms and place almost their big orders to them. However, when there is corona virus outbreak, all of them cannot foreseen and depend on their Chinese vendors too much. It will lead to the fact that their supply system will be postponed and harmed too much. As a result, the turnover will also be seriously decreased.

How to build and maintain trust?

In order to form trust within a totally new relationship, expertise which shows its capability to transfer knowledge, high frequency of interaction leading to willingness to share information, as well as reputation will play a vital role. Therefore, organizations are suggested to understand

and focus on these antecedents in order to well develop trust building process in the first stage of relationship.

In addition, in order to get trust from the partners, organizations should respect and correctly follow the agreements or contracts at the very first stage of partnership. After establishing trust with vendors or purchasing firms, it is required that managerial levels should concentrate on maintaining trust level within their relationship. In order to boost the degree of trust, the shared information should be value and honor should be taken priority as well.

Companies should have a good attitude and understanding about trust during working with their partners in order that trust level will be higher. In addition, to efficiently build and maintain trust within a collaborative relationship, firms should understand and well develop these essential elements, including quality of products, timing, payment, and no cheating to build as well as maintain trust within their relationship with partners. Due to the fact that, when they can meet customers or partners' requirements, their partners will be satisfied, and trust level will also be increased more and more. Besides, by collaboratively supporting their supplying firms and the buying ones, trust building process can be well started because of satisfied feeling's motivation on development of collaborative buyer – supplier relationship. From then, profit will also be enhanced higher and higher.

From analysis and findings part, it can be found that inefficiently communicating between partners will decrease trust level. Therefore, it is suggested that firms plan specific strategies as well as have effective ways to well communicate with their partners. To be more detailed, sales staff should be well trained to have enough expertise and be faithful to persuade and get trust from the purchasers and supplying firms. From then, it can be said that effective communication plays an important role in building and enhancing trust within a relationship.

Moreover, from the buying organizations' perspectives, trust will be given to the suppliers when they gave more knowledge to them, such as showing more exact lead time, how production works over developing and mass production stages. Therefore, in order to receive trust from the

buyers, it is recommended that the vendors are faithful in sharing information about products for the customers. Furthermore, the vendors are required to share their minds and solve problems based on mutual respect, so that trust will be improved between involved parties.

From the supplying organization's view, they will respond to their partners' trust when they receive more projects as well as properly get information about issues. Hence, during working process, the purchasers should be honest and share sudden issues properly in order to establish and retain trust level within a relationship. Moreover, when the vendors provide better – quality products with better price, they will receive trust from their partners.

On the other hand, if power is unnecessarily used, the level of trust will be negatively affected because it will lead to a decrease in satisfied feeling which results in disadvantages in partnership. Hence, it is highlighted that the engagement and trust relate to sustainable satisfied relationship, especially in case of asymmetry of power in the supply chain partnership. Frequently punishment on an involved organization which does not meet the requirements, including standard, lead time as well as price will deteriorate the level of trust in a partnership. Therefore, organizations are recommended to avoid these actions during working process to maintain the level of trust within a relationship.

5.1. MANGERIAL IMPLICATIONS

There are consequential managerial implications in the outcomes of this thesis. Due to the fact that trust positively impacts on purchasers and vendors' administration and practicability, it is clear that managerial levels should beware of investment of intentional growth as well as their organizations' trustworthiness maintenance.

This part will present some recommendations for managers to get success as followings.

Understanding the role of trust in buyer – supplier partnership

In order to apply trust in encouraging economic enhancement, it is suggested that managerial levels recognize if trust plays an essential role in interorganizational partnerships with other parties or not. A setting stood on mutual requirements is compelled for forming trust in interorganizational levels. This will lead to a decrease in the deficiency costs, an enhancement in interchange, as well as improvement of information stream.

Vendors' size impacts on trust

As analyzing in the empirical and finding parts, how trust is built and maintained from supplying firms is insightly provided. From the finding parts, it can be found that the buying firms' trust is impacted by many factors including the vendors' typical features and size. The reason why buying firms trust the suppliers is that the purchasers can base on the vendors' size to trust strange vendors as well as their cooperation with others.

Emphasizing the significance of trust

It is necessary for the managerial levels to enhance intense consciousness about the importance of trust in the firms as well as the origin of distrust in the firms, then carry out the methods in order that the effect of distrust on the organizations and their partners will be removed and diminished. As the results of the interview, all of the respondents admit the significant impact of trust on their buyer – supplier relationship. Furthermore, it is shown that trust at both organizational and personal level are good, but it is sometimes impacted by the changes of management policy. Trusting degree is also affected by crisis, or union, when these circumstances occur, the degree of trust can be lower and weaker, even directly negatively impact on business. From then, it is also good to justify more about personal trust in the future.

Pay attention to the vendors' ideas

Mutual dependency of involved parties plays an important role for the actual costs and risks being measured in order that business activities will be interfered, then recognize the errors that are required to administratively arrange. It is found that utilizing the technique of the existing vendors, and mutually getting the experience in maximum level by maintaining the collaborative partnership. Paying attention and communicating with the vendors may become a critical data resource.

Improving information sharing

The analysis part above shows that information sharing and trust development critically require the likelihood of trust. Trust and information sharing depend on the causality relationship. Precise information will support the firms to forecast the possibility of other parties' trusting as well as reduce the transaction costs.

5.2. SUGGESTIONS FOR FUTURE RESEARCH

In this thesis, a deep insight about what the role of trust is in development of collaborative buyer – supplier relationship. From the very first period, the content was justified and utilized in order to improve evaluation tools used for examining the content's validity and coherence. Besides, a large number of essential elements impacting on the involved firms was examined; for example, the outcomes of trust, the benefits of the collaborative relationship, the eagerness of information sharing.

Due to the small number of the respondents used for data collection, in the future, in order to enhance the accuracy and the validity of the outcomes, a larger sample size should be used. In addition, using larger sample size will support extra evaluation; for instance, examining the

diversity of a lot of industries. Besides, it is noted that the outcomes of this paper may only be concluded for manufacturing industries which have identical traits.

Second recommendation for further studies is reproducing this conceptual framework and using data of respondents from various countries. It will lead to the results that how trust impacts on various cultures can be assessed and understood more. Another suggestion for future researches is combining trust at both organizational and personal level. Furthermore, this paper concentrates on manufacturing organizations. Therefore, a further research about service organizations should be investigated.

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APPENDIX

Dear Purchasing Experts and Sales Experts,

My name is Quyen Nguyen. I am doing my Master thesis project with the title "The role of trust in development of collaborative buyer - supplier relationship". Therefore, I need your support in answering following questions related to this topic. Your answers are very valuable for me. Thank you so much!

Theme 1: Respondents' background

Question 1: Could you please tell me your name, and which industry does your company operate?

Question 2: What is your position in the purchasing team/ sales team? What is your experience in this position?

Question 3: How many vendors or buyers do you work with? Can you tell me about your suppliers and buyers network? In which area do your partners operate?

Question 4: What is your organization's main purchasing approach? (Leverage items, Strategic items, Non – critical items, or Bottle – neck items)

Theme 2: Perspectives about collaborative buyer – supplier relationship

Question 1: In your opinion, what is a collaborative relationship?

Question 2: What factors do you think important on development collaborative buyer – supplier relationship? Please rate below elements (0 = “not essential at all” to 5 = “so essential”).

Elements	Rate (0 – 5)
Genuine commitment	
Trust	
Open communication	
Sufficient resource	
Capable staff and patience	

Question 3: What benefits do you think suppliers and buyers can get from a collaborative buyer – supplier relationship?

Theme 3: Perspectives about trust

Question 1: Can you define trust concept in your working process with your vendors/ buyers?

Question 2: Do you think you have changed your attitude or understanding of trust in working process with your vendors/ buyers?

Question 3: What do you think about personal trust in selecting suppliers and developing collaborative relationship with your vendors/ buyers?

Question 4: What do you think about organizational trust in selecting suppliers and developing collaborative relationship with your vendors/ buyers?

Question 5: Do you personally feel trusted by your vendors/ buyers? If yes, why do you think they trust you? How will you respond to their trust?

Question 6: In order to receive your trust, what following elements of vendors/ buyers do you need? Please rate below antecedents (0 = “not essential at all” to 5 = “so essential”).

Antecedents	Rate (0 – 5)
Expertise	
Reputation	
Similarity	
Frequency of interactions	
Firm size	

Question 7: What do you think about positive outcomes trust can bring to your relationship with vendors/ buyers?