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The ‘T-Shaped Buyer: a Transactional Perspective on Supply Chain Relationships

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Abstract

This paper challenges the normative view of interdependent buyer-seller relationships and provides a bolder and deeper perspective of the contextual reality that shapes buyer behaviour. By adopting an innovative qualitative methodology, which focusses on boundary-spanning, pre-sales interactions, the research penetrates complex and commercially sensitive buyer-seller relationships. The longitudinal research design uses web-based diaries and follow-up interviews to explore conditions of power based interdependence between buyers and sellers. The ensuing data is mapped using qualitative content analysis and the results are aggregated graphically for assessment. Using this approach the study develops a nuanced view of the dominant patterns of buyer behaviour, and challenges the perception that a search for competitive advantage will strengthen cooperative relationships in conditions of power based interdependence. The paper introduces the metaphor of the ‘T-Shaped Buyer’ to explain the empirical findings and, while acknowledging the contextual limits of the study, suggests that this metaphor may cause both academics and practitioners to reflect on normative thinking.

Keywords: ‘T-Shaped Buyer’, supplier relationships, buyer behaviours, power interdependence

Highlights:
• Reviews key literature on power within buyer-seller relationships.
• Develops innovative methodology for the analysis of B2B relationships.
• Empirically examines situations of power based interdependence between buyer and seller.
• Promotes the concept of the ‘T-Shaped Buyer’ to explain B2B buying behaviour.
• Challenges the normative view of interdependent B2B relationships.
1. Introduction

The importance of power is acknowledged within many of the paradigms that are used to examine the interaction between professional buyers and sellers. Indeed several authors express the view that power and dependence form core constructs in the understanding and assessment of inter organisational relationships (Meehan and Wright, 2011; Kähkönen and Virolainen, 2011; Munksgaard, et al., 2015). It is further recognised that a common feature of many normative theories relating to the behaviour of professional buyers is the emphasis on trust based collaboration (Kuo, et al., 2014), even if the relationships involve episodic trading within networks (Nix and Zacharia, 2014).

Buyer relationship management is recognised as being under researched (van der Valk and Wynstra, 2012; Spina, et al., 2013) with Pazirandeh and Norrman (2014), Lacoste and Johnsen, (2015) and Finne, et al., (2015) identifying a specific need for more, empirically based, studies to better explain the effect of inter-organisational power on buyer behaviour, particularly in conditions of power based interdependence (Kähkönen and Virolainen, 2011). This paucity of empirical evidence restricts understanding as to how normative theory informs practice, and consequently impedes further theoretical development.

Contributory to the lack of relevant literature may well be, as Möller (1985) and Cronin (1994) note, difficulty in penetrating the complex relationships that exist at the boundary between buyer and sellers. A point echoed by Harwood (2002) who stresses that confidentiality often creates significant barriers to access. Leonidou, et al. (2006), Plank, et al. (2007) and Ryu, et al. (2007) proposed and adopted quantitative approaches to overcome these barriers, however, such approaches have failed to deliver the richness of data required to develop a fuller understanding. This paper seeks to overcome these access difficulties through a relatively non-invasive and qualitative methodology which provides a new perspective and better understanding of normative theory.

The paper makes three key contributions. Firstly, in answer to calls for a greater, comparative, understanding of cooperation and power within supply chains (Tangpong, et al., 2010; Huang, et al., 2014) it proposes a research methodology for the analysis of the buyer-seller presales interaction and for the presentation of aggregated results, in a manner that minimises the effects of decomposition and decontextualisation. Secondly, the paper offers the possibility to describe the Relationship Management Approaches in a manner that
is more nuanced than those offered by Cox et al. (2004). Finally, the paper introduces the conceptual framework of the ‘T-Shaped Buyer’ which provides an explanation for the buyer behaviours encountered.

The paper is structured as follows, firstly it introduces and tracks the development of key literature appertaining to perspectives on power and relationship management, recognising the emergence of Relationship Management Approaches that assimilate norms of both value creation and value capture. The paper goes on to explain the adopted research design, describes its implementation and then details the development of the ‘Transaction X-ray’, which serves to diagrammatically represent the buyer behaviours encountered. The paper concludes by presenting the findings, discussing the contribution and suggesting potential directions for future research.

2. Relationship Management Literature

2.1 Early Perspectives

Professional buyer-seller relationships have existed since goods were first traded (Wilson, 1995) and related academic thinking has evolved accordingly. Early contributors (Zeuthen, 1930; Pen, 1952; Bishop, 1962) adopted a rather one-dimensional approach which concentrated on how buyers could best exploit bargaining power to achieve their commercial goals. As the study of buyer behaviour developed many contributors recognised that while maximising power is fundamental, good working relations must also be preserved (Ralf, 1995; Fleming, 1997; Kennedy, 1997). Such basic bargaining approaches were however questioned by Spekman and Gronhaug (1986) who noted that there was little empirical evidence to support placing a basic bargaining perspective at the core of any theory relating to professional procurement.

2.2 The Development of Relationship Management

Walton and McKersie (1965) observed that by playing the ‘Mixed Game’ it is possible to benefit from the combination of integrative behaviour (maximising total value available), accompanied by relatively hard distributive behaviour (claiming the maximum share). Adding to this, Lax and Sebenius (1986:33) provided a useful behavioural insight:
‘No matter how much creative problem solving enlarges the pie, it must still be divided; value that has been created must be claimed. And, if the pie is not enlarged, there will be less to divide; there is more value to be claimed if one has helped create it first.’

Cox, et al. (2000) developed this view in considering there to be four basic Relationship Management Approaches, which are best understood on the basis of commercial appropriation of value and by the manner of operationalisation, as summarised in Figure 1.

Figure 1: The Four Relationship Management Approaches
(adapted from Cox, Sanderson and Watson (2000:56)

Cox et al. (2004) discussed these Relationship Management Approaches in some detail. Adversarial Arm’s Length relationships are characterised by both parties attempting to maximise their unilateral gain by deploying power. On this basis co-operation between the parties is likely to be at a minimum, contingent with satisficing the basic demands of their exchange partner. When the relationship between buyer and seller is Non-Adversarial Arm’s Length, there will be little cooperation, possibly due to a lack of power with which to exert leverage. In such Relationship Management Approaches commercial terms offered are likely to be accepted, at least in the interim, by the exchange partner rather than investing in relationship building. Where there is a state of Adversarial Collaboration there will be a clear commercial need for both parties to work together to achieve mutually desirable outcomes and to develop operational interfaces, however, the potential still exists for the exercise of power and opportunism. The final Buyer-Seller relationship is Non-Adversarial Collaboration, in which both parties behave collaboratively, accepting that
opportunism may destroy trust, believing that collaboration will result in mutually beneficial performance.

More recently, Gadde, et al. (2010), Liu et al., (2012) and Huang, et al., (2014) have similarly recognised that the behavioural interaction between trading parties is characterised by the simultaneous holding of both contradictory and shared interests.

### 2.3 Collaborative Approaches

Several authors have emphasised, despite recognising the range of available Relationship Management Approaches, the potential benefits of collaboration. Adopting a demand side perspective, Kraljic (1983) suggested that the purchasing portfolio should be managed according to importance (expenditure and value accrued) and market complexity, but promoted proactive management of supplier relationships for strategically important elements of the portfolio. Considering both supply and demand side requirements Carlisle and Parker (1989) linked long-term profitability with relationship building strategies, while Sako (1992) concluded that, assuming trust issues can be reconciled, over time the adoption of collaborative relationships should achieve better outcomes.

Stratton and Warburton (2003) and Cagliano, et al. (2004) discussed lean procurement approaches as a means of eliminating supply chain waste and concluded that the sharing of information generally creates value and enhances performance. Fisher, et al. (1994) and Christopher and Towill (2002) described the agile paradigm, which focuses on the need to gain competitive advantage by responding quickly to uncertain demands. They argued that agility requires connectivity, developed through supply chain openness between key, trusted, supply chain partners.

While it is recognised that long term associations are often required to develop the necessary collaborative relationships, Zacharia, et al. (2011) theorised that even episodic supply chain collaboration contributes to successful outcomes. Generally, support continues for the idea that collaboration is likely to positively impact upon, and indeed facilitates, enhanced performance (Nix and Zacharia, 2014; Kuo, et al. 2014).

### 2.4 The Recognition of ‘Appropriateness’

Håkansson and Snehota (1995) argued, however, that close relationships though frequently beneficial, did not of themselves guarantee balanced, positive outcomes. Cox (2004a:348),
criticised many collaborative relationships as being ‘commercially and analytically myopic’, pointing to the potential impact of practical considerations such as trust and opportunism. Similarly, Meehan and Wright (2011) noted that integration and collaboration are not panaceas for all buyer-seller interactions and recognised organisations must choose appropriate strategies for each situation based on factors including power, risk, dependency and relational capacity. Cox et al. (2004) emphasised the importance of ‘appropriateness’ in the selection of Relationship Management Approach and suggested that understanding the relative power position of buyer and seller be used to inform this choice.

2.5 The Power Perspective

The important role played by power in shaping and understanding business relationships is recognised by Meehan and Wright (2011), Kähkönen and Virolainen (2011) and Munksgaard, et al. (2015). Lacoste and Johnsen (2015) point to diverse and contextually driven origins of power, which include fungibility (Muthoo, 2000; Larson 2003), information asymmetry (Sako, 1992; Cox, 2004b) and market structure (Bowles and Gintis, 1993; Kähkönen and Virolainen, 2011). Cox, et al., (2000) suggest that by comparing the power resources of both buyer and supplier it is possible to develop four idealised states of exchange as shown in Figure 2.

![Figure 2: Potential Buyer and Supplier States of Exchange](adapted from Cox, Sanderson and Watson, 2000:18)

Cox, et al., (2000) and Chicksand (2015) recognise the importance and need to empirically investigate how relationships are managed in conditions of power based interdependence,
in which purchasers have an incentive to proactively select a vendor, but where they also recognise that they lack the power advantage to achieve a position of dominance. Kähkönen and Virolainen (2011), Huang, et al. (2014) and Scholten and Schilder (2015) also recognise that there is a gap in current knowledge relating to exchange interactions that take place in conditions of interdependence. When buyers find themselves in a position of interdependence, but lack the resources to leverage a dominant position, Cox et al. (2004) argue that the appropriate Relationship Management Approach is one of Non-Adversarial Collaboration, but also note the lack of empirical support regarding the incidence of appropriate Relationship Management Approach alignment.

Reflecting on the foregoing, and in recognition of the acknowledged gap in extant research, the following research question was developed for the empirical study of presales interactions described in this paper:

‘What relationship management approaches are dominant when buyers and sellers operate in conditions of power based interdependence?’

The next section develops the research methodology used to address this question.

3. Methodology

Terpend, et al. (2011) and Makkonen, et al. (2012) noted that buyer-seller relationship researchers must overcome the realities of the empirical world, namely commercial and personal sensitivities. While quantitative studies facilitate the sampling of larger populations, such approaches do not generally offer exploratory opportunities (Bryman and Bell, 2003). The ability to gain the level of deeper understanding, associated with qualitative approaches, was considered critical to achieving the research objectives.

Jap (1999) noted that studies have variously adopted supply network, firm, trading dyad or transaction as the appropriate unit of analysis, nevertheless the importance of the direct interaction between procurement and sales in the context of wider organisational relationships endures. While recognising that multiple functional interactions may well occur, Cunningham and Homse (1986) and Johnston, et al. (1999) suggested that those whose organisational roles involve purchasing and sales become the de facto boundary spanning players between whom the principal interaction occurs. Even those who consider dyadic models of interaction as overly simplistic (Munksgaard, et al. 2015) frequently
acknowledge the key inter-organisational interaction process as occurring between individual social actors within purchasing and sales. The importance of studying the direct point of contact between buyer and seller is therefore recognised, a view shared by Lamming, et al. (1996) and Johnston, et al. (1999).

Williamson (1991) and Hunter, et al. (2006) suggested that analysis at the level of the transaction, a micro perspective, will reveal the behavioural assumptions of the key players, the governance structure and the contracting strategy of the respective organisations. They further recognised that the transaction may well encompass aspects of past relationships, anticipate future relationships and reflect the influence of the wider supply chain. This paper follows the example of Tangpong, et al. (2010) in adopting the transaction as the appropriate unit of analysis.

Yin (2013) offered the opinion that case studies are appropriate when contextual considerations are significant, especially when the boundaries of the phenomenon and the context are not clearly evident. While Caveye (1996) and Gerring (2004) considered that a case study should examine the subject phenomenon at one site, it is clear that Yin (2013) believed such constraints to be non-critical. Variations from single site research models were demonstrated by Siggelkow (2007) whose focus was on the experiences of several individual patients with similar brain injuries and by van der Valk and Wynstra (2012) who constructed a case that examined twenty-four individual buyer-seller interactions.

The case selection for this research was informed by the work of Anderson, et al. (1987) who observed that the purchasing process is less heavily influenced by the precise nature of the goods or services being purchased, than by the perceived unfamiliarity and importance of the purchase situation. Webster and Wind (1972) also considered that the precise nature of the purchase does not directly influence the buying process, but rather that there is some significance in the organisational purpose that is to be served. Anderson, et al. (1987) observed that for new, strategically important, procurement the stakeholders are likely to be many, with a range and volume of social actors participating and a consequential difficulty in establishing social reality. While strategic procurement, by its nature, involves many players with senior managerial status, conversely where the task is seen as routine there may be little to study and observe. Anderson, et al. (1987) further suggest that if a purchase involves a modified rebuy then professional buyers are likely to be proactively engaged, performing a central role in the procurement process, thus providing an ideal focal
point. In this context modified rebuys may be defined as the purchase of goods or services, which represent an upgrade from an earlier purchase episode or involve a repeat purchase which has yet to become routine.

Whilst maintaining focus on modified rebuys, transactions were studied relating to highly complex and protracted contractual situations, such as military spend, and to the more mundane, for example commodities. Transactions linked to industries that spanned the divide from health care services to construction and from pharmaceuticals to fast moving consumer goods were linked to form the Important Rebuy Case. Transactions forming the Important Rebuy Case were, following the lead of Pazirandeh and Norrman (2014), selected to represent conditions of power symmetry across the dyad.

In summary, these transactions shared several key factors. Firstly, they were deemed significant to the buyer, secondly they occurred within conditions of power-based interdependence and thirdly the buyer regarded them as a rebuy. It is important to note that in such transactions, it is clear from the review of extant literature, that the drive to achieve competitive advantage should lead buyers to adopt a generally non-adversarial and collaborative Relationship Management Approach.

In order to inform the research design a total of sixteen exploratory interviews were conducted involving both buyers and sellers operating across various trading dyads with Important Rebuy Case potential. The advantage of using an exploratory study to develop a research design is noted by Mason (2002), however as Yin (2013) observes, exploratory studies are not intended as simple pre-tests of a subsequent investigation, but rather as a means of evolving relevant lines of questioning or providing a degree of conceptual clarification. One significant outcome of these interviews was to establish that collecting data from only one side of the dyad would substantially increase the confidence of respondents in respect of sharing potentially commercially sensitive information. Consequently recruitment into the Important Rebuy Case considered only those with purchasing rather than sales responsibility. Whilst recognising, as observed by Lacoste and Johnsen (2015), the resulting risk of an incomplete understanding of the context, it was considered that this concern is outweighed by the potential benefits accruing from the promotion of an open dialogue between researched and respondent.

Harwood (2002) observed that not only is it inherently difficult to gain access to negotiating parties, but that this difficulty is exacerbated when there are perceived commercial
sensitivities. She suggested adopting purposeful sampling through the identification of research friendly participants, while highlighting the need to reflect on such an approach when drawing conclusions. Following Harwood’s lead, recruitment was undertaken on a non-probability basis (Bryman and Bell, 2003). The researchers used personal contacts to directly approach senior members of commercial organisations employing more than 250 people. A snowball sampling approach was then adopted (Frankwick et al., 1994; Jankowicz, 1995; Bryman and Bell, 2003) to identify buyers that had decision making power in relation to a relevant transaction which was about to enter a presales phase and who were also willing to participate.

Data collection for the Important Rebuy Case employed a contemporary web-based interpretation of the ‘Diary - Diary Interview Method’ (Zimmerman and Wieder, 1977). Respondents were initially asked to complete a web-based diary at key points during a developing presale interaction. The use of the diary served not only to collect preliminary data but also to build a rapport between the researcher and the respondents. This rapport encouraged the supply of information relating to potentially sensitive issues. By adopting such an approach it was possible to both monitor and if necessary to expedite progress. The initial diary screens reminded the diarist of the research objectives, provided instruction and also collected data relevant to ensuring that the transaction fulfilled the Important Rebuy Case criteria for inclusion. Subsequent screens requested that the buyer explain their personal and organisational actions relevant to the ongoing and developing presales interaction; screen prompts were provided to encourage the buyer to provide depth in their answers. Post diary completion, the main data collection phase utilised semi-structured interviews to explore themes and issues raised by the diary entries.

A key initial objective of the interview was to establish that the buyer considered a condition of power based interdependence to exist across the dyad. The difficulty of measuring power was recognised by Finne, et al., (2015) who also relied on the subjective views of the informants interviewed. Chicksand (2015) helped mitigate this difficulty by providing empirical guidance for researchers who are intent on measuring power in buyer–supplier relationships. The nine question format proposed by Chicksand (2015:128) was adopted as a basis for probing respondents in respect of establishing power based interdependence.
The interviews also sought clarification regarding the degree and nature of supplier presales engagement including the nature of any post offer negotiation and discussions. Noting that Rubin and Rubin (2005) suggest that the interviewing process should seek out what took place and then, from the accounts, determine why; interviewees were encouraged to talk about their experiences rather than more abstract issues surrounding behaviours. Meehan and Wright (2011) identified four factors influencing the buyer seller interaction. These are summarised in Table 1 and formed the basis of the probes intended to examine key aspects of the interaction.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Influencing Dimensions</th>
</tr>
</thead>
</table>
| **Factor 1: Commercial detail** | Prices  
Terms and conditions  
Length of contract  
Choice of other suppliers/customers  
Volume of work  
Terms of payment  
Status of the relationship |
| **Factor 2: Operational issues** | Delivery times  
Processes used/ways of working  
Specifications / alternatives  
Quality  
Stock levels held/service capacity  
Method of transaction  
Returns / recycling /green issues  
Timescales for activity completion |
| **Factor 3: Strategic issues** | Supply chain issues / initiatives  
Sharing of competitive intelligence  
Investment decisions/strategic direction  
New product development  
Sharing of best practice |
| **Factor 4: Attitudes** | Attitudes towards product/service  
Attitudes towards other competitors  
Attitudes towards your organisation  
Perception of your status/responsibility |

*Table 1: Factors Influencing the Buyer Seller Interaction*  
(adapted from Meehan and Wright (2011:37))
Ultimately 21, of the 54 buyers accessed through the snowball sampling approach, progressed through the diary phase to complete the interview process relating to a specific transaction for which they had responsibility. Details of the 16 organisations represented by the 21 interviewees are summarised in Table 2. In 10 cases the reason for non-completion was the selected transaction did not satisfy the criteria of the Important Rebuy Case in respect of importance, power balance or being related to a rebuy. Respondents reneging on their initial agreement to participate accounted for a further 7, while 16 of those identified felt unable to contribute for either organisational or personal reasons. The durations of the interviews conducted ranged from approximately thirty minutes to two hours, with the average being one hour. Interviews were recorded and transcribed for subsequent coding and analysis.

<table>
<thead>
<tr>
<th>Interviewee Reference</th>
<th>Organisation Reference</th>
<th>Interviewee's Organisational Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>#3</td>
<td>Org. #01</td>
<td>28990 Manufacture of other special-purpose machinery not elsewhere classified</td>
</tr>
<tr>
<td>#4</td>
<td>Org. #02</td>
<td>21100 Manufacture of basic pharmaceutical products</td>
</tr>
<tr>
<td>#5</td>
<td>Org. #02</td>
<td>21100 Manufacture of basic pharmaceutical products</td>
</tr>
<tr>
<td>#10</td>
<td>Org. #03</td>
<td>36000 Water collection, treatment and supply</td>
</tr>
<tr>
<td>#15</td>
<td>Org. #04</td>
<td>85421/22 First-degree / post graduate level higher education</td>
</tr>
<tr>
<td>#23</td>
<td>Org. #05</td>
<td>25990 Manufacture of other fabricated metal products not elsewhere classified</td>
</tr>
<tr>
<td>#25</td>
<td>Org. #06</td>
<td>33160 Repair and maintenance of aircraft and spacecraft</td>
</tr>
<tr>
<td>#28</td>
<td>Org. #07</td>
<td>85421/22 First-degree / post graduate level higher education</td>
</tr>
<tr>
<td>#29</td>
<td>Org. #08</td>
<td>85600 Educational support services</td>
</tr>
<tr>
<td>#30</td>
<td>Org. #09</td>
<td>35100 Electric power generation, transmission and distribution</td>
</tr>
<tr>
<td>#31</td>
<td>Org. #09</td>
<td>35100 Electric power generation, transmission and distribution</td>
</tr>
<tr>
<td>#35</td>
<td>Org. #10</td>
<td>35210 Manufacture of gas</td>
</tr>
<tr>
<td>#37</td>
<td>Org. #09</td>
<td>35100 Electric power generation, transmission and distribution</td>
</tr>
<tr>
<td>#38</td>
<td>Org. #11</td>
<td>62030 Computer facilities management activities</td>
</tr>
<tr>
<td>#39</td>
<td>Org. #12</td>
<td>11070 Manufacture of soft drinks; production of mineral waters and other bottled waters</td>
</tr>
<tr>
<td>#41</td>
<td>Org. #11</td>
<td>62030 Computer facilities management activities</td>
</tr>
<tr>
<td>#42</td>
<td>Org. #11</td>
<td>62030 Computer facilities management activities</td>
</tr>
<tr>
<td>#48</td>
<td>Org. #13</td>
<td>87300 Residential care activities for the elderly and disabled</td>
</tr>
<tr>
<td>#49</td>
<td>Org. #14</td>
<td>43990 Other specialised construction activities not elsewhere classified</td>
</tr>
<tr>
<td>#55</td>
<td>Org. #15</td>
<td>33160 Repair and maintenance of aircraft and spacecraft</td>
</tr>
<tr>
<td>#57</td>
<td>Org. #16</td>
<td>36000 Water collection, treatment and supply</td>
</tr>
</tbody>
</table>
Qualitative Content Analysis (QCA) affords the opportunity to make both replicable and valid inferences from qualitative data (Downe-Wamboldt, 1992; Jankowicz, 1995 and Bryman and Bell, 2003). QCA examines textual data in an attempt to identify recurrent themes, which it then systematically groups with the intention of developing a deeper and more complete textual understanding. While QCA does not follow a specific set of predetermined rules (Downe-Wamboldt, 1992; Hsieh and Shannon, 2005; Elo and Kyngäs, 2008), several important concepts underpin the method. Firstly, while there is a general acceptance that the frequency with which an idea occurs is an indication of its relative importance, QCA requires researchers to distinguish the nature of the contribution (Bryman and Bell, 2003; Krippendorf, 2004; Rubin and Rubin, 2005). Secondly, QCA draws on established theories to link data. The initial thematic coding of the interview transcripts used contributions from Sheth (1973), Zaltman and Bonoma (1977), Rojot (1991) Gundlach and Cadotte (1994). The common aspects of these sources being their listing of empirically derived behaviours exhibited by professional buyers. Taking input from a group comprising both fellow academics and practitioners the researchers assigned a weighting (high, medium or low) to those behaviours that aligned with the collaborative, arm’s length, adversarial and non-adversarial approaches to relationship management identified by Cox, et al. (2000). Consensus across the group was achieved through a combination of group discussion and self-reflection conducted over a period of a few weeks.

Working independently, coding of the interview transcripts was then conducted by each researcher identifying, through multiple readings of the texts, instances of the behaviours derived from the literature sources. Recognising the third accepted QCA principle of QCA (Downe-Wamboldt, 1992; Hsieh and Shannon, 2005; Elo and Kyngäs, 2008) that established themes can be further refined as the analyst moves between the text and the emerging results, additional behaviours were identified by the researchers during the multiple readings of the transcripts. These behaviours were also coded using the initial literature derived coding lists for benchmarking purposes. Illustrative examples of the relationship management coding applied to elements taken from the interview transcripts are given in Table 3.
<table>
<thead>
<tr>
<th>Relationship Management Approach</th>
<th>Exemplar Interview Extract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adversarial</td>
<td>‘So we told them they would have to perform significantly better in terms of tender price’</td>
</tr>
<tr>
<td>Weighting = High</td>
<td>‘At this stage we have evaluated the bids. Our next step is to let the technically qualified suppliers know that we like what they are offering, but also that we don’t agree with their pricing.’</td>
</tr>
<tr>
<td>Weighting = Medium</td>
<td>‘[named buying organisation] couldn’t live with the turnaround times quoted .... as you can imagine we were not ‘best pleased’. We simply put it back to [named selling organisation] that it was up to them to find a rotatable replacement.’</td>
</tr>
<tr>
<td>Weighting = Low</td>
<td>‘We are not one of those companies who pull in suppliers and bang our fists on the table. That doesn’t get anyone anywhere! If mistakes happen during the process you have to deal with them and move on. You find a solution. A solution which includes dealing fairly with any resulting costs.’</td>
</tr>
<tr>
<td>Non Adversarial</td>
<td>‘They have a good reputation in [named service] that has been build up over a long time. So perhaps you should talk to another player, but how long would it take? That costs money. A big gamble! So we decided to accept [named organisation’s offer]. At least in the short term!’</td>
</tr>
<tr>
<td>Weighting = High</td>
<td>‘We are not one of those companies who pull in suppliers and bang our fists on the table. That doesn’t get anyone anywhere! If mistakes happen during the process you have to deal with them and move on. You find a solution. A solution which includes dealing fairly with any resulting costs.’</td>
</tr>
<tr>
<td>Weighting = Medium</td>
<td>‘Going through the broker has given us more information than we would have got otherwise. It has made it easier to understand that the deal on offer was OK.’</td>
</tr>
<tr>
<td>Weighting = Low</td>
<td>‘By the time you get to the point of having funding approved you have very little time to admire the view! It is more or less go! You need suppliers to respond quickly with fixed offers straight away.’</td>
</tr>
<tr>
<td>Arm’s Length</td>
<td>‘Then there are the e-mails! Sometimes you wish that you weren’t copied in. You feel like telling the supplier. Just tell me what I need to know and get on with it.’</td>
</tr>
<tr>
<td>Weighting = High</td>
<td>‘We basically sat down the people who used the service. The planners, the project engineers and people form production. We sat them down and went through it together. Within that group there was some knowledge of the contractors.’</td>
</tr>
<tr>
<td>Weighting = Medium</td>
<td>‘What we did was agree to agree. Not a strong position in law, but both sides recognised that this was what was needed ..... there was a good amount of ownership between individuals.’</td>
</tr>
<tr>
<td>Weighting = Low</td>
<td>‘At a high level we have a [named] programme that is looking to address some of the anomalies that still exist with the supply base.’</td>
</tr>
<tr>
<td>Collaborative</td>
<td></td>
</tr>
<tr>
<td>Weighting = High</td>
<td></td>
</tr>
<tr>
<td>Weighting = Medium</td>
<td></td>
</tr>
<tr>
<td>Weighting = Low</td>
<td></td>
</tr>
</tbody>
</table>
Collaborative Weighting = Low

‘There was some advantage in avoiding the set-up costs that forcing a change might have required. To be honest, from the perspective of [named organisation], we saw that as a relatively minor benefit.’

Table 3: Examples of Coded Responses

When each analyst completed the coding of a transcript they prepared an individual qualitative summary of the Relationship Management Approach adopted by the buyer. Reflection on these summary statements showed a symmetry between the findings of both analysts, and thereby provided a degree of operational reliability regarding the application of the method. The dual coding of the transcripts were then reviewed and any differences reconciled to enable a mutually agreed coding to be developed.

NVivo10 software was used to facilitate the analysis of the interview transcripts with each indented behaviour being assigned an NVivo Node. The frequency of occurrence of each node was then enumerated within NVivo. The transcript analysis also involved a process of moderation, the principal of which is well documented across a range of literature, as a means of avoiding the erroneous effects of extremes (Good, 1988 and Shaw and Radnor, 2006). The process of moderation involved reviewing the node frequencies to identify over repetition of individual event within the transcribed responses. For example, some respondents retold the same story multiple times in the course of the same interview. It is important to note that the process of moderation did not attempt to abstract away individual themes, but rather to allow the adequate consideration of deeper meaning.

Overall, the QCA process resulted in a series of table, one for each transcript showing the moderated frequency of each weighted Relationship Management Approach. Table 4 is used to illustrate the results for an exemplar transaction.

<table>
<thead>
<tr>
<th>Relationship Management Approach</th>
<th>Weighting</th>
<th>Moderated Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adversarial</td>
<td>High</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Medium</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>4</td>
</tr>
<tr>
<td>Non-Adversarial</td>
<td>High</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Medium</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>1</td>
</tr>
<tr>
<td>Arm’s Length</td>
<td>High</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Medium</td>
<td>3</td>
</tr>
</tbody>
</table>
As noted by Jankowicz (1995) and Krippendorf (2004) the researcher must find a way to present outcomes in a manner that eases understanding and enables patterns and relationships to be established. Building on the Relationship Management Approach framework (Fig. 1) the moderated frequencies pertaining to approach of commercial appropriation (adversarial and non-adversarial) were added to the rows and those relating to the manner of operationalisation (arm’s length and collaborative) added to the columns. The moderated frequencies were then summatated for each grid cell. Easterby-Smith, et al., (1991) observed that the use of a graphical form enhances understanding of numerical information. This observation led to the development of a graphical presentation format whereby moderated frequency bands were each represented by graduated shading, the density of the shading increasing with frequency. Analysis of these diagrams was conducted in a manner broadly analogous to that of a medical X-Ray; hence the use of the term ‘Transaction X-Ray’. For reasons of parsimony, each graphic uses five density bands, bandwidth being distributed across the frequency range applicable to the transaction. Figure 3 illustrates the ‘Transaction X-ray’ formed using the data presented in Table 4. The individual moderated frequencies are shown in numerical form on this example only to aid understanding of the ‘X-Ray’ development process.

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative</td>
<td>High</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Medium</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>5</td>
</tr>
</tbody>
</table>

**Table 4: Moderated Frequency Table for an Exemplar Transaction**
Figure 3: ‘Transaction X-Ray’ Development for the Exemplar Transaction

Adopting a graphical format, based on relative shading density, presents the opportunity not only to consider individual transactions, but also to aggregate data across multiple transactions, in a manner that minimises the effects of decomposition and decontextualisation. The resulting ‘Composite X-Rays’ facilitate analysis of groups of transactions that share specific common characteristics and allow the researcher to search for emergent themes within the data. ‘Composite X-Rays’ are produced by superimposing individual Transaction ‘X-Rays’. A graphical representation of this process is shown in Figure 4.
Figure 4: Graphical Representation of ‘Composite X-Ray’ Building Process

4. Findings

Reviewing the Important Rebuy Case data set gave rise to a recurrent density pattern resembling the letter ‘T’. The ‘T-Shaped’ buyer adopts a Relationship Management Approach which simultaneously combines an adversarial commercial approach while promoting limited operational collaboration. Figure 5 shows the ‘X-Ray’ of one specific transaction which displayed this typical pattern. Similar patterns were dominant in 17 of the transactions considered within the Important Rebuy Case.
Figure 5: Typical 'T' Shaped Transaction 'X-Ray'

The second most commonly occurring Relationship Management Approach gave rise to an 'X-Ray' pattern that is represented by an inverted ‘L’ shape. The ‘Γ Shaped’ buyer is characterised as commercially adversarial and operationally arm’s length. Similar behaviour patterns were dominant in three of the 21 transactions including that shown in Figure 6.

Figure 6: Typical ‘Γ’ Shaped Transaction 'X-Ray'
The building of a ‘Composite X-Ray’ from all 21 of the transactions within the Important Rebuy Case, as represented by Figure 7, shows the dominance of the ‘T Shape’ and the presence of the ‘Γ Shape’ reflected in the density pattern displayed.

![Figure 7:‘Composite X-Ray’ Built form all 21 Transactions within the Important Rebuy Case](image)

Recognising that the research design favours the adoption of a relatively small sample size, and therefore no claim is made at this stage as to the generalizability of the findings, there are nevertheless several potentially interesting comparisons that can be made of ‘sub-groups’ within the Important Rebuy Case, two of which are discussed here. The first comparison is of the ‘Composite X-Rays’ relating to transactions involving goods (N=9) and those involving services (N=12), as shown in Figure 8. Firstly, the recurrence of the ‘T Shape’ should be noted in both sub-groups. Secondly, the resulting density patterns suggest that the buyers whose focus were on goods were more adversarial and content to operate at arm’s length than those involved in the purchase of services.
The second ‘Composite X-Ray’ comparison relates to transactions undertaken in the private sector goods (N=13) and those involving public sector frameworks (N=8), as shown in Figure 9. Again the recurrence of the ‘T Shape’ should be noted. A further observation is that private sector buyers appear more content to operate in a collaborative manner than do their public sector counterparts.

**Figure 9: ‘Composite X-Rays’ Comparing Private Sector vs Public Sector Transactions**

Finally, returning to the research question, the empirical evidence gathered in the Important Rebuy Case suggested that the Relationship Management Approach most commonly...
adopted by buyers operating under conditions of power based interdependence is most appropriately defined by the ‘T-Shape’ metaphor as described above.

5. Discussion
The ‘T-Shape’ is not an uncommon metaphor. For example, Hansen and von Oetinger (2001) developed the concept of the ‘T-Shaped’ Manager whom, they argue, must simultaneously focus on and reconcile both value capture and creation; and Bitner and Brown (2008) use the shape to describe successful graduates (the vertical upright representing the within discipline expertise and the bar transferable skills); similarly Uhlenbrook and de Jong (2012) consider that ‘T-Shaped’ professionals require not only specific discipline skills and experience, but also interpersonal skills. Commenting on the ‘T-Shaped’ manager, Hansen and Nohria (2004) consider the bar to represent a manager’s primary role, and the upright the secondary functions. Such an analogy raises the possibility that the primary function of the ‘T-Shaped’ buyer is the adversarial capture of commercial value; and that the pursuit of collaborative value is somewhat secondary. The behaviour of the ‘T-Shaped’ buyer would, therefore, appear to contradict much of the normative thinking related to the management of supplier relationships.
Carlisle and Parker (1989), Sako (1992), and Porter and Kramer (2011) generally promote adopting non-adversarial and collaborative perspectives, while Kähkönen and Virolainen (2011) recognise that power balance plays a key influencing role in the formation, development and maintenance of collaborative relationships between buyers and suppliers. Cox et al. (2004) emphasise the importance of recognising the relative power position of the buyer and seller in the choice of Relationship Management Approach. In situations of power based interdependence they argue that the appropriate relationship style is non-adversarial and collaborative. It is clear, however, that neither in the profile of the ‘T-Shaped’ buyer, nor indeed of the ‘T-Shaped’ buyer, is a non-adversarial or fully collaborative approach being followed. Recent studies, across a range of contexts, undertaken primarily from a positive perspective of non-adversarial collaboration, have identified misalignment in the relationships that have developed. Cox et al. (2004) recognised that for a variety of reasons, including lack of supply chain knowledge and lack of training, many of the Relationship Management Approaches adopted by buyers are fundamentally misaligned.
Cuevas et al. (2015) also identified that an expectation that power symmetry would foster the development of ‘well trusted’ relationships frequently proved unfounded. It also is interesting to note the findings of Venselaar et al. (2015) who determined that effective collaborative supply chain behaviours frequently occur as a result of work floor level interactions rather than as a recognition of need at a strategic level. It is clear in the case of the Important Rebuy Case that the state of non-adversarial collaboration, as predicted by much of the extant literature was not supported by the findings.

Consideration of the two composite comparisons presented also give rise to points of potential interest. Firstly, as demonstrated in figure 8, both the ‘X-Rays’ describing transactions involving goods and those involving services exhibit the ‘T-Shape’. It can be seen however, that those buyers whose focus were on goods were more adversarial and apparently more content to operate at arm’s length than those involved in the purchase of services. It is suggested that the ability to define and specify goods to a greater extent than is possible with services (Parasuraman, et al., 1988) may have resulted in a relative decline in the pursuit of collaborative solutions between those buyers and sellers trading goods.

Figure 9 compares transactions undertaken utilising the procurement frameworks applicable in the relevant area of the public sector with those taking place in private sector. Again although the dominance of the ‘T-shape’ can be seen, it is also clear that private sector buyers appear more content to operate in a collaborative manner than do their public sector counterparts. While the data available within the Important Rebuy Case is insufficiently detailed in this respect to attribute the reason for this difference, it is recognised by Lian and Laing (2004) that the procedures designed to ensure correct use of public funds may simultaneously prevent buyers from the collaborative endeavour practiced in the private sector.

6. Conclusion

The Important Rebuy Case in developing the metaphor of the ‘T-Shaped’ buyer, who adopts an adversarial commercial approach while concurrently promoting limited operational collaboration, provides an alternative to the externalised perspective adopted within much of the extant literature. Perhaps as Ordanini and Pasini (2008) have frequently observed, it should be concluded that the Important Rebuy Case highlights a divergence between the
academics need to abstract an emergent theory, and the practitioner’s desire to drive forward a potentially rewarding business model. It is, however, clear that the concept of ‘T-Shaped’ buyer provokes the need for both further academic debate and consideration of managerial practice. It is observed by Kowalkowski (2011) that professional buyers operate in a business environment which, under the effect of strong budgetary constraints, the achievement of short-term price reductions are rewarded without adequately considering the long-term consequences. In this case the Important Rebuy Case highlights misalignment between buyer behaviour and strategically aligned Relationship Management Approaches, driven by inappropriate recognition and reward arrangements. Of course, it is also possible that the ‘T-Shaped’ buyer may simply have insufficient time to invest in collaborative endeavour, as suggested by Hansen (2009). In this case the Important Rebuy Case findings suggest the need for managerial review of the time allocated to the building of collaborative relationships. Alternatively, it is the lack of strategic positioning of the procurement function, as suggested by Svahn and Westerlund (2009) that is being observed. In which case, organisations who perceive their competitive advantage driven by market pricing are seeing procurement as a tactical weapon to be used simply for purchase price reduction. Such considerations clearly inform a wider debate regarding the contribution of the purchasing function to the competitive position of the firm, a debate whose essence goes beyond the scope of this research.

The investigation of the Important Rebuy Case also contains operational implications for managers. Application of the method gives managers the ability to map, and subsequently to optimise Relationship Management Approaches based on empirical evidence. If required, this may involve targeted coaching of buyers to ensure behavioural ‘appropriateness’ (Cox et al., 2004), based on the relative power balance across the trading dyad.

Importantly the paper makes three key contributions. Firstly, in answer to calls for better measures of cooperation (Tangpong, et al., 2010; Huang, et al., 2014) it outlines a method whereby researchers are able to analyse buyer-seller presales interaction and present their aggregated findings in a manner that minimises the effects of decomposition and decontextualisation. Secondly, the paper offers the possibility to describe the Relationship Management Approaches encountered in a manner that is more nuanced than those
offered by Cox et al. (2004). Finally, the paper introduces the conceptual framework of the ‘T-Shaped Buyer’ which provides an explanation for behaviours encountered.

Whilst it is recognised that the research design favours the drawing of empirical evidence from a relatively small sample and therefore no attempt is made to claim generalisability beyond the boundaries of the case, the Important Rebuy Case shapes new lines of enquiry. A clear potential direction for future research would be the establishment of causal effects. While, Yin (2013) cautions against failing to recognise that the objective of subsequent cases should focus on ‘replication’ and not a misplaced application of a ‘sampling logic’, it would nevertheless be appropriate to generate data across a wider population, potentially exploring different contexts and power structures. Critically, if normative theories regarding Relationship Management Approaches are to become more robust, maintaining a qualitative focus should remain a key aspect of any further research.

References


Factors Determining Long New versus Ongoing Buyer as Muddling Through: A Practice
From Theory to Practice


