

Exploring the antecedents of preferential customer treatment by suppliers: a mixed methods approach

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Abstract

Purpose – This paper aims to understand the factors that influence a supplier's choice to treat selected customers more preferentially than others. Suppliers often lack the resources to treat all their customers equally, instead having to make choices to treat some customers as preferred. Empirical evidence indicates that preferential treatment by suppliers provides substantial benefits for the purchasing firm.

Design/methodology/approach – This study applies a mixed-methods approach. First, a qualitative analysis of a sample of buyers from an automotive manufacturer was conducted. In the second step, the findings were triangulated via a quantitative survey among key account managers of the automotive firm's suppliers.

Findings – This paper is the first to provide quantitative data collected from a large sample of automotive suppliers about the drivers of preferential customer treatment. The authors were able to show that the growth opportunities for suppliers and customers' operative excellence, reliability and relational behavior are factors that induce suppliers to award preferential customer treatment. In contrast, innovation potential for suppliers, customers' support of suppliers, supplier involvement and contact accessibility do not show a significant effect on suppliers' behavioral intentions toward preferential customer treatment.

Originality/value – The mixed-methods approach is introduced as a form of academic enquiry in supply chain management. The factors influencing preferential customer treatment by suppliers are explored in discussions with purchasers and validated in a subsequent survey among suppliers. Recommendations for managerial practice and theory are drawn.

Keywords Buyer-supplier relationships, Preferential customer treatment by suppliers, Strategic supply management

Paper type Research paper

1. Introduction

In current supply markets, customers often face the challenge of a decreasing number of potential suppliers (Wagner and Bode, 2011; Lavie, 2007; Schiele, 2008). As a consequence, competing customers seek resources from the same number of suppliers. Such a competitive resource environment enables suppliers to select the customers they want to work with. Consequently, not all customers can access prime resources. "By making choices to ally with some partners, others are ipso facto excluded" (Gulati *et al.*, 2000; p. 210). Not belonging to the group of "ipso facto excluded" is a challenge that confronts each customer that is reliant on external resources. We go one step further and argue that each firm in a supply chain can generate competitive advantages if it manages to gain a preferred status among suppliers relative to other customers. By becoming a supplier's preferred customer, a customer is awarded preferential resource allocation and is thus able to outperform competitors (Steinle and Schiele, 2008). Schiele *et al.* (2011) are one of the first to show that

preferential resource allocation enhances supplier innovativeness while securing benevolent pricing behavior. Additionally, Ellis *et al.* (2012) found that preferred customers gain prioritized access to supplier technology and innovations. In a survey of sales personnel, Bew (2007) found that being a customer of choice is positively related to preferential treatment in the allocation of materials, first access to new product ideas and unique cost reduction opportunities. Due to the apparent significance of preferential customer treatment by suppliers, Cordón and Vollmann (2008) strongly encourage buying firms to explicitly determine what they can do to be ranked at the top of their suppliers' customer lists. Picking up Leenders and Blenkhorn's (1988) idea of "reverse" marketing, we intend to investigate in our study what customers can do to attain a preferred status among strategic suppliers. Effectively, we invert the perspective by examining buyers trying to become attractive for their suppliers and to secure their benevolence. Whereas the classical relationship marketing concept of the seller attempting to enhance relationships with the customer is more common in the literature (Berry, 1983; Ulaga and Eggert, 2006; Morgan and Hunt, 1994; Garbarino and Johnson, 1999; Stank *et al.*, 1999), its mirror image upstream the supply chain is widely neglected (Piercy, 2009). This paper provides a comprehensive overview and empirical assessment of the

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influencing factors of preferential customer treatment. We thereby offer purchasing managers a better understanding of the measures that they can use to be awarded preferential treatment by leading suppliers.

Therefore, this study's central research question is: what are the factors that induce suppliers to treat selected customers more preferentially than others? Despite its significance in practice, there seems to be an overall lack of awareness and attention currently being paid to the means that buyers can use to position themselves better than their rivals among leading suppliers (Ellegaard and Ritter, 2007; Leenders *et al.*, 2005; Essig and Amann, 2009; Mortensen *et al.*, 2008). Only recently have researchers started to provide a more in-depth analysis of possible antecedents of preferential customer treatment (Blonska, 2010; Baxter, 2012; Ellis *et al.*, 2012). These studies pick particular aspect such as share of sales, supplier involvement and relational reliability (Ellis *et al.*, 2012), supplier development and social capital (Blonska, 2010) or financial attractiveness and supplier satisfaction (Baxter, 2012), stemming from diverse theoretical lenses, and test their effectiveness as possible antecedents. However, a model that includes a comprehensive, empirically grounded overview of factors antecedent to a supplier's choice to treat one customer better than another is still missing.

Therefore, the key objectives of this study are:

- To explore the antecedents of preferential customer treatment considered relevant in practice. By conducting focus group discussions with buyers of an automotive OEM, eight antecedents are identified that emerge from the field data and replicate across the discussion rounds. In this qualitative approach, we were able to build up a model of the relevant drivers of preferential customer treatment from a buyer's point of view.
- To triangulate the qualitative results in a quantitative manner. As it is the supplier who awards preferred customer status, we conduct a subsequent survey among suppliers of this automotive OEM. In this way, we validate the buyer's perspective and identify the factors which effectively provoke suppliers to award customers with preferential treatment.

This paper is structured as follows: first, we present a literature review. We then describe the mixed-methods approach and present the qualitative and quantitative studies. Next, we discuss our findings and draw theoretical and managerial conclusions. Finally, we note limitations and future research directions.

2. Determinants of preferential customer treatment: customer attractiveness, supplier satisfaction and preferred customer status

To derive a better understanding of the research problem at hand, the concept of preferential customer treatment shall briefly be defined and theoretically discussed. A recent stream in the literature uses social exchange theory (SET) to explain why exchange partners intensify cooperation and treat selected customers more preferentially than others (Schiele *et al.*, 2012a). Expanding on classical SET, Schiele *et al.* (2012a, 2012b) differentiate between two levels of industrial exchange relationship continuation: as a regular or a preferred customer.

According to Thibaut and Kelley (1959), SET builds on three core elements that actors use to decide on an exchange relationship's continuation:

- 1 Expectations (E) influence an actor's decision on whether a relationship is initiated and developed over time (Mortensen *et al.*, 2008). Consequently, actors only begin and continue relationships that they expect to be rewarding for themselves (Thibaut and Kelley, 1959). Thus, expectations determine the level of attraction between the relationship parties. Similar to Wilkinson *et al.* (2005), we argue that suppliers only intensify cooperation with customers that they consider attractive. Customer attractiveness may thus be a condition for preferential customer treatment by suppliers (Schiele *et al.*, 2012a, 2012b).
- 2 Following SET, the outcome of the exchange is judged against the actors' expectations, determining the level of satisfaction with the relationship. Satisfaction directly affects the behavior of exchange partners (Anderson and Sullivan, 1993; Thibaut and Kelley, 1959) and influences their decisions regarding termination, continuation, upgrading or downgrading a relationship (Wilson and Mummalaneni, 1986). The more satisfied a supplier is in a relationship with a customer, the likelier it is that the supplier awards this customer preferential treatment (Baxter, 2012). Thus, supplier satisfaction is likely to be another determinant of preferential customer treatment (Schiele *et al.*, 2012a; 2012b).
- 3 SET further assumes that actors will also consider their experiences with other customers (Thibaut and Kelley, 1959; Anderson and Narus, 1984) to determine their level of service in an exchange relationship; i.e. actors use the "comparison level of alternatives" to eventually decide which customer is awarded preferential status and which customers are treated as standard customers. In line with Schiele *et al.* (2012a, 2012b), we argue that a supplier awards a buyer with preferential treatment if this buyer offers better results than competitors and enjoys a preferred status relative to other customers.

So far, we have identified customer attractiveness, supplier satisfaction and preferred customer status as the variables that determine preferential customer treatment by suppliers according to SET. What is still unclear, however, is what the drivers of these variables are and what buyers can do to promote their own attractiveness as customers, boost perceived supplier satisfaction and, finally, be awarded preferential status relative to their rivals. While SET is well-suited to frame the research, it reaches its limits in regard to the details of what the influencing factors of the three determinants of preferential customer treatment actually are. For these details, additional insights must be generated and further analyses should be conducted.

Hüttinger *et al.* (2012) conducted a literature review analyzing contributions in peer-reviewed journals that identified drivers of customer attractiveness, supplier satisfaction and preferred customer status. They state that this research field can be considered rather underdeveloped and remains in its infancy. The results show that there is still a lack of knowledge concerning possible antecedents of customer

attractiveness, supplier satisfaction and preferred customer status.

As can be seen in Table I, many of the drivers of customer attractiveness (e.g. market factors, development potential and competition) concentrate on factors that influence a supplier's perception of a customer's attractiveness before a relationship has even started, i.e. *ex-ante* attraction. However, there are also factors (e.g. human interface, familiarity, technology) which influence the perceived level of customer attractiveness when the two parties have already been in contact. Thus, the identified factors play a role either *ex-ante* or during a relationship, e.g. when new projects are to be initiated (Hüttinger *et al.*, 2012).

In contrast to customer attractiveness, the antecedents of supplier satisfaction refer more to the ways in which business is done between buyers and suppliers once the decision for interaction has already been taken. As the expectations should be materialized during the course of the interaction, the antecedents of supplier satisfaction are particularly comprised by a more operational nature such as order processes, payment procedures or information exchange. Also the mode of interaction, i.e. cooperation and influencing strategies, is frequently named as factors influencing satisfaction (Hüttinger *et al.*, 2012).

Regarding the drivers of preferred customer status, purchase volume, further business opportunities or share of sales appear to be a central element of the supplier's decision to award preferred status to selected customers. This is in line with Thibaut and Kelley (1959) who argue that suppliers are likely to intensify cooperation with customers that best fulfill the purpose of value creation. Also noticeable is the accumulation of relational factors such as loyalty, commitment or reliability. Suppliers strive for value creation, but the quality of the relationship also appears to influence strongly the suppliers' behavior toward their customers (Hüttinger *et al.*, 2012).

In sum, it is noteworthy that the drivers identified for customer attractiveness, supplier satisfaction and preferred customer status exhibit certain particularities. Depending on the relationship stage, there seem to be differences in the factors buyers should use to influence the level of either customer attractiveness or supplier satisfaction or preferred customer status. In contrast, we also observe that there are recurring factors which are apparently relevant throughout all three relationship stages. Therefore, the aim of this study is to provide a comprehensive analysis of the influencing factors of each relationship stage successively and to investigate their particularities or similarities in a subsequent step. We intend to reveal the relevant factors that buyers can use to increase their level of attractiveness, to boost supplier satisfaction and to get a better status than their rivals. This knowledge enables buyers to manage the relationship in an appropriate way dependent on the relationship stage and facilitates its development toward preferential customer treatment.

As observed in Table I, diverse theoretical frameworks have been used to derive possible antecedents, only focusing on a limited number of antecedents. There seems to be no one theory that enables scientists to derive a comprehensive picture of relevant influencing factors. Each paper proposes different theories and drivers leading to a large variety of

possible antecedents, but a clear analysis of which factors actually show significance in practice is lacking. Because no framework is available to comprehensively derive such drivers in a theory-based way, we use a qualitative approach and experiences in practice to develop knowledge on the relevant influencing factors of preferential customer treatment. Our findings might well be attributable to different theoretical lenses, but are not limited to them. This approach might cover already existing findings, but goes beyond them and enables us to provide a comprehensive overview of the relevant antecedents in practice. To achieve this, a mixed-methods approach is conducted, which is described in the next section.

3. Research methodology: a mixed-methods approach

This study utilizes a combination of qualitative and quantitative methods in what is called a mixed-methods approach (Creswell, 2008; Johnson and Onwuegbuzie, 2004; Tashakkori, 2009). In sociology and psychology, multiple methods research has become increasingly popular and can be considered a legitimate, stand-alone research design (Hanson *et al.*, 2005). Davis *et al.* (2011) investigate the implementation of multiple methods research in marketing and state that multiple methods research offers a promising avenue for advancing the marketing discipline by providing robust findings that overcome the considerable risk of method bias. In the purchasing and supply management field, Matthyssens (2007) advocates overcoming the divide in methodological debates by showing paradigmatic tolerance and pluralism and applying mixed methods that combine qualitative and quantitative approaches. Moreover, Tazelaar (2007) argues that the purchasing and supply management field should learn from adjacent disciplines such as sociology and combine qualitative and quantitative methods. This offers an excellent opportunity for accelerated knowledge growth in that field. Lewis (1998) argues a similar point, adding that management researchers frequently call for a combination of statistical and qualitative research. In this way, the increasing frequency and scale of changes in technology and managerial methods can be coped with in academia. Because using multiple methods is proposed to produce results that are more robust and compelling than single-method studies (Stewart, 2009), mixed-method approaches also gain importance in supply chain management (Cadden *et al.*, 2013).

In this study, we adopt an exploratory sequential design. This is a two-phase design whereby the researcher begins by qualitatively exploring a topic before building to a second, quantitative phase (Creswell and Clark, 2010). According to Creswell and Clark (2010) and Tashakkori and Teddlie (1998), the exploratory design is adopted when there is a need for a preliminary exploration of a phenomenon. The two-phase exploratory design is also referred to as the quantitative follow-up design (Morgan, 1998; Bryman, 2006), using qualitative exploratory results to generate hypotheses and quantitatively test whether they can be generalized. Examples of practical application of the exploratory sequential design can be found in Venable *et al.* (2005), Dahl and Moreau (2002) and Goldenberg *et al.* (2005).

In phase one of our study, we gathered qualitative data by conducting focus group discussions among buyers of an

Table I Literature review

Research field	Authors, year	Publication	Method	Theoretical embedding	Suggested antecedents
Customer attractiveness	Fiocca, 1982	<i>Industrial Marketing Management</i>	Conceptual	IM literature	Market factors, competition, financial and economic factors, technological factors, sociopolitical factors
	Christiansen and Maltz, 2002	<i>International Journal of Logistics: Research and Applications</i>	Case study	P & SM literature	Joint product development, joint manufacturing process development, joint logistics development
	Ellegaard et al., 2003	<i>Integrated Manufacturing Systems</i>	Case study	TCE, RM, IMP, Bath Group	Human interface, cultural adaption
	Harris et al., 2003	<i>Marketing Theory</i>	Case study	SET, RM	Economic, resource and social factors, familiarity, similarity, compatibility, knowledge of alternatives, socialization
	Hald et al., 2009	<i>Industrial Marketing Management</i>	Conceptual	SET	Expected value, trust, dependence
	Ramsay and Wagner, 2009	<i>Journal of Purchasing and Supply Management</i>	Case study	P & SM literature, IM literature	Finance, efficiency, overall trading relations and communication, ethical behavior, risk and uncertainty, technology, corporate image
	La Rocca et al., 2012	<i>Industrial Marketing Management</i>	Survey	P & SM literature, IM literature	Development potential, intimacy, relational fit, profitability
Supplier satisfaction	Wong, 2000	<i>Total Quality Management</i>	Conceptual	IM literature	Cooperative culture, commitment to suppliers' satisfaction, constructive controversy
	Forker and Stannack, 2000	<i>European Journal of Purchasing and Supply Management</i>	Survey	TCE, P & SM literature	Cooperative relationships
	Whipple et al., 2002	<i>Journal of Business Logistics</i>	Survey	SCM literature	Level of information exchange, accuracy of information exchange, timeliness of information exchange
	Benton and Maloni, 2005	<i>Journal of Operations Management</i>	Survey	IM literature	Coercive-mediated power sources, reward mediated power sources, non-mediated power sources, performance
	Essig and Amann, 2009	<i>Journal of Purchasing and Supply Management</i>	Survey	P & SM literature	Intensity of cooperation, order process, billing/delivery, communications, conflict management, general view
	Nyaga et al., 2010	<i>Journal of Operations Management</i>	Survey	TCE, SET	Collaborative activities, trust, commitment
	Ghijzen et al., 2010	<i>Journal of Purchasing and Supply Management</i>	Survey	IM literature, P & SM literature	Indirect influence strategies, direct influence strategies, direct supplier development activities, dependence
Preferred customer status	Meena and Sarmah, 2012	<i>Industrial Management and Data Systems</i>	Survey	P & SM literature	Purchase policy, payment policy, coordination policy, corporate image
	Brokaw and Davisson, 1978	<i>Journal of Purchasing and Materials Management</i>	Conceptual	Marketing theory	Supplier satisfaction, technical know-how, purchase volume, loyalty, further business opportunities, prestige
	Williamson, 1991	<i>Business Strategy Review</i>	Case study	P & SM literature	Concentration of purchases with one primary supplier, loyalty
	Steinle and Schiele, 2008	<i>Journal of Purchasing and Supply Management</i>	Case study	RBV, cluster theory	Geographical proximity, cluster membership, purchasing volume
	Baxter, 2012	<i>Industrial Marketing Management</i>	Survey	RBV, IMP	Customer financial attractiveness, supplier satisfaction, supplier commitment
	Ellis et al., 2012	<i>Industrial Marketing Management</i>	Survey	SET	Share of sales, supplier involvement, relational reliability

Notes: P & SM = purchasing and supply management; TCE = transaction cost economics; RM = relationship marketing; IMP = industrial marketing and purchasing; IM = industrial marketing; SET = social exchange theory; SCT = social capital theory; SCM = supply chain management; RBV = resource-based view

automotive OEM to explore the antecedents of customer attractiveness, supplier satisfaction and preferred customer status. By noting recurrent patterns within and across discussion rounds, clustering and subsuming particulars into the general, we intend to develop theory and to build up a conceptual model of the drivers of preferential customer treatment. Based on the qualitative findings, hypotheses are derived and tested in a survey among suppliers of the automotive industry. In other words, in phase two, we test whether the antecedents which are empirically grounded in the discussion rounds with buyers are confirmed by suppliers.

4. Focus group discussion: buyer perspectives

4.1 Method: running a “world café” as a special form of focus group

Focus groups as a tool for data collection have become increasingly popular in several different contexts in recent years (Hult *et al.*, 2007). Wibeck *et al.* (2007) describe focus groups as “a research methodology in which a small group of participants gathers to discuss a specified issue under the guidance of a moderator” (p. 249). In general, researchers use focus groups as an exploratory technique in developing a new research areas, as sources for generating hypotheses or to interpret previous studies’ findings (Merton and Kendall, 1946). Because the preferred customer concept is a relatively new and underdeveloped research area, we consider focus groups to be an appropriate method for profiting from participants’ experience and gathering empirical knowledge about the phenomenon at hand.

To avoid the fact that participants behave differently in a focus group than they would in private, i.e. they might forgo saying things for reasons of conformity or might polarize and indicate more extreme views (Morgan, 1997), we conducted a special form of focus group research, the “world café” (Brennan and Ritch, 2010), invented by Brown and Isaacs (2005).

It has the following characteristics: the participants are asked to divide themselves into small groups at different tables where a particular aspect of the research problem is discussed. Each table has a moderator who stays at one table, takes notes on a flip chart, remains passive and does not influence the discussion unless it deviates from the topic. The moderator is also asked to control the questioning process to reduce the impact of dominant group members, if this is necessary. After 30–45 minutes, the participants are asked to change tables. They can choose freely but may not return to the same table. This allows each discussion round to bring together a new group. The moderator reviews the previous discussion for the new guests. This process is repeated until each participant has contributed to every discussion topic. In applying this method, the goal is to initiate open but topic-focused discussions, with every participant joining in.

One of the major advantages of the world café method compared to a traditional focus group design is its iterative process in a one-time session. It enables us to increase data stability and reliability without having to schedule reoccurring focus group sessions (Kidd and Parshall, 2000). Having multiple discussion rounds gathering information from different respondents helps to mitigate many potential sources of bias. For instance, discussing the same phenomenon with

altering participants of the company in each discussion round gave us multiple perspectives of the same construct. The iterative design of the world café allows participants not only to recognize patterns and linkages between emerging themes and constructs (Steier *et al.*, 2008) but also to “test” consistencies or inconsistencies of potential connections eventually leading to a high construct validity (Hoffmann, 2011). This iterative process, along with the groups’ changing compositions, allows for the cross-pollination of ideas, thus enabling researchers to collect richer data (Fouché and Light, 2011).

4.2 Data collection: workshop with buyers responsible for different material groups

Researchers recommend that discussion groups should consist of members that have something in common, thus creating homogeneity and allowing for discussion in a familiar and shared language (Morrison, 1998; Krueger and Casey, 2000). Therefore, 12 participants from an automotive OEM were invited to participate in the discussion rounds. The automotive OEM’s number of employees is about 550,000 with an annual turnover of 193 billion EUR and headquarters in Europe working with suppliers all over the world. The invited participants were purchasing managers responsible for the purchase of different parts of various material groups, including metal, electronics, interiors, exteriors and powertrains. The requirements for being selected were of a different nature: the designated participant should address the procurement of innovations, face oligopolistic structures in the supply markets, be in contact with suppliers of strategically important parts and have an outstanding relationship with his or her supplier. Because these people are challenged with the preferential allocation of their suppliers’ resources in their daily work lives, they were chosen for the discussion about the necessary actions that buyers should take to be awarded preferential treatment by suppliers.

In total, there were three tables – one for customer attractiveness, one for supplier satisfaction and one for preferred customer status. The results of the literature review presented in Section 2 served as a frame of reference to be discussed and expanded on by the participants. The aim of each discussion round was to identify the relevant influencing factors in the buyers’ opinions. After approximately 30 minutes, each participant had to switch to a new table at which a different topic was debated. This process was repeated three times so that each participant would discuss possible antecedents of each topic.

4.3 Analysis and results: identifying eight categories of antecedents

Each of the nine 30-minute discussions was recorded electronically and subsequently transcribed. Once all of the field data were available, inductive coding and data analysis proceeded. An inductive approach refers to the fact that codes and categories evolve during the coding process and are not predefined (Richards, 2009). To reduce the amount of data and to display the data in a meaningful fashion, the created codes are afterwards grouped into meaningful categories (Miles and Huberman, 1994; Yin, 2003). Data analysis had

two main components: analysis within and across the discussions of each table.

The analysis within the discussions of each table helps us to examine the antecedents of customer attractiveness, supplier satisfaction and preferred customer status at each table separately. It provides us with an extensive database of the various drivers named in the three respective discussion rounds. This process allows the unique patterns of each table to emerge before we push to generalize patterns across tables.

The analysis across the discussions of each table was concerned with identifying recurrent patterns which replicate across the three tables. The moving of data from table-based subcategories to cross-table main categories required multiple iterations. Through a process of combining, subsuming particulars into the general, and redefining we were able to generate a conceptual model of the drivers of preferential customer treatment. We reduced the data to eight main categories that are empirically grounded in the overall nine discussion rounds: growth opportunity, innovation potential, operative excellence, reliability, support of suppliers, supplier involvement, contact accessibility and relational behavior. A display of the subcategories of the discussion rounds of each table and their grouping into the eight table-spanning main categories can be found in Table AI. A simplified overview of the code categorization is presented in Figure 1.

Table II provides an explanation and definition of the different constructs:

The next section takes a more detailed look at the results of the three discussion rounds of each table. We describe the findings for each table separately, starting with the antecedents of customer attractiveness, followed by the peculiarities of supplier satisfaction and completed by the drivers of preferred customer status. To validate the purchasers' perspectives and test the world café insights among suppliers, we also derive hypotheses for quantitative testing. In doing so, we link the results of the different discussion rounds to the already existing findings in the current literature. Like Latham (2008), we used the world café method to generate questions for further inquiry. The intent of the two-phase exploratory mixed-methods design is that the antecedents identified in the initial qualitative study are used to inform and develop the second, quantitative study (Greene et al., 1989). These developments connect the initial qualitative phase to the subsequent quantitative strand of the study.

Figure 1 Overview of categories derived from inductive coding

Customer Attractiveness	Supplier Satisfaction	Preferred Customer Status
Growth opportunity (growth, volume, brand name, image)		
Innovation potential (expertise, innovation orientation, innovation possibilities)		
Operative excellence (planning, decision making, processes)		
Reliability (opportunism, contract compliance, adherence to agreements)		
Support of suppliers (training, supplier development, advice)		
Supplier involvement (early and close involvement in NPD)		
Contact accessibility (cross-functional contact person)		
Relational behavior (solidarity, mutuality, flexibility)		

4.3.1 Customer attractiveness

For customer attractiveness, the codes related to “growth opportunity” play an especially dominant role from the discussants' point of view. One buyer of the automotive OEM stated:

I think being a constantly growing company makes us an attractive customer. That is because the supplier can grow together with us due to the high number of parts we purchase from him. Thus, a company which is not only in a stable but in a growing position represents an attractive business partner for suppliers.

Next to steady mutual growth, the participants also consider a strong brand name, possible access to other customers and the role of the buying company as a global player to be pull factors. This is in line with Fiocca (1982), who identifies economic factors such as growth and volumes as antecedents of customer attractiveness. Hald et al. (2009) and Ramsay and Wagner (2009) also name economic elements (e.g. price/volume, growth, access to new buyers) as one component of attraction. We hypothesize that:

H1a. Growth opportunity for suppliers has a positive impact on customer attractiveness.

The “innovation potential” a supplier expects from collaboration with a certain customer gained significant importance during the discussions about customer attractiveness. In the buyers' opinions, suppliers like to be involved in innovative developments to increase their own attractiveness among their client range and in the public perception. The innovative orientation of the customer, as well as collaboration with teams of experts, is particularly noteworthy in this category. The world café findings are consistent with findings in current literature: Hald et al. (2009) argue that a buyer is very attractive to the supplier if the supplier develops new competencies that can be leveraged in other dyad relationships. Technological factors and customer-led innovation are also named as antecedents by Fiocca (1982) and Ramsay and Wagner (2009). Therefore, we hypothesize that:

H1b. Innovation potential for suppliers has a positive impact on customer attractiveness.

With regard to the category “operative excellence”, buyers consider reliable forecasts about future demands crucial for suppliers. This ensures that good capacity planning is feasible for the supplier. One buyer of the automotive OEM stated:

Companies which provide long-term capacity planning possibilities are attractive business partners for suppliers. If the supplier knows well in advance which volumes we expect, he is better able to adapt his own resources accordingly.

Our world café results support Ramsay and Wagner's (2009) assumption that forecast reliability minimizes supplier risks and consequently impacts their supplying behavior in a beneficial way. We propose the following:

H1c. Customers' operative excellence has a positive impact on customer attractiveness.

Throughout the three discussion rounds on customer attractiveness, the term reliability received high priority. Buyers are convinced that statements should contain a high

Table II Definition of constructs

	Definition	Reference
Constructs		
Customer attractiveness	Customer attractiveness refers to the customer’s capacity to cause interest of past, current, future or potential suppliers in exchanging with another, based on the outcomes expected from the relationship over time	Blau, 1964; Kelley and Thibaut, 1978; Halinen, 1997
Supplier satisfaction	Supplier satisfaction is defined as a positive affective state resulting from an overall positive evaluation of the aspects of a supplier’s working relationship with the buying firm	Anderson and Narus, 1984; Dwyer et al., 1987
Preferred customer status	Preferred customer status is a relative status which is awarded by the supplying firm to its favorite customer(s). Relative to standard customers, preferred customers are offered preferential resource allocation	Steinle and Schiele, 2008
Antecedents		
Growth opportunity	Growth opportunity refers to the suppliers’ ability to grow together with the buying firm and to generate new potential business opportunities through the relationship	Walter et al., 2001; Walter et al., 2003
Innovation potential	Innovation potential is understood as the supplier’s opportunity to generate innovations in the exchange relationship due to the buying firm’s innovative capabilities and its contribution in joint innovation processes	Schiele et al., 2011
Operative excellence	Operative excellence is the supplier’s perception that the buying firm’s operations are handled in a sorrow and efficient way, which facilitates the way of doing business for the supplier	—
Reliability	Reliability is defined as the supplier’s perception that the buying firm acts in a consistent as well as reliable manner and fulfills its agreements	Hald et al., 2009
Support of suppliers	Support of suppliers as offered by the buying firm is characterized as its effort or assistance to increase a supplier’s performance and/or capabilities	Krause and Ellram, 1997
Supplier involvement	A customer’s supplier involvement describes the degree to which the supplier’s staff participates directly in the customer’s product development team and is entrusted with developing product ideas	Handfield et al., 1999
	A customer’s contact accessibility refers to the availability of a person who intensively shapes and advances exchange processes and reflects the buying firm’s willingness to develop structural bonds with the supplier	Walter, 2003
Relational behavior	Relational behavior refers to the buying firm’s behavior towards the supplier with regards to the relational focus of exchange capturing multiple facets of the exchange behavior such as solidarity, mutuality, and flexibility	Palmatier et al., 2007; Griffith et al., 2006

level of reliability if a buying firm wants to become attractive as a customer for supplying firms. This assumption is also reflected by Hald et al. (2009), who propose a direct effect on attraction. Therefore, we hypothesize that:

H1d. Customers’ reliability has a positive impact on customer attractiveness.

In the subcategory “support of suppliers”, *supplier training* and *helpfulness* in general received attention from the discussants. Hald et al. (2009) state that support seems to influence attraction. Hence, the following hypothesis is developed:

H1e. Customers’ support of suppliers has a positive impact on customer attractiveness.

The engagement of suppliers in projects in an early state received attention in the discussion rounds. One buyer of the automotive OEM stated:

If we allow the supplier to early participate in new development projects, he can promote his involvement and enhance his reputation in the market. This is something that makes us attractive for suppliers.

Supplier involvement, to our knowledge, has not yet been identified as a possible driver of customer attractiveness in the

existing literature. Hence, we propose the following hypothesis:

H1f. Customers’ supplier involvement has a positive impact on customer attractiveness.

According to the buyers’ experiences, suppliers’ impressions of a customer’s “contact accessibility” are also of high impact. Having a *close contact person* for all upcoming issues seems to influence the level of attraction as perceived by suppliers in the buyers’ opinions. *Easy access and frequent contact* seem to be essential in the overall collaboration between buyer and supplier. We expect the following relation:

H1g. Customers’ contact accessibility has a positive impact on customer attractiveness.

Harris et al. (2003) add the social content of relationships and social compatibility as highly influential parameters in the customer attractiveness debate. Similarly, Hald et al. (2009) stress the importance of relational factors (e.g. loyalty, shared values, fairness). Ellegaard et al. (2003) and Ellegaard and Ritter (2006) underline that there are many human relations embedded in the relationship between companies and that the

human factor plays an important role. Therefore, the following hypothesis is developed:

H1h. Customers' relational behavior toward suppliers has a positive impact on customer attractiveness.

4.3.2 Supplier satisfaction

At the second table, buyers were asked to discuss factors which, according to their daily work experience, influence suppliers' satisfaction with a relationship. As in the discussions on customer attractiveness, the category "growth opportunity" also received attention at the supplier satisfaction table. SET suggests that parties strive for value creation and will remain in the relationship as long as satisfactory rewards continue (Homans, 1958; Blau, 1968; Lambe *et al.*, 2001). Especially large and prestigious customers can create value for suppliers because they have a valuable reference effect that enables suppliers to access new markets (Walter *et al.*, 2001). This market function, as well as the opportunity to obtain substantial volumes of business (Leenders *et al.*, 2005), increases supplier satisfaction. Therefore, we hypothesize that:

H2a. Growth opportunity for suppliers has a positive impact on supplier satisfaction.

Value can also be created through the benefits of joint innovation development. Walter *et al.* (2001) state that suppliers establish relationships with customers who are considered to be at the forefront of technology or whose product expertise is high. Essig and Amann (2009) explain that a customer's technical competence is one of the determinants of supplier satisfaction. Hence, the following hypothesis is developed:

H2b. Innovation potential for suppliers has a positive impact on supplier satisfaction.

In the category "operative excellence", buyers argue that the distinctive factors in achieving supplier satisfaction are the *simple internal processes*. This finding is in line with Essig and Amann's (2009) assumption that the buying firm's order processes or billing/delivery procedures have a direct impact on supplier satisfaction. The matter of planning also seems to have a fundamental effect on supplier satisfaction, according to the participants' opinions. Maunu (2003) included the forecasting/planning dimension in her supplier satisfaction measurement tool. We hypothesize that:

H2c. Customers' operative excellence has a positive impact on supplier satisfaction.

The most important influencing factor of supplier satisfaction, however, is clearly "reliability", according to the discussants' experiences, especially in that the buying company complies with the agreements made. This holds true for each type of commitment, whether written contracts or oral agreements. Adherence to arrangements and long-term contracts is also defined by Essig and Amann (2009) as a determinant of supplier satisfaction. The parties need to follow the commonly agreed-upon rules and procedures (Maunu, 2003). We hypothesize that:

H2d. Customers' reliability has a positive impact on supplier satisfaction.

In the category "support of suppliers", *guaranteed support* is considered important by buyers in the supplier satisfaction debate. This finding fits with Ghijssen *et al.*'s (2010) hypothesis that supplier development in the form of technical assistance or site visits represents an antecedent of supplier satisfaction. Therefore, we propose the following hypothesis:

H2e. Customers' support of suppliers has a positive impact on supplier satisfaction.

Collaboration in joint projects and *early information about changes* are the prevailing elements of the category "supplier involvement". Maunu (2003) claims that if it is implemented successfully, early supplier involvement has a direct impact on supplier satisfaction. Essig and Amann (2009) also include the degree of earliness of integration in production processes into the strategic dimension of their supplier satisfaction index. Hence, we hypothesize that:

H2f. Customers' supplier involvement has a positive impact on supplier satisfaction.

The category "contact accessibility" refers to contact and coordination aspects in the supplier satisfaction debate. From a buyers' perspective, it is of high importance for suppliers to have a *close contact person* in case of problems or questions who is able to coordinate the emerging issues in a cross-divisional way. One participant of the discussion groups said:

For supplier satisfaction to be achieved, I think it is essential to provide the supplier with a direct contact person who is taking care of the supplier's matters rather than creating the impression that his issues are not taken seriously within the buying firm's organization.

Essig and Amann (2009) also consider the availability of a direct contact to be an influencing factor in supplier satisfaction. We hypothesize that:

H2g. Customers' contact accessibility has a positive impact on supplier satisfaction.

What stands out is the customers' relational behavior toward suppliers as a determinant of the level of satisfaction inherent in a relationship. This coincides with Wong's (2000), Benton and Maloni's (2005) and Nyaga *et al.*'s (2010) findings in the current literature that supplier satisfaction is primarily driven by a relationship-based, cooperative supply chain strategy. Forker and Stannack (2000) are able to support this view in their dyadic study, in which buyers and suppliers in cooperative relationships expressed greater satisfaction than their counterparts in competitive relationships did. *Openness* and *reciprocity* played an especially dominant role in the discussion rounds and are highly valued by suppliers in the participants' opinions. With regard to relational behavior, one participant gave the following example:

If a supplier faces a difficult situation and asks for help, we should offer support and solve the problem together rather than letting him down and terminating the relationship.

Therefore, we hypothesize that:

H2h. Customers' relational behavior toward suppliers has a positive impact on supplier satisfaction.

4.3.3 Preferred customer status

At the third table, participants were asked to identify factors that buyers can use to be evaluated more favorably than one's rivals and that induce suppliers to award preferred status. From a buyer's point of view, the aspects high *volumes* of products and *mutual growth* and *brand image* are expected to have the potential to differentiate his or her company from competitors in being awarded preferred customer status. The possibility to grow together with the buying company in terms of markets and turnover is valued by suppliers. Findings from the current literature identifying high purchase volumes or further business opportunities as antecedents of preferred customer status (Williamson, 1991; Brokaw and Davisson, 1978) are consistent with the results of our discussion rounds. We expect the following:

H3a. Growth opportunity for suppliers has a positive impact on preferred customer status.

Likewise, *innovation possibilities* seem to contribute significantly to the status of a preferred customer in the buyers' opinions. Suppliers seem to appreciate it when the buyers' purchasing volumes allow them to develop innovations and place these innovations economically in the market. One buyer of the automotive OEM stated:

If suppliers intend to invest in innovations, they need to have an adequate future sales volume or somebody who is prepared to share the costs and risks which cannot fully be assessed in advance.

Suppliers also value the ability to re-sell developments and innovations that were made with one customer to other customers. Furthermore, as in Brokaw and Davisson (1978), participants state that the *expertise* and technical know-how of the buying firm's R&D department can be considered antecedents of preferred customer status. Therefore, we hypothesize that:

H3b. Innovation potential for suppliers has a positive impact on preferred customer status.

With regard to "operative excellence", buyers think that a customer who offers its suppliers processes that enable *quick decision-making* can stand out and outperform competitors, thereby giving empirical support to factors such as simple, predictable decision processes (Bew, 2007; Moody, 1992) as drivers of preferred customership. In addition, publishing target figures and volumes on which suppliers can rely may be another approach to positively influencing a supplier's customer evaluation behavior in accordance with the buyers' experiences. Because suppliers seem to appreciate better planning possibilities, we hypothesize that:

H3c. Customers' operative excellence has a positive impact on preferred customer status.

What was also mentioned during the discussion rounds on preferred customer status is a buying firm's *credibility in agreements*, whether written contracts or oral agreements. One buyer of the automotive OEM stated:

For me, the word "credibility" is a fundamental point in this whole preferred customer debate. It is important to give suppliers the feeling that the buying firm's commitments are trustworthy and that the statements will be fulfilled.

A buying firm may facilitate its status as a preferred customer through reliability, which is defined by Ellis *et al.* (2012) as the consistent fulfillment of its implicit and explicit promises. Following their reasoning, we develop the following hypothesis:

H3d. Customers' reliability has a positive impact on preferred customer status.

According to the opinions of the world café participants, suppliers' feelings of being adequately supported are considered highly influential for being awarded preferred customer status. Like Blonska (2010), who proposes a positive relationship between supplier development and buyer benefits granted by suppliers, we hypothesize that:

H3e. Customers' support of suppliers has a positive impact on preferred customer status.

Moody (1992) presents best practice examples and finds that early supplier involvement and involvement in product design are relevant approaches for becoming an excellent customer. Ellis *et al.* (2012) test this assumption and find a significant relationship between supplier new product development (NPD) involvement and preferred customer status. We propose the same and hypothesize that:

H3f. Customers' supplier involvement has a positive impact on preferred customer status.

Concerning the effect of contact accessibility on preferred customer status, no findings exist in the current literature; however, buyers are of the opinion that customers' contact accessibility helps differentiate them from competitors and earn preferred status relative to other customers. Therefore, we derive the following hypothesis:

H3g. Customers' contact accessibility has a positive impact on preferred customer status.

As far as "relational behavior" is concerned, the aspect of having a good *working atmosphere*, particularly on the employee level, was considered by the discussants to have a positive effect on a supplier's decision to award preferred status. Hence, we develop the following hypothesis:

H3h. Customers' relational behavior toward suppliers has a positive impact on preferred customer status.

5. Survey: supplier perspectives

The focus group discussions highlight the buyer's perspective on what can be done to be awarded preferential customer treatment by a supplier. Because it is the supplier who makes the decision to award preferential treatment to selected buyers, however, it is also important to include the supplier's perspective. Therefore, we conducted a survey among suppliers of the automotive manufacturer to test the hypotheses and validate the buyers' perspectives.

5.1 Sampling and data collection: triangulating the suppliers' perspectives

Our empirical results are based on survey responses from direct material suppliers to the focal automotive OEM. Because automotive suppliers tend to sell production goods to multiple automotive OEMs (Ellis *et al.*, 2012; Dyer *et al.*, 1998), we submit that our results adequately characterize the exchange behaviors that permeate the broader automotive industry. We used sample firms from the same industry because this industry-specific research methodology affords “greater control over sources of extraneous variation due to industry characteristics, noise, and the like” (Mohr and Spekman, 1994; p. 140) and enhances the level of internal validity associated with this study (Cook and Campbell, 1979). Our survey comprises sample firms worldwide and represents suppliers producing a wide diversity of material groups (Table AII).

Regarding data collection, the automotive OEM sent out an e-mail inviting its suppliers' key account managers to participate in the survey conducted by the university. Because the contact details of the suppliers were proprietary to the automotive manufacturer, no phone calls were conducted or reminders sent out. The e-mail provided a link to the online survey hosted by the university. To minimize the social desirability bias, the survey was anonymous, voluntary and completely independent of the manufacturer. Rather than asking the suppliers to provide an evaluation of the focal automotive manufacturer as a preferred or standard customer, respondents were asked to choose one customer randomly and to evaluate their relationship with this customer. In our cover letter, we informed the respondents that the survey was designed for research only and that there were neither right nor wrong answers to our questions.

Before the final survey was launched, two test waves were conducted with random samples of 1,000 key account managers each. Based on the results, some refinements were made to the questionnaire. In the final survey, 2,000 sales representatives from supplier firms were invited to participate. We received 173 returned complete questionnaires. Table AII shows the descriptive statistics of the sample and respondents.

Because non-response bias is a general concern for survey studies, we tested for non-response bias by comparing the data from early responders to late responders (Paulraj *et al.*, 2008; Armstrong and Overton, 1977). The results did not yield significant differences (at $p < 0.05$). Thus, non-response bias should not be a concern in our sample.

5.2 Measurement: employment of established scales with very good psychometric properties

Multi-item scales were used to operationalize the above-identified variables. Where possible, we adopted survey measurement items from past studies based on relevant literature. If necessary, minor wording changes were made to reflect the supplier's perspective rather than the buying firm's perspective. Where no items were available, new items were developed based on the world café results. Measures and their corresponding sources can be found in Table AIII. A 5-point Likert scale with end points of “strongly disagree” and “strongly agree” was used to measure the items.

The survey contained 48 survey items representing 11 constructs. We conducted exploratory factor analyses in IBM SPSS Statistics, using both orthogonal and oblique rotations to ensure high loadings on hypothesized factors and low loadings on cross-loadings in the data set. The resulting model utilized 43 survey items, whereby each construct had between three and six items after some items were dropped in initial factor analysis (Table III).

We made several efforts to check the reliability and validity of all constructs used for this study. The results are reported in Table AIII. Cronbach's α for each multi-item variable is over 0.7, showing high internal consistency for each of these variables (Nunnally, 1978). Following Bagozzi and Yi (1988), we also computed composite reliability (CR) scores to assess construct reliability. All factors have CRs greater than 0.70. The average variance extracted (AVE) values for all constructs satisfactorily exceed 0.50. All factor loadings are significant at $p < 0.001$, demonstrating convergent validity. Finally, the discriminant validity was checked using the procedure recommended by Fornell and Larcker (1981). The squared correlation between each pair of constructs is less than the AVE for each individual construct. These results collectively provide strong evidence of discriminant validity. Table IV provides the construct level correlation matrix and the Fornell–Larcker criterion.

Because we asked respondents to answer questions on both the dependent and independent variables, common method bias may be a concern. In a first step, we performed Harman's single-factor test (Podsakoff and Organ, 1986; Podsakoff *et al.*, 2003) to see whether a single factor would emerge and/or whether one general factor would account for most of the covariance in the variables (Hult *et al.*, 2007). Exploratory factor analysis (principal component analysis and no rotation) revealed the presence of nine distinct factors with eigenvalues greater than 1.0, rather than a single factor. The first factor accounted for 34 per cent of the overall variance. In a second step, following Liang *et al.*'s (2007) unmeasured latent methods factor test, we introduced a common method factor into our partial least squares (PLS) model whose indicators included all of the principal construct's indicators. Then, we calculated each indicator's variances that were explained by the principal construct and by the common method factor (similarly used by Perols *et al.* (2012) and Rexhausen *et al.* (2012)). As presented in Table V, the results show that the average substantive variance (CL2 column) is 0.728, while the average method-based variance (MFL2 column) is 0.013. Many of the method factor loadings are not significant. Given the results of the Harman's single-factor test and the unmeasured latent methods factor test, we suggest that common method bias was not a major problem in our data.

5.3 Analysis and results: confirmation of a selection of factors with high explanatory power

To test the hypotheses, partial least squares structural equation modeling (PLS-SEM) was used (Fornell and Cha, 1994). In recent years, its application in the literature has become quite widespread and promising for the assessment of success drivers of certain target constructs (Hair *et al.*, 2011). More specifically, we used the SmartPLS software (Ringle *et al.*, 2005), which is a well-known software package in this field.

Table III Means, standard deviations, factor loadings, t-values

	Mean	SD	Skewness	Kurtosis	Loading	t-value
<i>Customer attractiveness</i>						
CustAttract1	3.931	1.054	-1.035	0.794	0.785	18.497
CustAttract2	3.775	1.100	-0.840	0.174	0.788	18.213
CustAttract3	3.815	1.062	-0.771	0.047	0.880	41.044
CustAttract4	3.994	1.014	-1.104	0.997	0.872	37.473
<i>Supplier satisfaction</i>						
SuppSat1	3.243	1.039	-0.439	-0.107	0.882	58.410
SuppSat3	3.769	1.107	-0.675	-0.230	0.895	43.933
SuppSat3	4.017	1.054	-0.970	0.464	0.919	52.506
SuppSat4	4.145	1.021	-1.123	0.677	0.897	42.451
<i>Preferred customer status</i>						
PrefCust1	3.723	1.107	-0.811	0.134	0.824	31.657
PrefCust2	3.717	1.081	-0.671	-0.034	0.902	49.574
PrefCust3	3.711	1.104	-0.639	-0.194	0.863	30.018
PrefCust4	3.827	1.143	-0.835	0.056	0.779	15.657
PrefCust5	2.879	1.074	-0.011	-0.547	0.728	18.296
<i>Growth opportunity</i>						
GrowthOpp1	3.561	1.025	-0.510	-0.353	0.819	21.727
GrowthOpp2	4.081	0.930	-1.039	1.176	0.864	32.556
GrowthOpp3	3.676	1.023	-0.635	0.016	0.835	26.421
<i>Innovation potential</i>						
InnovPot1	3.081	1.178	-0.223	-0.735	0.899	33.452
InnovPot2	2.844	1.143	-0.020	-0.766	0.940	93.974
InnovPot3	2.723	1.122	0.217	-0.524	0.889	37.092
<i>Operative excellence</i>						
OpExcel1	2.965	1.141	-0.074	-0.650	0.814	20.941
OpExcel2	3.006	1.154	-0.080	-0.684	0.816	21.843
OpExcel3	2.462	1.123	0.331	-0.602	0.872	36.572
OpExcel4	2.370	1.121	0.330	-0.716	0.822	27.998
<i>Reliability</i>						
Rely1	2.954	1.109	-0.011	-0.600	0.869	40.949
Rely2	2.786	1.164	0.046	-0.827	0.866	34.496
Rely3	2.746	1.378	0.198	-1.192	0.888	49.959
Rely4	2.948	1.386	0.001	-1.211	0.867	39.578
<i>Support of suppliers</i>						
Support1	2.705	1.084	0.194	-0.416	0.880	40.055
Support2	2.543	1.081	0.264	-0.469	0.902	42.521
Support3	2.942	1.119	-0.036	-0.590	0.894	40.648
<i>Supplier involvement</i>						
Supplnv1	3.277	1.202	-0.408	-0.622	0.901	51.267
Supplnv2	3.243	1.234	-0.210	-0.797	0.896	35.112
Supplnv3	3.220	1.329	-0.155	-1.056	0.871	29.830
Supplnv4	3.162	1.160	-0.117	-0.687	0.856	29.260
<i>Contact accessibility</i>						
ContAcc1	2.942	1.311	-0.049	-1.099	0.907	47.404
ContAcc2	3.139	1.295	-0.180	-1.011	0.920	60.077
ContAcc3	2.798	1.248	0.046	-1.045	0.915	45.337

(continued)

Table III

	Mean	SD	Skewness	Kurtosis	Loading	t-value
<i>Relational behavior</i>						
RelBe1	2.624	1.085	0.242	−0.506	0.842	36.738
RelBe2	2.630	1.090	0.289	−0.668	0.865	42.997
RelBe3	2.728	1.100	0.133	−0.619	0.843	36.691
RelBe4	2.341	1.091	0.292	−0.695	0.735	15.806
RelBe5	2.676	1.161	0.320	−0.560	0.803	28.946
RelBe6	2.815	1.040	0.221	−0.188	0.818	25.081

Table IV Pearson’s correlation matrix ($N = 173$) and Fornell–Larcker criterion

	1	2	3	4	5	6	7	8	9	10	11
Contact accessibility	0.914										
Reliability	0.459	0.872									
Relational behavior	0.544	0.718	0.819								
Customer attractiveness	0.399	0.324	0.511	0.832							
Innovation potential	0.272	0.217	0.358	0.341	0.909						
Operative excellence	0.407	0.533	0.558	0.464	0.217	0.831					
Preferred customer status	0.225	0.360	0.338	0.322	0.228	0.227	0.822				
Growth opportunity	0.379	0.312	0.427	0.440	0.344	0.259	0.550	0.839			
Supplier involvement	0.401	0.171	0.356	0.379	0.504	0.190	0.195	0.284	0.881		
Supplier satisfaction	0.421	0.584	0.679	0.476	0.345	0.459	0.526	0.535	0.282	0.898	
Support of suppliers	0.352	0.364	0.467	0.400	0.458	0.394	0.330	0.363	0.415	0.381	0.892

A limitation of PLS-SEM is the so-called “PLS-bias”, which refers to this method’s slight overestimation of the measurement model and underestimation of the relationships in the structural model, which must be considered when discussing results (Hair *et al.*, 2014). However, Reinartz *et al.* (2009) found that PLS-SEM provided more accurate estimations with $n < 250$, compared to co-variance-based SEM. Because PLS-SEM is generally more favorable with smaller sample sizes and more complex models, we opted to apply it in the present analysis. Furthermore, Hair *et al.* (2011) argue that in situations where theory is less developed, as is the case in our model, researchers should apply PLS-SEM to examine structural models. Because of its prediction orientation, PLS-SEM is the preferred method when the research objective is not theory confirmation, but theory development and prediction.

The standardized path coefficients associated with the structural model and the respective t -values are given in Table VI. A bootstrapping procedure with replacement using 1,000 rounds was applied. As the estimates of the coefficients form a bootstrap distribution, which can be seen as an approximation of the sampling distribution (Hair *et al.*, 2014), they can be used to test the hypotheses. PLS-SEM maximizes the explained variance of the endogenous latent variables by estimating partial model relationships in an iterative sequence of ordinary least squares (OLS) regressions (Hair *et al.*, 2012). To check the robustness of our PLS results, we adapted Peng and Lai’s (2012) proposal of calculating the average of the items within each construct and subjecting these average values to the OLS regression. The OLS regression results are provided in Table VI and are consistent with the PLS results.

In our model, various hypotheses are supported. Growth opportunity for suppliers, customers’ operative excellence and customers’ relational behavior toward suppliers were

hypothesized to positively impact customer attractiveness ($H1a$, $H1c$, $H1h$). These hypotheses were strongly supported. However, the impact of innovation potential for suppliers, customers’ reliability, customers’ support of suppliers, customers’ supplier involvement and customers’ contact accessibility on customer attractiveness were found to be not significant. Thus, $H1b$, $H1d$, $H1e$, $H1f$ and $H1g$ cannot be supported. Concerning supplier satisfaction, the results indicate that growth opportunity for suppliers, customers’ reliability and customers’ relational behavior toward suppliers significantly and positively affect suppliers’ levels of experienced satisfaction ($H2a$, $H2d$, $H2h$). In contrast, the relationship among innovation potential for suppliers, customers’ operative excellence, customers’ support of suppliers and customers’ supplier involvement, as well as customers’ contact accessibility and supplier satisfaction, were found to be not significant. Thus, $H2b$, $H2c$, $H2e$, $H2f$ and $H2g$ cannot be supported. For preferred customer status, a similar picture emerges. Whereas growth opportunity and the customer’s reliability seem to have a high impact on preferred customer status ($H3a$, $H3d$), the effect is not significant for the remainder of the hypothesized antecedents. $H3b$, $H3c$, $H3e$, $H3f$, $H3g$ and $H3h$ cannot be supported.

The primary evaluation criteria for the structural model in PLS-SEM are the R^2 measures. As shown in Figures 2, 3 and 4, the predictive validity within the model is fairly high. Overall, 40.8 per cent of the variance in customer attractiveness is explained by the antecedents identified in the world café, and 56.2 per cent of the variance in supplier satisfaction is explained by the eight influencing factors derived from the discussions with purchasers. Also regarding preferred customer status, predictive validity is good, and 35.5 per cent of the variance in preferred customer status is explained by our model.

Table V Common method bias analysis

Construct	Construct loading (CL)	CL ²	Method factor (MFL)	MFL ²
<i>Customer attractiveness</i>				
CustAttract1	0.866	0.750	−0.092	0.008
CustAttract2	0.826	0.682	−0.041	0.002
CustAttract3	0.896	0.803	−0.028	0.001
CustAttract4	0.749	0.561	0.155	0.024
<i>Supplier satisfaction</i>				
SuppSat1	0.643	0.413	0.280	0.078
SuppSat3	0.946	0.895	−0.060	0.004
SuppSat3	0.940	0.884	−0.020	0.000
SuppSat4	1.056	1.115	−0.188	0.035
<i>Preferred customer status</i>				
PrefCust1	0.691	0.477	0.187	0.035
PrefCust2	0.941	0.885	−0.061	0.004
PrefCust3	0.961	0.924	−0.138	0.019
PrefCust4	0.878	0.771	−0.142	0.020
PrefCust5	0.610	0.372	0.196	0.038
<i>Growth opportunity</i>				
GrowthOpp1	0.760	0.578	0.089	0.008
GrowthOpp2	0.898	0.806	−0.067	0.004
GrowthOpp3	0.854	0.729	−0.019	0.000
<i>Innovation potential</i>				
InnovPot1	0.958	0.918	−0.084	0.007
InnovPot2	0.933	0.870	0.013	0.000
InnovPot3	0.835	0.697	0.073	0.005
<i>Operative excellence</i>				
OpExcel1	0.968	0.937	−0.179	0.032
OpExcel2	0.967	0.935	−0.207	0.043
OpExcel3	0.758	0.575	0.160	0.026
OpExcel4	0.635	0.403	0.238	0.057
<i>Reliability</i>				
Rely1	0.773	0.598	0.122	0.015
Rely2	0.873	0.762	−0.004	0.000
Rely3	0.953	0.908	−0.074	0.005
Rely4	0.900	0.810	−0.041	0.002
<i>Support of suppliers</i>				
Support1	0.891	0.794	0.000	0.000
Support2	0.959	0.920	−0.070	0.005
Support3	0.862	0.743	0.074	0.005
<i>Supplier involvement</i>				
Supplnv1	0.923	0.852	−0.056	0.003
Supplnv2	0.875	0.766	0.058	0.003
Supplnv3	0.944	0.891	−0.115	0.013
Supplnv4	0.790	0.624	0.117	0.014
<i>Contact accessibility</i>				
ContAcc1	0.889	0.790	0.029	0.001
ContAcc2	0.940	0.000	−0.041	0.002
ContAcc3	0.910	0.828	0.012	0.000

(continued)

Table V

Construct	Construct loading (CL)	CL ²	Method factor (MFL)	MFL ²
<i>Relational behavior</i>				
RelBe1	0.820	0.672	0.023	0.001
RelBe2	0.804	0.646	0.065	0.004
RelBe3	0.805	0.648	0.040	0.002
RelBe4	0.845	0.714	−0.123	0.015
RelBe5	0.797	0.635	0.001	0.000
RelBe6	0.840	0.706	−0.024	0.001
Average	0.860	0.728	0.001	0.013

Table VI Path coefficients and t-values

Path	β	t-value	PLS results			
			Significance	f ²	β	t-value
<i>Customer attractiveness</i>						
Growth opportunity → Customer attractiveness	0.210	2.502	p < 0.05	0.052	0.201	2.860
Innovation potential → Customer attractiveness	0.045	0.552	N.S.		0.043	0.571
Operative excellence → Customer attractiveness	0.264	3.170	p < 0.01	0.069	0.268	3.548
Reliability → Customer attractiveness	−0.140	1.655	N.S.		−0.162	−1.757
Support of suppliers → Customer attractiveness	0.054	0.758	N.S.		0.055	0.721
Supplier involvement → Customer attractiveness	0.140	1.618	N.S.		0.140	1.860
Contact accessibility → Customer attractiveness	0.049	0.606	N.S.		0.055	0.713
Relational behavior → Customer attractiveness	0.254	2.558	p < 0.05	0.039	0.268	2.645
<i>Supplier satisfaction</i>						
Growth opportunity → Supplier satisfaction	0.292	4.299	p < 0.001	0.137	0.287	4.711
Innovation potential → Supplier satisfaction	0.076	1.225	N.S.		0.064	0.978
Operative excellence → Supplier satisfaction	0.088	1.224	N.S.		0.082	1.258
Reliability → Supplier satisfaction	0.181	2.659	p < 0.01	0.034	0.168	2.107
Support of suppliers → Supplier satisfaction	−0.028	0.450	N.S.		−0.024	−0.368
Supplier involvement → Supplier satisfaction	−0.001	0.021	N.S.		0.003	0.047
Contact accessibility → Supplier satisfaction	−0.022	0.346	N.S.		−0.021	−0.314
Relational behavior → Supplier satisfaction	0.370	4.598	p < 0.001	0.112	0.268	2.645
<i>Preferred customer status</i>						
Growth opportunity → Preferred customer status	0.483	5.810	p < 0.001	0.223	0.476	6.469
Innovation potential → Preferred customer status	−0.012	0.147	N.S.		−0.015	−0.193
Operative excellence → Preferred customer status	−0.002	0.029	N.S.		−0.003	−0.040
Reliability → Preferred customer status	0.246	2.443	p < 0.05	0.042	0.246	2.557
Support of suppliers → Preferred customer status	0.114	1.471	N.S.		0.115	1.453
Supplier involvement → Preferred customer status	0.027	0.355	N.S.		0.021	0.267
Contact accessibility → Preferred customer status	−0.081	0.976	N.S.		−0.078	−0.969
Relational behavior → Preferred customer status	−0.056	0.533	N.S.		−0.060	−0.566

Following Hair *et al.*'s (2012) request to consider a particular exogenous latent variable's relative impact on an endogenous latent variable by means of changes in the R² values, we assessed effect size using Cohen's effect size test (Cohen, 1992). We eliminated one hypothesized path at the time and calculated the f² using:

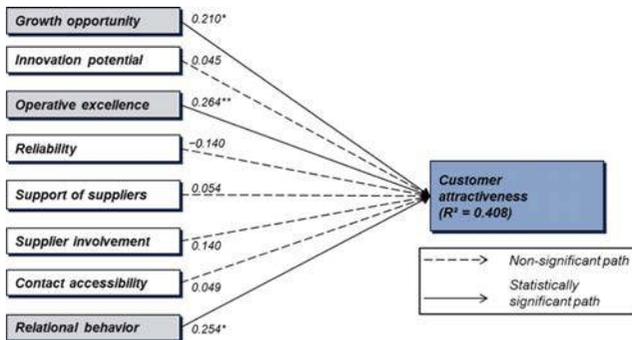
$$f^2 = \frac{R^2_{\text{incl}} - R^2_{\text{excl}}}{1 - R^2_{\text{incl}}}$$

where the subscript "incl" ("excl") denotes the R² if the hypothesized path was included (excluded). The results are

displayed in Table VI. The f² in our model indicates either small or medium effect sizes of the significant paths.

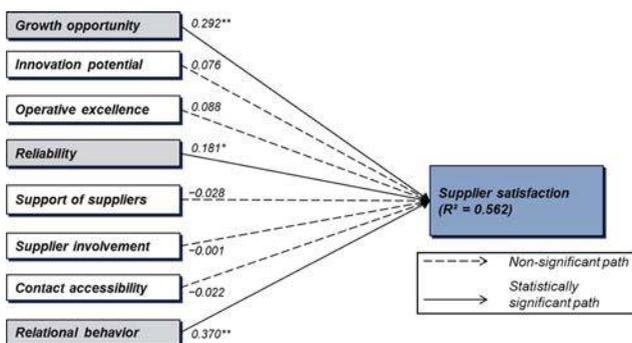
By exclusively asking sales representatives of supplier firms to participate in our survey, we tried to ensure a homogenous population of respondents and to avoid unobserved heterogeneity in our data. To check whether a population parameter still affects the strengths of the relationships in our model, we built two subgroups of our sample based on the specifications of the focal parameter. The population parameters we used this procedure for were firm size, relationship length, location and material group of the participating firms. We then

Figure 2 PLS results: antecedents of customer attractiveness



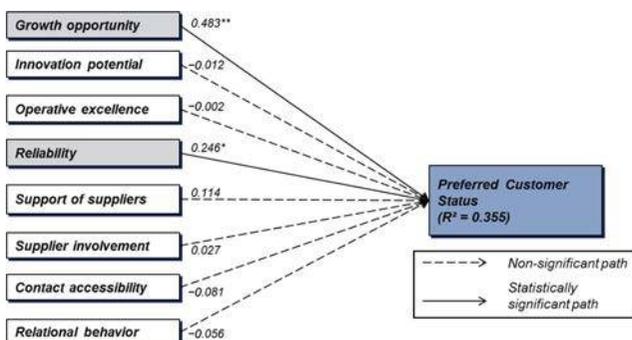
Notes: * $p \leq 0.05$, ** $p \leq 0.01$

Figure 3 PLS results: antecedents of supplier satisfaction



Notes: * $p \leq 0.01$, ** $p \leq 0.001$

Figure 4 PLS results: antecedents of preferred customer status



Notes: * $p \leq 0.05$, ** $p \leq 0.001$

applied the statistical procedure suggested by Keil (2000) and Henseler et al. (2009) to compare the path coefficients of the two subgroups. Then, to test for significance, a t -value is calculated based on the differences between the path coefficients in the two models and the pooled estimator for the variance using:

$$t = \frac{\beta_{\text{sample1}} - \beta_{\text{sample2}}}{\sqrt{\left[\frac{(m-1)^2}{(m+n-2)^2} \times S.E.^2_{\text{sample1}} + \frac{(n-1)^2}{(m+n-2)^2} \times S.E.^2_{\text{sample2}} \right]} \times \left[\frac{1}{m} + \frac{1}{n} \right]}$$

where m and n are the sample sizes for sample 1 and sample 2, respectively, and S.E. is the standard error of the path coefficient β .

For firm size, one significant difference in the path coefficient operative excellence \rightarrow customer attractiveness was found. Firms with an annual turnover below €100 million showed a significantly ($t = 2.256$) stronger relationship between operative excellence and customer attractiveness ($\beta = 0.3642$) than firms with an annual turnover above €100 million ($\beta = -0.026$). This finding indicates that the impact of operative excellence on customer attractiveness is higher for small firms than for large firms. One reason might be that large firms have established a level of sophistication that makes them less vulnerable to and dependent on the customer's systems and processes than are smaller firms. Thus, operative excellence does not influence a large supplier's evaluation of an attractive customer.

For firms with a relationship length below or above ten years, no significant difference in the path coefficients was found. To detect whether a firm's location also affects the proposed relations in our model, we divided the sample into supplier firms from Germany ($m = 104$) and the rest of the world ($n = 69$). Once again, no significant differences between the two groups could be found. Additionally, suppliers' attributions to the different material groups did not have a significant effect on the path coefficients in our model.

Due to the criticism that Keil's (2000) parametric approach's distributional assumptions do not fit PLS path modeling's distribution-free character, we also conducted a non-parametric procedure that does not build on any distributional assumptions as proposed by Henseler et al. (2009) and Sarstedt et al. (2011). The results of Henseler's (2007) PLS Multigroup Analysis (PLS-MGA) showed consistent results with Keil's (2000) parametric approach.

6. Discussion and conclusion

The key objectives of this study were to provide a comprehensive overview of the relevant antecedents of preferential customer treatment and to empirically assess the drivers of customer attractiveness, supplier satisfaction and preferred customer status in a qualitative and quantitative manner. These aims were achieved in the following way: first, in a focus group discussion with purchasers, possible influencing factors were explored. Subsequently, these findings were quantitatively tested in a supplier survey. As a result, we see that not all of the factors that have been identified as influencing factors by buyers are equally valued by suppliers. We discuss the results of the two analyses for customer attractiveness, supplier satisfaction and preferred customer status in the next section and compare our findings with the existing literature. We conclude by providing managerial recommendations and show how each firm in a supply chain can generate competitive advantages by gaining a preferred status among strategic suppliers.

6.1 Theoretical contributions: a first empirical test unveiling the particular importance of growth perspectives as a factor influencing suppliers

Regarding customer attractiveness, we discovered that growth opportunity, operative excellence and relational behavior have a significantly positive effect. Surprisingly, innovation potential, reliability, support, supplier involvement and contact accessibility do not seem to impact customer attractiveness from the supplier's point of view. In the current literature, existing studies on the drivers of customer attractiveness are conceptual or case-based in nature (Hald *et al.*, 2009; Fiocca, 1982; Ramsay and Wagner, 2009). Consequently, the vast majority of possible antecedents were identified without being tested in a quantitative way. This study is the first to show which of these factors are relevant in practice and actually impact suppliers' evaluations of customers' attractiveness. A special focus should be placed on the significance of operative excellence, which was identified as an important driver in our study but has been given little attention in the literature before now.

Further, the results of the survey indicate that supplier satisfaction is influenced by growth opportunity, reliability and relational behavior, whereas innovation potential, operative excellence, support, supplier involvement and contact accessibility did not show any significant effect with our sample. Our results are in line with various studies in the supplier satisfaction field that underline the importance of the relational behavior and atmosphere inherent in a buyer–supplier relationship (Benton and Maloni, 2005; Nyaga *et al.*, 2010; Forker and Stannack, 2000). A new finding in our study is the influence of growth opportunity on supplier satisfaction, which to the best of our knowledge has not been previously tested by any other study in the field. In addition, Essig and Amann's (2009) and Maunu's (2003) dimensions of their supplier satisfaction indices were only partially supported in our study. In contrast to their results, factors such as a customer's technical competence or early supplier involvement in NPD did not have a significant influence on supplier satisfaction in our study.

Concerning preferred customer status, we were only able to identify two significant antecedents, i.e. growth opportunity and reliability, whereas the remainder of the categories explored does not seem to be of importance in a supplier's customer evaluation behavior and its decision to award preferred customer status. For instance, the low value attributed to "contact accessibility" in our study could derive from the fact that in many of the automotive buyer–supplier dyads, a key account manager on the one side regularly interacts with a clearly assigned commodity group purchasing manager on the other side, while the issue of finding a suitable contact person may be more pronounced in less well-established and less-stable chains. Comparing our findings with findings in the current literature and Ellis *et al.*'s (2012) results in particular, we see that reliability can be confirmed, whereas no empirical support for supplier involvement as an influencing factor can be found. Instead, growth opportunity seems to be

more important for suppliers in our sample in regard to evaluating their customer portfolio.

In sum, considering the results comprehensively, we see that growth opportunity, operative excellence, reliability and relational behavior have a positive impact on a supplier's preferential customer treatment. It is clear that suppliers seem to put emphasis primarily on economic (growth opportunity) and social factors (reliability and relational behavior). Almost no other factors seem to have a significant impact on suppliers' behavior. These findings coincide with SET and Thibaut and Kelley's (1959) assumption that positive economic and social outcomes over time increase the partners' attraction and satisfaction with the exchange relationship, which, in turn, has a positive impact on their future behavior. Our empirical results are in line with SET and provide evidence that SET might be used as a frame of reference in future studies to further examine the drivers of preferential customer treatment by suppliers.

6.2 Managerial contributions: urging purchasers to "sell" their firm and apply systematic upstream marketing including supplier satisfaction measurement

Our findings brought to light several interesting insights that buyers should utilize in their supplier relationship management programs. First, growth opportunity for suppliers has a substantial effect on preferential customer treatment. This effect is especially strong for preferred customer status ($\beta = 0.483$). Thus, suppliers seem to favor customer relationships that offer them the potential to grow. Buying firms would benefit from promoting themselves as partners that enable the supplier to attain new market opportunities. A form of upstream or "reverse" marketing would be required. The potential to gain business for the supplier through the customer relationship should be emphasized and advertised by the buying personnel. The concept of "reverse marketing" efforts was coined by Leenders and Blenkhorn (1988) and recently adapted by Piercy (2009). Whereas supplying firms were formerly expected to sell the company to the customer, it is now the buying firm that has to market itself as a growth enabler to be awarded preferential customer treatment.

The second important finding for management in practice is the importance of a buying firm's reliability and its relational behavior toward suppliers. Buyers who strive for preferential treatment by suppliers should avoid acting opportunistically, showing solidarity, mutuality and flexibility instead. A relationship-driven approach based on shared values rather than on transactional exchange relationships seems to be conducive to the goal of securing preferential customer treatment. This finding is in line with Lambe *et al.* (2001), who claim that firms with relational exchange competence will be better able to work with their exchange partner, which will result in enhanced economic and social outcomes.

Another previously neglected finding is the high impact a buying firm's operational excellence (expressed by reliable forecasts and quick decision-making processes) has on a supplier's perceived level of customer attractiveness. Therefore, buyers benefit from emphasizing their systems and

processes to offer the supplier the basis for an effective working environment. Professional and efficient operative systems, therefore, do not only reduce costs for the buying organization, but – and this may be a new argument not previously discussed – also have a second, positive effect on a buyer's level of attractiveness as perceived by suppliers.

Examining the results of the qualitative and quantitative analysis, it also becomes clear that buyer and supplier perspectives sometimes differ. Whereas half of the categories identified in the world café discussion rounds accounted for a high percentage of the dependent variables' variance, the other half of the categories could not be confirmed in the supplier survey. Although buyers think that some factors are highly valued by suppliers, those factors do not influence suppliers in their choice to award preferential treatment. For instance, it makes less sense for buyers who aim to secure preferential treatment from suppliers to invest in supporting suppliers, as this has been found to be less influential. Thus, to avoid fruitless efforts, these findings should be accounted for in supplier relationship management programs. Therefore, it seems to be important not to rely exclusively on buyers' estimations, but to also capture the suppliers' opinions and set up recurring supplier surveys. Regular supplier satisfaction measurement and feedback rounds may pave the way forward to improve buyer–supplier communication in the supply chain. Taking supplier satisfaction seriously may also be a way to practically re-vitalize the idea of creating win-win situations in the chain.

In sum, an efficient implementation of preferred customer-oriented supply strategies does not only benefit the buyer–supplier dyad and should not be limited to it, but could make the whole supply chain more competitive and, thus, should be applied throughout the entire chain. It might be also relevant for a supplier to become the preferred customer of its sub-suppliers. If every member of a supply chain tries to become the preferred customer of its suppliers, a competitive advantage for the whole chain can be created.

7. Limitations and future research directions for an advanced understanding of preferential customer treatment

There are certain limitations to this research. Although the automotive industry is well-suited for revealing buyer–supplier characteristics due to the diversity of materials purchased, the results can hardly be generalized to all industry settings. As antecedents of customer attractiveness, supplier satisfaction and preferred customer status might be industry-specific, other industries should also be explored. Our findings are unlikely to be “wrong” – it is difficult to imagine a firm that would not to a certain extent be influenced by the growth opportunity of a potential customer in analyzing its attractiveness. However, in other industries, other factors or weights could emerge. Our findings may well be automotive industry-specific, but they might also be applicable to industries that have similar structural characteristics such as the aircraft, aircraft engine, semiconductor, medical device and consumer products industries.

For exploring the influencing factors of customer attractiveness, supplier satisfaction and preferred customer

status, we shed light exclusively on the purchasers' opinions in the focus group discussions. The quantitative analysis was thus limited to the eight categories considered relevant from a buying firm's perspective. It is possible that there are more antecedents deemed relevant for suppliers that were not named in the discussion rounds. Future research should thus also take into account the supplier side when exploring the phenomenon. In doing so, a particular emphasis might be placed on the explanation of the antecedents of preferred customer status, for which we have the lowest R^2 ; i.e. less variance is explained by the influencing factors.

Because preferred customer status is a relative notion, it might be useful to include a more thorough assessment of a supplier's alternative customers because it might influence the supplier's decision of which customer is awarded a preferred status. In that sense, while supplier satisfaction may well be analyzed in a dyadic context, for understanding the preferred customer status, it might be helpful to extend the analysis beyond the dyad. A true supply market setting and network perspective may be fruitful.

In times of shrinking supplier numbers, preferential customer treatment by strategic suppliers gains in importance. Therefore, the next step to broaden the existing knowledge in this field would be to find a comprehensive theoretical base that can be used to explore the antecedents of preferential customer treatment in a systematic and theory-driven way. Based on our empirical results, we were able to show that, in our study, SET reflects reality in practice best. Future studies should further analyze possible theoretical foundations and test their applicability using empirical data. In this way, an advanced understanding of possible antecedents can be progressively created.

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Appendix

Table AI Results of cross-table analysis—grouping of subcategories into main categories

Main categories	Customer attractiveness Subcategories	Supplier satisfaction Subcategories	Preferred customer Subcategories
Growth opportunity	Growth Brand name Access to other customers Global player Easier market entry Joining new markets volume of products	Overall planning possibilities	Mutual growth Brand image Access to other customers Global player
Innovation potential	Innovation orientation Team of experts Product attractiveness	Joint projects for technical development	Volume of products Innovation possibilities Expertise in R & D Product quality
Operative excellence	Planning reliability Reliable forecasting Simple internal processes Quick decision-making	Low number of changes Simple internal processes	Planning reliability Secured capacity utilization
Reliability	Reliability of messages Fairness in dealings Objectivity in supplier selection Transparency	Contract compliance Objective evaluation Transparency	Quick decision making Credibility in agreements Fairness in negotiations
Support of suppliers	Supplier training Helpfulness	Guaranteed support for supplier Supplier development	Supplier training
Supplier involvement	Early involvement	Collaboration in joint projects Early information about changes Freedom in technical development	Supplier integration
Contact accessibility	Close contact person Accessibility of contacts	Contact person for all matters Cross-functional coordination Long-term commitment	Close contact person
Relational behavior	Readiness to talk Openness Problem solving in bad times	Openness Reciprocity in agreements	Working atmosphere Openness Taking notice of supplier's matters

Table All Profile of survey

Characteristics of sample	%	Characteristics of respondents	%
1. Length of relationship with buyer firm		1. Tenure of respondent in company	
Less than 1 year	0.6	Less than 1 year	1.7
Between 1 and 5 years	10.4	Between 1 and 5 years	20.8
Between 5 and 10 years	13.9	Between 5 and 10 years	20.8
Between 10 and 20 years	32.9	Between 10 and 20 years	41.0
More than 20 years	42.2	More than 20 years	15.6
2. Annual turnover (in €)		2. Tenure of respondent as sales representative	
Below 10 m €	13.3	Less than 1 year	4.0
Between 10 m and 100 m €	49.7	Between 1 and 5 years	22.5
Between 100 m and 1 bn €	23.7	Between 5 and 10 years	32.4
Between 1 bn and 50 bn €	12.1	Between 10 and 20 years	34.1
Above 50 bn €	1.2	More than 20 years	6.9
3. Number of employees		3. Length of respondent involving in focal buyer–supplier relationship	
Less than 100	12.1	Less than 1 year	2.3
Between 1,000 and 10,000	23.1	Between 1 and 5 years	34.7
Between 10,000 and 50,000	8.1	Between 5 and 10 years	30.6
More than 50,000	5.2	Between 10 and 20 years	25.4
		More than 20 years	6.9
4. Location			
Africa	1.2		
Asia	4.6		
Eastern Europe	5.8		
Western Europe	78.0		
North America	4.6		
South America	5.8		
5. Material group			
Power train	21.7		
Chassis	12.2		
Electric	12.9		
Metal	17.5		
Interior	19.2		
Exterior	16.4		

Table AIII Questionnaire and psychometrics

Constructs, items and sources		α	CR	AVE
Customer attractiveness	Explorative <i>What were your expectations towards this customer a year ago/when starting the business relationship?</i>	0.852	0.900	0.693
CustAttract1	Our firm had positive expectations towards profitability and large sales volumes from our relationship with this customer			
CustAttract2	We expected to be able to innovate with this customer			
CustAttract3	We expected future improvements through the collaboration with this customer			
CustAttract4	In general, we expected positive outcomes from current and future relationships with this customer			
Supplier satisfaction	Cannon and Perreault (1999)	0.921	0.944	0.807
SuppSat1	Our firm is very satisfied with the overall relationship to this customer			
SuppSat3	Generally, our firm is very pleased to have this customer as our business partner			
SuppSat3	If we had to do it all over again, we would still choose to use this customer			
SuppSat4	Our firm does not regret the decision to do business with this customer			
Preferred customer status	Schiele et al. (2011) <i>Compared to other customers in our firm's customer base. . .</i>	0.879	0.912	0.675
PrefCust1	. . . this customer is our preferred customer			
PrefCust2	. . . we care more for this customer			
PrefCust3	. . . this customer receives preferential treatment			
PrefCust4	. . . we go out on a limb for this customer			
PrefCust5	. . . our firm's employees prefer collaborating with this customer to collaborating with other customers			
Growth opportunity	Liu et al. (2009) <i>The relationship with this customer . . .</i>	0.790	0.877	0.704
GrowthOpp1	. . . provides us with a dominant market position in our sales area			
GrowthOpp2	. . . is very important for us with respect to growth rates			
GrowthOpp3	. . . enables us to exploit new market opportunities			
Innovation potential	Goodale et al. (2011)	0.895	0.935	0.827
InnovPot1	In collaborating with this customer, our firm developed a very high number of new products			
InnovPot2	In collaborating with this customer, our firm was able to bring to market a very high number of new products			
InnovPot3	The speed with which new products are developed and brought to market with this customer is very high			
Operative excellence	Explorative <i>This customer . . .</i>	0.853	0.900	0.691
OpExcel1	. . . has always exact and in time forecasts about future demand			
OpExcel2	. . . provides us with forecasts our firm can rely and plan on			
OpExcel3	. . . has for our firm simple and transparent internal processes			
OpExcel4	. . . supports short decision-making processes			
Reliability	Gundlach et al. (1995) <i>In working with our company, this customer. . .</i>	0.896	0.927	0.761
Rely1	. . . provided a completely truthful picture when negotiating			
Rely2	. . . always negotiated from a good faith bargaining perspective			
Rely3	. . . never breached formal or informal agreements to benefit themselves			
Rely4	. . . never altered facts in order to meet its own goals and objectives			

(continued)

Table AIII

Constructs, items and sources		α	CR	AVE
Support of suppliers	Ghijsen <i>et al.</i> (2010) <i>This customer . . .</i>	0.872	0.921	0.796
Support1	. . . collaborates with us to improve our manufacturing processes			
Support2	. . . gives us technological advice (e.g. on materials, software)			
Support3	. . . gives us quality related advice (e.g. on the use of inspection equipment, quality assurance procedures)			
Supplier involvement	Primo and Amundson (2002)	0.904	0.933	0.776
Supplnv1	This customer involves us to participate in its product design and development			
Supplnv2	We are early involved in the new product development process of this customer			
Supplnv3	We are very active in the new product development process of this customer			
Supplnv4	Communication with our firm about quality considerations and design changes is very close			
Contact accessibility	Walter (2003) <i>There is a contact person within the customer firm who. . .</i>	0.902	0.938	0.835
ContAcc1	. . . coordinates the relevant relationship activities within and outside of the customer			
ContAcc2	. . . is, for the employees of our company, the one to contact in regard to partner-specific questions			
ContAcc3	. . . informs employees within the customer firm about the needs of our company			
Relational behavior	Palmatier <i>et al.</i> (2007); Griffith <i>et al.</i> (2006)	0.901	0.924	0.670
RelBe1	Problems that arise in the course of the relationship are treated by this customer as joint rather than individual responsibilities			
RelBe2	This customer is committed to improvements that may benefit our relationship as a whole and not only themselves			
RelBe3	We each benefit and earn in proportion to the efforts we put in			
RelBe4	Our firm usually gets at least a fair share of the rewards and cost savings from our relationship with this customer			
RelBe5	This customer would willingly make adjustments to help us out if special problems/needs arise			
RelBe6	This customer is flexible when dealing with our firm			
Notes: α = Cronbach's α ; CR = composite reliability; AVE = average variance extracted				

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