PROCESS-BASED RELATIONAL VIEW:
A FRAMEWORK FOR BUYER-SUPPLIER INTERFACES

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ABSTRACT
Buyer-supplier relationships and the interaction between the two parties have long been a popular topic of industrial marketing and purchasing. Despite the rich body of literature on the related topics, special focus on process-based relational view could be a new perspective which finally might lead to new findings. The purpose of this paper is to develop a process-based framework for buyer-supplier interfaces from a dyadic perspective, which is based on the interaction approach of Industrial Marketing and Purchasing Group (IMP), and complemented by transaction cost theory. It is argued that the sourcing process and the marketing process on each side of the buyer-supplier interface are interactive, where each step of the processes is being done in sync. This interaction is then illuminated, with focus on the sourcing process from the buyer side. The paper integrates the relational view into the investigation of sourcing process, discusses the interaction along a commonly defined sourcing process, and derives propositions concerning the strategic interaction, interaction degree and impacts of buyer-supplier relationships on the sourcing process.

KEY WORDS
Buyer-Supplier Interfaces, Interaction, Buyer-Supplier Relationship, Sourcing Process

1. Introduction
Buyers and suppliers who pursue the maximization of their interests in the market, are interdependent in the business network. The interaction and relationship between buyer and supplier are widely discussed both by academics and by practitioners. This paper provides a process-based view to investigate the interactions between buyer and supplier, and to develop a framework for buyer-supplier interfaces which concretizes the abstract notions “interaction” and “relationship” within the tangible sourcing process. Here, sourcing and marketing mirror each other in terms of their processes [1]. Sourcing and marketing process are interactive. The interactions at buyer-supplier interfaces can be traced back to the transactional relationships and profit expectations of buyers and suppliers, result in long-term buyer-supplier relationships, and are extended and intensified under these reciprocal relationships.

Most of the interaction research has a marketing orientation and research on the sourcing side is relatively sparse [1]. The relevance of investigating the sourcing process/behaviour from an interactive perspective is recognized and appealed for by many academics [2]. This framework focuses intentionally on the buyer side.

2. Interfaces, Interaction, and Relationship
Before analysing buyer-supplier interfaces more deeply, it is necessary to elaborate on the related underlying notions, such as interfaces, interactions, and relationships.

Buyer-supplier interfaces can be understood as the “point” where buyers and suppliers “meet” each other and “interact”. This is a relatively abstract concept, and can be reviewed to an analogy to computer science, electronics etc., where the notion of an interface is used very frequently. In computer science, interfaces occur between two systems, which, despite their idiosyncrasies, can connect, interact and exchange information [3]. Moreover, user interfaces between humans and machines can be traced to the field of computer science [4]. The industrial market and supply chains within are constituted by numerous different interfaces, where buyers and suppliers align themselves through interactive and adaptive routines, in order to maximize performance.

Interaction is a series of actions and counteractions between two parties which create interdependencies and affect their behaviours. It has a substantial and physical form, and possesses the characteristics of mutual
orientation and commitment, induces the active adaptations between two sides, and takes place in the physical world and affects the physical world [5-7]. Håkansson defined the two participants, interaction process, environment and atmosphere as main elements of an interaction model [8]. Furthermore, the interaction has a nature of continuation, which differs from separate actions with an identifiable beginning and end [7].

The term interaction is commonly used together with the term relationship in academic discussions, especially in IMP literature [1, 2, 8-10]. Håkansson [8] defined two dimensions: interaction episodes (short term) and relationship (long-term), to understand an interaction process. This paper assumes the relationship as a two-party (long-term) relationship and focuses on the organizational business relationship, which is consistent with the relationship understanding of the IMP Group. Håkansson and Snehota [5] defined the relationship as “mutually oriented interaction between two reciprocally committed parties”. This definition implicates therefore the reciprocity perspective of the relationship, i.e. the interaction of two internal processes on both sides of a two-party relationship for achieving a win-win situation. The value and development of a relationship depend on the interaction between the two parties. Therefore, a business relationship between two parties can be considered as a chain of actions and counteractions – interaction episodes, and viewed as a result of interaction process [5]. To sum up, interfaces are abstract meeting places of two parties, where the interaction of these two parties take place, while interactions initiate, influence relationships, and are to be understood in terms of relationships.

According to the three layers of substance of the dyadic relationships defined by Håkansson and Snehota: activity (interacts) and resource interfaces (interacts) and who performs interactions at the interfaces, while resource interfaces imply the physical nature of interactions and the dyadic resource transfer at the interfaces.

3. Process-Based Relational View

3.1 Development of process-based relational view

Three paradigms can be quoted in former literature in investigating the business relationship: unit paradigm, dyadic (interaction) paradigm and network paradigm [11]. Unit paradigm concentrates on the attitudes within one party, while interaction paradigm focuses on the dyadic relationship between two involved parties. The third approach investigates finally one organization in its environment and observes the organization-environment interfaces. In this paper we analyse the interaction between two parties – the buyer and the supplier – at the interfaces throughout their business process, which can be explained comprehensively by the dyadic paradigm. It is obvious that this objective cannot be covered by the unit paradigm. The network paradigm is more adaptable for observing the complexity of the relationships in network. Thus, we choose the dyadic paradigm to achieve our research objective from the dyadic relational view. Furthermore, the advantage of this approach has been examined by many authors [8, 11, 12].

The paper proposes a framework of buyer-supplier interfaces by illustrating the reciprocal behaviour between sourcing and marketing process, especially the interactive behaviour along the sourcing process. The authors understand the process according to Van de Van as a sequence of events that describe how things change over time [13, 14], which implicates a dynamic perspective of the process-based view. In addition to this process understanding, Van de Ven also defines the process in other ways: (1) as a logic that explains a causal relationship between independent and dependent variables, (2) as a category of concepts or variables that refer to actions of individuals or organizations [13, 14], which are not relevant in context of this paper and will not be followed.

The mechanisms which shape the processes are important analytical aspects of the processual analysis [15]. This framework observes how interactions, as well as the relationships, shape the sourcing and marketing process, which integrate the relational view into the processual analysis, i.e. the process-based relational view. Observing the interactions along the processes as a whole, the sourcing or marketing process can be considered as an interaction process within business relationships [7].

3.2 The process-based relational view in context of established theories/approaches

The process-based relational view is primarily based on the interaction approach of the IMP Group, but is also closely linked to transaction cost theory. The IMP approach integrates interorganizational theory and transaction cost theory with the traditional purchasing and marketing literature. This approach emphasizes the relevance of the reciprocity of inter-company relationships and is used to investigate the business market by focusing on the interaction and interdependency between two companies, rather than on isolated transactions during the exchange process, i.e. sourcing and marketing process. Generally, this approach focuses on the two-party relationships, as this paper does, but also can be applied to a several party relationships [8].
Transaction cost theory is embedded not only in relational view but also in processual analysis and needs to be stressed separately. Transaction cost theory is an underlying theory in the field of business management, since all activities on the market at their natural level are about transaction and transaction is the basic unit of economic analysis [16-18]. Williamson defined uncertainty, frequency and asset specificity as three critical dimensions for characterising transactions [19]. The focus of the transaction cost theory lies in the transaction cost economizing and therefore in efficient coordination during the transaction process. In the context of the paper, this focus is especially relevant in case of undertaking the certain orientation or adaptation as a kind of coordinating mechanisms.

4. Buyer-Supplier Interfaces From Process-Based Relational View

The statement, “No business is an island”, by Håkansson and Snehota (1989) is a basic proposition of the IMP interaction and network approach. All companies are in dependencies or interdependencies within the complex and long-term [2, 5, 8, 9, 20]. The exchange processes are observed from a relational view and buyer-supplier interfaces are chosen along the process as the focal point of analysis.

In the industrial market there are two kinds of exchange processes among others: the marketing process and the sourcing process, which are facing each other and interacting at the buyer-supplier interface. Each company performs both sourcing and marketing function different counterparts within the supply network and stands in a complex relationship network. However, the interaction investigation is limited firstly to two reciprocal processes, i.e., within the interplay or reciprocity between two processes, since it is believed that the interaction and adaptation of each company can only be fully understood within a clear yet simplified structure of counterparts or relationships, instead of in the whole context of network [9]. However, the derived framework is to be generalized and adapted in more complicated contexts, since the interaction between two processes is a representative part of the complex network.

On one side of the process interface, marketing is market- and customer-oriented and can be understood in the sense of satisfying customer needs. The intention of any marketing business is to create and deliver value to the market at a profit. Anderson and Narus defined marketing as the process of understanding, creating and delivering value [21]. Corresponding to this definition, the marketing process can be divided roughly into four stages: (1) analysing marketing opportunities and target markets, (2) developing marketing strategies, (3) planning marketing programs, and (4) marketing implementing and efforts controlling [22-24]. Transactions can be seen as basic units of the marketing process. According to the understanding of Kotler, each transaction behaviour is aware of reciprocal motive and desires an expected behavioural response from the counterpart [22, 23]. In order to gain the desired response from buyers, the supplier analyses what the buyer expects and how he makes decisions. The supplier then adapts himself and shapes their marketing process to match the buyers’ expectations, in combination with their own resources and seeking interests. However, this reciprocal motivation impacts the entire marketing process over time, as well as the interaction. Interactions can be manifested by stimulus-responses to each transaction, but is far more than stimulus-responses. It is also a mutual orientation process and generates an interactive relationship. Today, marketing has shifted from transaction marketing (maximizing the profit on each transaction) to relationship marketing (maximizing a long-term reciprocal relationship) [12, 22]. Suppliers engage in long-term, “win-win” relationships with buyers through a range of interactions along their marketing process, such as developing new products, promising high quality, providing fair price in negotiation, visiting customers etc.

On the other side of the process interface, there is the sourcing process of buying companies. No company on the market possesses all of the resources they need. They must purchase the right resources to realize the company vision. The buyers try to fulfil their objectives through their buyer behaviour, they also need to be aware that the suppliers on the opposite side of the interface are seeking a certain equivalent through the exchanges [22]. Thus, besides considering what they need to buy in and what the supplier can supply, the buyers must understand how to make the supplier ready to supply. Through a range of negotiations and interactions, the buyer and supplier seek a balance point which satisfies both sides. Moreover, the interests of buyers can not be limited to the separate short-term exchange transactions. To ensure an optimal supply, the buyers must develop reliable sources of supply and maintain good relationships with them [25]. The sourcing process is not only driven by internal mechanisms but also by external mechanisms and is to be observed from both inside-out and outside-in perspective.
5. Process Interaction from Buyer’s Perspective

This paper observes the interactions from the buyer perspective and focuses on the interaction throughout the sourcing process. A consensus among sourcing processes can be found in the former sourcing process research [22, 26-32]. In general, the process can be divided into three stages: strategic sourcing planning, sourcing execution, and supplier implementation and monitoring [26, 28, 29]. Strategic sourcing planning refers to the strategic level of the sourcing process, while sourcing execution, and supplier implementation and monitoring are more closely linked to the functional or operational level of the sourcing process. All sourcing steps can be categorized in these three stages, as illustrated in Figure 1.

However, the sourcing steps may vary in different companies, depending on whether the sourcing refers to a new buy or rebuy, and also on amount and items purchased, as well as buyer-supplier relationships [29]. In order to cover various buying behaviour, the developed process in Figure 1 attempts to integrate all main sourcing steps, which buying firms can perform.

5.1 Strategic sourcing planning

Strategic sourcing begins with internal assessment, which examines the firm’s core competence, current product specification, current supply base and portfolio, and identifies the portfolio optimization opportunities. During the sourcing step specification development, buyers update what they need to deliver to the market and what they really require from the supplier, establish the sourcing team and finally make an agreement on the purchasing specifications. One the other hand of the strategic sourcing, buyers need to perform an external assessment, including supply market analysis, suppliers’ distribution, the total cost of ownership (TCO) and competitors [26, 29]. In this way, the firm’s market position and bargaining position can be assessed, and an appropriate sourcing strategy can be developed. The market position (power) of the buying company compared to that of the supplier, and varying product specifications lead to different degrees of buyer’s dependence on the supplier, which generates different sourcing strategies [33]. The buyer’s sourcing strategy can be derived from various internal and external factors concerning the market (environment), product, company’s characteristics, and dependence (atmosphere), as illustrated and compared in Figure 2 [8, 19, 34-37]. The (inter/in)dependence here is to be determined by other factors, such as market, product and company’s position/power, through an internal and external assessment. It is also an important aspect of relationships [8] and impacts on the sourcing strategy together with other variables.

However, these factors are not comprehensive enough to establish a complete interaction model. Rather, they refer to the macro level of the interaction investigation of buyer-supplier interfaces and only indicate the determinants of sourcing strategy at the interfaces.

Based on the internal and external assessment of the sourcing company, different sourcing strategies, such as command, competitive, cooperative and captive buying strategies can be developed. In general, when the buying firm is in a better position and is not that dependent on the supplier, a competitive sourcing strategy may be most appropriate. At the extreme, when the buying firm has the dominant position of strength, the command strategy can be implemented. In contrast, the buying firm prefers a cooperative relationship with the supplier, when there must be a high extent of dependence on the supplier. In the case of captive buying, the buying firm is very dependent on his suppliers, while the suppliers have a better market power. Therefore, the buying company has to align the sourcing strategy according to these disadvantages. However, the buying company can attempt to develop long-term cooperation with the suppliers to counteract the inconvenient market situation [36]. It can be proposed:

*P1: In a buyer-supplier relationship in which the parties are asymmetrically dependent on each other, the more dependent party plays a more passive role in the buyer-supplier interaction.*

In the strategic stage of sourcing process, although most of these process steps take place inside the buying companies and few direct actions and counteractions at the buyer-supplier interfaces can be expected, strategic planning is based on interaction. The sourcing strategy can only be developed by considering of different variables (factors) regarding the interactive counterpart, atmosphere, and must be adjusted when these factors change. Therefore, strategic sourcing planning is interactive and can been understood as
<table>
<thead>
<tr>
<th>Market (market type; intensity of competition; number of buyers and suppliers; technical change)</th>
<th>Product (complexity; sourcing frequency; costs of switching suppliers)</th>
<th>Buyer vs. supplier (size; market position; bargaining power; preferred sourcing relationship)</th>
<th>(Inter/In)Dependence</th>
<th>Sourcing strategy</th>
</tr>
</thead>
</table>
| - Buyer’s market, fragmented suppliers  
- Average competition  
- Numerous suppliers  
- Low rate of technical change | - Mostly complex products  
- High sourcing frequency  
- High switching costs (depend on product complexity) | - Mostly small suppliers, much larger buyers  
- Buyer has definitely better market position and bargaining power.  
- Buyer prefers a command strategy and supplier accepts cooperative role. | Suppliers depend highly on buyer. | Command |
| - Fragmented suppliers  
- Intensive Price competition among suppliers  
- Numerous suppliers  
- High rate of technical change | - Standard product, normally lower complexity  
- lower or high sourcing frequency  
- lower switching costs | - Suppliers normally smaller than buyers  
- Buyer has better market position and bargaining power.  
- Buyer prefers competitive relationship. | Lower dependence on suppliers | Competitive |
| - Buyer and supplier concentration  
- Competitive market for buyers and suppliers  
- Numerous buyers and suppliers  
- Low rate of technical change | - Customized, complex products  
- high sourcing frequency  
- high switching cost | - Similar, rather large size of buyers and suppliers.  
- Buyer and supplier has similar market position and bargaining power.  
- Both prefer a cooperative relationship. | High interdependence between buyers and suppliers | Cooperative |
| - Supplier concentration, or seller’s market  
- Competition in buyer market  
- Only few alternative suppliers  
- Low rate of technical change | - Technical complexity  
- (Relative) high sourcing frequency  
- High switching cost | - Large suppliers  
- Supplier can have better market position and bargaining power.  
- Supplier prefers a captive-buyer relationship | High dependence on suppliers | Captive |

Figure 2: Sourcing Strategies (based on Campbell [37], Reimer and Klein [36], and Bensaou [34])
interaction strategy as well, which means how the buyer should buy in or how the buyer should interact. These sourcing strategies reflect the preferences of buyers or suppliers regarding which type of relationships they expect to develop or sustain, and affect and guide the sequent functional sourcing process and its process steps.

The interactive character of this stage can be examined in three dimensions: activities, resources and actors. Firstly, the interfaces in this context concern rather to the strategic interactive activities, such as strategic decision making, planning etc. Resources are also involved in this process stage. In a broad sense they can be classified in five categories: technical resources, input goods, personnel, marketing resources and capital [38]. In this process stage internal and external resources are analyzed strategically. Furthermore, resources, such as personnel and marketing resources are directly input into the process. Finally, the actors at these interfaces more refer to the strategic management level. Based on the discussion above, the following proposition is derived:

\[ P2: \text{Strategic sourcing planning is an interaction between the management level of the sourcing and selling company.} \]

### 5.2 Functional level of sourcing process

Although the sourcing strategy of the buying company is integrated in the entire sourcing process, sourcing execution and supplier implementation and monitoring can be seen as functional or operational stage of sourcing process, in which the sourcing strategy is implemented and evaluated through a series of activities [39].

As mentioned previously, interaction is a long-term continuous process and can be understood in interaction episodes and interactive relationship. In order to illustrate a standard sourcing process, this paper provides firstly the perspective of the discrete transaction-based buyer-supplier interaction episodes throughout the sourcing process in a traditional transactional buyer-supplier relationship. According to Campbell [37] we classify the interaction episodes as information exchanges, personal contacts, conflict resolution and adaptations. Here, adaptation refers more to the discrete adaptive action within a single transaction, and is so that short-term.

### Interaction episodes along the functional process stage

As shown in Figure 1, the following illustration of functional sourcing process is mainly based on Monczka et. al. [29], and also on Zeng [26], Trent/Monczka [28]. Accordingly, the first step of the sourcing execution is to search for suppliers. Thereby, the buyer prepares the list of all potential suppliers, develops supplier pre-qualification criteria and request for information (RFI), sends out the RFI, assesses the responses received, and, finally, compiles the candidate supplier list. Supplier evaluation is the subsequent step: the buyer develops and releases a request for quotation (RFQ) to candidate suppliers, analyzes proposed final offers of suppliers and performs audits or conducts on site visits as required. Bidding, negotiation and supplier selection occur after the supplier evaluation. Monczka et. al. [29] regard bidding and negotiation as two common methods for making a decisions about supplier selection. Competitive bidding is usually preferred in the defence industry and for large projects, where price is a dominant criteria [29]. Bidding can also be adopted in the process to narrow the supplier list before the time-consuming negotiation, to reduce the transaction costs. After buyers and suppliers make final agreements by bidding and/or rounds of negotiation, the buyer approves the sourcing and awards contracts. Thereby, the sourcing execution is finished.

Numerous reciprocal activities are involved in this process stage. In the phase of supplier search, there would be a range of mutual clarifications regarding the RFI between the buyer and related suppliers. Each round of clarifications from the supplier side impacts on the subsequent activities or considerations of the buyer side. At the same time, RFI clarifications from the buyer side would be also analyzed by the suppliers and affect the response/reaction of the suppliers. Thereby, the interactions are mainly information exchanges. During the supplier evaluation, the RFQ clarifications can be more exact and specific than RFI clarifications. Moreover, both buyer and pre-selected suppliers in this process phase intend to have much closer contacts with each other. The buyer may prefer to perform onsite audits or visits as a final evaluation measure for promising suppliers [29]. At the same time, the suppliers attempt to find more opportunities to present their qualifications and competences, and to understand the purchasing decision process of the buyer [21]. Therefore, the interactions here concern not only the information exchanges but also personal contacts. Further negotiation and supplier selection are related to a more narrowed supplier list. A range of interactions occur during negotiations between buyer and selected suppliers, quotation modifications by the supplier, and standard contract adaptations of the buyer. In this phase, the interaction episodes become more frequent and intensive, and are not only information exchanges and personal contacts but also as conflict resolution and adaptation. Accordingly, the following proposition can be derived:

\[ \text{P3: When the supplier list becomes narrower during the sourcing execution, the buyer-supplier interaction becomes more intense.} \]

The sourcing process does not end with awarding contracts. Continuous supplier implementation and monitoring is to
be performed to track the supplier performance and identify opportunities for improvement of the sourcing performance and process [29]. This stage contributes to the dynamic nature of the process and keeps the process in line with the changing market conditions [26]. It begins with the development of the implementation plan which involves the internal communication to internal customers and external communication to suppliers. Subsequently, the target performance level and actual performance level are to be identified for achieving the performance measurement and evaluation. Performance measurement and evaluation can result in better communication both within the buying company and between buyer and supplier. It can also provide performance feedback to internal customers or the management level and to suppliers, and thus support the further sourcing decision making [29]. Therefore, performance measurement and evaluation reflect the buyer’s perception of a supplier’s performance, and can also cause further interactive activities between buyer and supplier. For instance, a buyer may consider maintaining long-term sourcing relationship with the best performing suppliers, or consider reducing the sourcing volume from less qualified suppliers. A buyer can also adapt the target performance according to the evaluation, or adjust the sourcing strategy. Thus, it is to be hypothesized: P4: The interaction episodes in the supplier involvement stage are discrete interactive actions, but implicate a much closer linkage to long-term orientation compared to the sourcing execution phase.

Interactions in terms of buyer-supplier relationship at the functional sourcing stage

As well as the marketing process, organizational sourcing has also shifted from transaction-oriented sourcing to relationship-oriented philosophy [2]. The aspect of buyer-supplier relationships can not been neglected. Understanding the interaction process in the long-term dimension of buyer-supplier relationship, i.e. mutually oriented interaction between the reciprocally committed buyer and supplier, provides further insights about the interaction at the buyer-supplier interfaces. In total, a long-term relationship results in more extensive communication and a broader scope of interaction between the buyer and supplier [40]. Patterson and Forker [41] classified the buyer-supplier relationship in their framework in three types: transactional relationship, transitional relationship and transcendental relationship. Transactional relationships form the basic interdependence between firms and make it possible for the buying company to access the resources of other firms [41]. The relationships defined in this framework are dyadic relationships at a higher level than transactional relationships, have long-term orientation, and thus are related to the latter two types. Accordingly, transitional relationships concern the “relationships of partial or quasi vertical integration that hold mutual benefits for both the buyer and the supplier” [41]. This definition implicates a much higher level of trust. However, Transitional relationships are governed mainly by contractual agreements, while transcendental relationships refer to highly cooperative relationships or strategic network [41]. Therefore, attention will be focused hereafter on the interactions in terms of these closer buyer-supplier relationships.

Since only few relationships can be defined as purely transcendent [41], the authors first address the transitional relationships as a basic type of a relationship and explore the interactions in terms of transitional relationships in the sourcing process.

In practice, sourcing may not follow the illustrated sourcing steps frequently and the supplier selection may not be linear, since these relationships must be involved as input at the beginning of the sourcing process and considered previously [42]. These dyadic relationships are integrated in the whole process, develop over time, and shape the sourcing process and the buyer-supplier interaction over time.

Investigated at the individual level, a closer relationship may have a higher degree of interpersonal trust [41, 43]. The buyer may believe in the credibility of the information gained from the salespersons of the supplier and the supplier’s product. Therefore, the buyer might be inclined to communicate frequently and maintain a cooperative relationship with the supplier [40, 44]. The field experiment of Wagner et. al. [40] supports this logic and shows that the buyer tends to have higher evaluation of supplier’s product, include it in the consideration and select it in case of facing relational suppliers. Moreover, a trustworthy buyer-supplier relationship can make the negotiation easier, because the participants from both sides are more likely to keep information transparent, share more sensitive information and give each other a certain leeway in mutual dealings. This situation tends to reduce conflicts or shorten the process of conflict resolution [45]. Therefore, a much smoother negotiation process with relational suppliers can be expected. Thus, buyer-supplier relationships shape the interpersonal interactions at the buyer-supplier interfaces.

At the organizational level, a long-term relationship involves commitment and “collectively held trust” [45]. Zaheer et. al. (1998) stated that the buyers and suppliers in trust-based relationships can achieve a final agreement more quickly, since both sides rely on similar underlying assumptions [45]. Both buyers and suppliers may even be willing to accept concessions, because they are convinced of the long-term benefit of this relationship and expect potential reciprocity from the other partner [45]. The relationship commitment makes it possible for the buyer to improve the supplier performance [46] and involve the
buyer in the improvement more intensely. Furthermore, a buyer-supplier relationship can reduce the uncertainty for the buyer [47], which can entail the buyer to take an incalculable bias during the sourcing process, from supplier search, supplier evaluation to performance evaluation. This bias can also perform efficiency of the process. From the perspective of transaction cost theory, firms seek a minimization of transaction costs over time. A well-established relationship provides the sourcing company opportunities to reduce the transaction costs.

Transcendent relationships are much closer relationships than transitional relationships and are typically developed in technologically-advanced or closely integrated industries [41]. This type of relationship encourages the development of key suppliers. These key suppliers have a strong character as cooperative partners and are integrated more intensely in the buyer’s internal processes. For example, the teamwork with the supplier during the assessment of product specifications, new product developments etc. may be required because of high technology complexity. Furthermore, the buyer is more involved in the supplier performance improvement and monitoring because of the interdependence and long-term commitment [41]. Nonetheless, it is not argued that a long-term buyer-supplier relationship is to be recommended all over the business market. Whether the buyer tends to develop a long-term relationship with the supplier or the buyer settles for a transactional relationship, depends on various factors. Williamson [17] argued that “buyer and supplier will make special efforts to design an exchange that has good continuity properties, where asset specificity is great”. Accordingly, asset specificity is understood mainly in three ways: site specificity (e.g. a resource available at a certain location and movable only at great cost), physical asset specificity (e.g. specialized dies required to produce a component) and human asset specificity (i.e. highly specialized human skills, arising from learning by doing). Following Williamson’s logic, it can be proposed that with a high asset specificity, the buyer is more willing to become involved in rather long-term contracts or commitments with the supplier and prefers to invest in a closer relationship with appropriate suppliers. On the other hand, purchasing literature used to approach this strategic consideration, i.e. whether to develop a relationship with the supplier or what kind of relationship is to be developed, in both internal and external dimensions [34, 36, 37, 48]. From the internal perspective, the factor purchased products/materials is widely discussed and operationalized concerning their specificity. From the external perspective [48] Kraljic defined the complexity of supply market in his research model, which is widely recognized and discussed by other authors [36, 37]. Dubois and Pedersen [49] concluded that the complexity of supplier market “may either be considered great (…), or it can be said to cease to exist since the parties do not handle their exchange through the ‘the market’ but instead within a relationship embedded in a network”, when a buyer-supplier relationship has been established. Regardless how many factors impact on the consideration of relationship establishment, it is reasonable to argue that the degree of asset specificity of purchasing products and the complexity of the supplier market may be critical factors here.

Based on the discussion above, the following proposition can be derived:

\[ P5: \text{The higher the degree of asset specificity of purchased products and the higher the complexity of supply market, the greater the efficiency that will be gained from a long-term relationship.} \]

6. Conclusion

The paper investigated the buyer-supplier interfaces with focus on the sourcing process from the process-based relational view. Thereby, interactions and reciprocal relationships at the buyer-supplier interfaces, along the sourcing process have been analyzed both on strategic and functional level, concerning their characteristics and impact on the sourcing process. Based on the performed investigation, the framework for buyer-supplier interfaces from the buyer’s perspective and the structure of this framework is to be illustrated as follows:

**Figure 3: The Framework for Buyer-Supplier Interfaces (with Focus on The Buyer side)**

The developed framework proposes to elucidate the buying behaviour and strategies in buyer-supplier interactions and relationships, and finally to identify the possible benefits from the interactions and relationships for the buying companies.

The buying behaviour is impacted by the marketing behaviour of the supplier, their interfirm relationships, and impacts the buyer-supplier relationships, the marketing
behaviour in turn. Sourcing and marketing processes can interact directly because of their desired goal. Nonetheless, the interfirn relationships can be intermediates between the sourcing and marketing process, which cause more extensive and intensive interactions at the buyer-supplier interfaces.

Therefore, this understanding of interaction or dyadic perspective of the buyer-supplier relationship is increasing its importance in the industry market with the shifts to relational sourcing and marketing, as well as the enhancing interorganizational integration and strategic cooperation. The understanding of the interaction of two internal processes on the buyer and supplier side is essential in order to obtain an optimization not only of the own firm, but of the supply chain as whole.

Future research includes operationalization and empirical testing of the different interaction strategies of buying companies, degree change of interaction along the sourcing process, impact of long-term relationships on the sourcing performance concerning the degree of the asset specificity and complexity of supplier market, as well as the research in influence of sourcing process or single process steps on the buyer-supplier relationship, interaction or dyadic relationship in strategic buyer-supplier network etc. Moreover, future research includes development of a framework for interacting sourcing and marketing process, holding perspectives both from buyer and supplier sides.

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